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MASTER DECLARATION OF COVENANTS, CONDITIONS, AND

RESTRICTIONS OF

THE LEDGES OF ST. GEORGE

a master planned community



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**Master Declaration of Covenants, Conditions, and Restrictions of
The Ledges of St. George**

THIS IS A DECLARATION of covenants, conditions, and restrictions that establishes a master planned community known as *The Ledges of St. George*.

PURPOSE AND INTENT

Declarant owns certain real property in Washington County, Utah, which is more particularly described on Exhibit "A," herein referred to as the Property. Declarant desires and intends to protect the value and desirability of the Property as a harmonious and attractive residential community. Therefore, Declarant will convey the Property subject to the following covenants, conditions, restrictions, and easements, which, along with the Governing Documents, provides for a governance structure and a system of standards and procedures for the development, expansion, maintenance, and preservation of the Property as a master planned community.

The Property will encompass different neighborhoods which may, in addition to the covenants, conditions, and restrictions set forth herein, have specific covenants, conditions, restrictions, or assessments specific to that neighborhood only. The neighborhoods may include planned unit development, condominium, or other regimes compatible with residential use as Declarant may desire and as allowed by applicable federal, state, and local law. The Property may also encompass recreational areas, open space, and one or more golf courses.

DECLARATION

Declarant hereby declares that all of the Property described below, and such other property that may hereafter be subjected to this Declaration, shall be held, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, assessments, charges and liens, and to the Plat recorded concurrently. This Declaration and the Plat shall be construed as covenants of equitable servitude; shall run with the Property 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.

The Property is located in Washington County, Utah, and is described as:

See Exhibit "A" attached hereto and incorporated herein by this reference

ARTICLE 1
DEFINITIONS AND CONCEPTS

The following definitions and concepts shall control in this Declaration:

1.1. **"Articles"** means and refers to the Articles of Incorporation of The Ledges of St. George Master Owners Association. The purpose of the Articles is to establish the Association as a non-profit corporation under Utah law.

1.2. **"Association"** or **"Master Association"** means The Ledges of St. George Master Owners Association, a Utah non-profit corporation, its successors and assigns. During any period in which the Association is not incorporated or otherwise has a change of corporate status, the Governing Documents shall nevertheless continue to be effective as the Governing Documents of the Association, and the Association and Board shall have all rights, power, and authority granted therein, including all rights as an unincorporated association under the applicable rules of civil procedure. In the case of non-incorporation, the Board is authorized, to the extent it deems necessary, to re-incorporate under the same or similar name and such corporation shall be deemed the successor to the Association.

1.3. **"Bylaws"** means and refers to the Bylaws of The Ledges of St. George Master Owners Association. 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.

1.4. **"Common Area"** means and refers to all real property, including the improvements thereto and facilities thereon, which the Association owns, leases, or otherwise holds possessory or use rights in, at any given time, for the common use and enjoyment of the Owners.

1.5. **"Common Expenses"** means the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred by the Declarant during the Declarant Control Period for initial development or other original construction costs unless a majority of the Class A Members approve.

1.6. **"Community-Wide Standard"** shall mean the standard of conduct, maintenance, architectural style, or other activity generally prevailing throughout the Property, or minimum standards established pursuant to the Governing Documents. Declarant shall initially establish such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses or as the needs of the Property may change.

1.7. **"Declarant"** means Ledges Development, LLC a Utah limited liability company, and its successors and assigns.

1.8. **"Declarant Control Period"** means the period of time during which the Declarant has "Class B" membership status as provided for herein.

1.9. **"Declaration"** means this instrument and any amendments, restatements, supplements, or annexations thereto, which are recorded in the office of the Washington County Recorder.

1.10. **"Directors", "Board of Directors", or "Board"** means the governing body of the Association.

1.11. **"Entire Membership"** means all Members, regardless of class of membership. When a vote of the Entire Membership is referenced it means all potential votes for both Class A and Class B Members; *provided however*, that the term Entire Membership shall exclude the Class B member when it relates to or calls for an assessment or charge to the Entire Membership.

1.12. **"Golf Club"** means and refers to the Ledges Golf Club, LLC, a Utah limited liability company, and its successors and assigns. The Golf Club operates the Golf Course and facilities related thereto.

1.13. **"Golf Club Facilities"** means and refers to any facilities or land within the Property that is operated by the Golf Club. Golf Club Facilities are not Common Area as defined herein.

1.14. **"Golf Course" or "Golf Course Land"** means and refers to any golf course adjacent to or within the Property, as designated on the Plat.

1.15. **"Governing Documents"** means, collectively, this Declaration, the Articles, the Bylaws, and any amendments or supplements thereto, and includes any rules and regulations established pursuant to the Declaration, Articles, or Bylaws.

1.16. **"Limited Common Area"** means and refers to a portion of the Common Area which has been designated for the primary or exclusive use of a particular Owner or Owners, or for Owners and occupants within a particular Neighborhood or Neighborhoods.

1.17. **"Lot"** means a separately numbered and individually described plot of land shown on the Plat designated as a Lot for private ownership, but specifically excludes the Common Area and Limited Common Area, if any. Where the context requires herein, the term "Lot" is synonymous with the term "Unit" and the term "Unit" synonymous with the term "Lot."

1.18. **"Member"** means every person or entity with membership in the Association. Membership in the Association is appurtenant to and may not be separated from Unit ownership. The term "Member" is synonymous with the term "Owner."

1.19. **"Mortgage"** means a mortgage, a deed of trust, a deed to secure a debt, or any other form of security instrument affecting title to any Unit.

1.20. **"Mortgagee"** shall mean and refer to a lender holding a first Mortgage or deed of trust.

1.21. **"Neighborhood"** means and refers to each separately developed and denominated residential area as more specifically defined by the Declarant. A Neighborhood may be comprised of one or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, architectural design, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee

(established in accordance with the Bylaws) or Neighborhood Association (as defined below) having jurisdiction over the property within the Neighborhood.

1.22. **"Neighborhood Assessment"** shall mean assessments levied against Units in a particular Neighborhood(s) to fund Neighborhood Expenses.

1.23. **"Neighborhood Expense"** means any expenses, whether actual or estimated, which the Association incurs or expects to incur for the benefit of owners within a particular Neighborhood, which expenses are common to and benefit the Owners in the Neighborhood, but not all Owners within the Property.

1.24. **"Neighborhood Association"** or **"Sub-Association"** means and refers to any association or other owners association, if any, having jurisdiction over any Neighborhood concurrent with, but subject and subservient to the jurisdiction of the Association. Nothing in this Declaration shall require the creation of any Neighborhood Association.

1.25. **"Owner"** means the entity, person, or group of persons owning fee simple title to any Unit that is within the Property. Regardless of the number of parties participating in ownership of each Unit, the group of those parties shall be treated as one "Owner." The term "Owner" includes contract purchasers but does not include persons who hold an interest merely as security for the performance of an obligation unless and until title is acquired by foreclosure or similar proceedings.

1.26. **"Plat"** or **"Map"** means the subdivision plat, survey, or plan that describes the Property and has been recorded herewith or any replacements thereof, or supplements, alterations, amendments, or additions thereto.

1.27. **"Property"** means that certain real property hereinbefore described, and such annexations and additions thereto as may hereafter be subjected to this Declaration.

1.28. **"Single Family"** means an individual living alone, a group of two or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three persons not all so related, who maintain a common household within a Unit.

1.29. **"Unit"** means a portion of the Property, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as a residential dwelling. In the case of a structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to be a single Unit until such time as a recorded plat subdivides all or a portion of the parcel. Thereafter, the portion encompassed on such plat shall contain the number of Units set forth on such plat. Any portion not encompassed on such plat shall continue to be treated in accordance with this section. Where the context requires, the term "Unit" may include only the portions of the Unit which are inside the walls of the dwelling structure or may include only the portions of land outside the exterior walls of the dwelling structure and within the Lot as described on the Plat.

1.30. **"Voting Member"** means the representative selected by the Class A Members within each Neighborhood pursuant to Section 3.4.

ARTICLE 2
PROPERTY RIGHTS

2.1. Owner's Acknowledgment; Notice to Purchasers. All Owners are given notice that the use of their Units and Common Area is limited by the covenants, conditions, restrictions, easements, and other provisions in the Governing Documents, as they may be amended, expanded, or modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by said covenants, conditions, restrictions, easements, and other provisions in the Governing Documents. All purchasers of Units are on notice that the Association may have adopted changes to the Governing Documents which might differ from those any purchaser might receive from or have disclosed by the Owner from whom the purchaser is purchasing his or her Unit. Copies of current Governing Documents may be obtained from the Association.

2.2. Units; Activities within Units. Each Unit is owned in fee simple by the Owner, subject to the covenants, conditions, restrictions, and easements in this Declaration and other provisions of the Governing Documents. No rule shall interfere with the activities carried on within the confines of Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance, all as may be determined by the Board or any committee designated by the Board or this Declaration to make such determinations, in their sole discretion.

2.3. Common Area.

(a) *Ownership; Conveyance.* Prior to the expiration of the Declarant Control Period, the Declarant will convey fee simple title to the Common Area and Limited Common Area, if any, to the Association, free and clear of all encumbrances and liens, but subject to this Declaration, and easements and rights-of-way of record; *provided, however,* that, during the Declarant Control Period, Declarant may, in its discretion, convey, transfer, sell, assign, or otherwise dedicate all or part of any Common Area to the City of St. George or such other governmental entity or any third party as it deems necessary and appropriate. The Association shall accept the deed of conveyance of the Common Area upon Declarant's presentment of the same.

(b) *Board Authority.* The Board shall have the authority to maintain and insure the Common Area as set forth herein. The Board shall have the right to establish rules and regulations to govern use of the Common Area, including, by way of example but not limitation, hours of use and standards of conduct. The Board shall have the power in its discretion from time to time to grant revocable licenses in the Common Area owned in fee simple by the Association to Owners or individuals or entities or are not Owners and to charge a fee for such license.

(c) *Declarant's Right of Use.* As part of the overall program of development of the Property into a residential community and to encourage the marketing thereof, the Declarant shall have the right of use of the Common Area and facilities thereon, including any community buildings, without charge during the sales and construction period to aid in its marketing activities

2.4. Limited Common Area.

(a) *Designation.* The Declarant, during the Declarant Control Period, shall have the right to restrict portions of the Common Area, whether owned by Declarant or by the Association, in the nature of an easement for the primary or exclusive use of one or more particular Owner or Owners, or for Owners and occupants within a particular Neighborhood or Neighborhoods by designating such portions of the Common Area as Limited Common Area by (i) indicating or designating on the Plat the Limited Common Area appertaining to one or more Units or Neighborhood(s) or (ii) designating, depicting, and/or describing such Limited Common Area in any supplemental declaration or any exhibit thereto. The Declarant reserves the right to re-designate Limited Common Area as it deems necessary.

(b) *Costs for Maintenance.* All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be, where the Limited Common Area benefits a or is reserved for the exclusive use of a particular Owner or Owners, a Specific Assessment to such Owner(s), or where the Limited Common Area benefits or is reserved for the exclusive use of a particular Neighborhood or Neighborhood(s), a Neighborhood Expense allocated among the Owners in such Neighborhood(s) to which the Limited Common Area is designated.

(c) *Board Authority.* The Board may adopt rules and regulations concerning use of the Limited Common Area. Limited Common Area is subject to the rights of the Association as set forth in this Declaration, including the right of maintenance and repair.

2.5. Delegation of Use. An Owner or one having a right of use of facilities may delegate any right of enjoyment to the Common Area and facilities to family members or tenants who reside in that Owner's Unit, subject to any rules and regulations established by the Board, including but not limited to the Board's right to require, as it determines necessary, an Owner to forfeit his or her right of use for so long as the Owner has delegated such right to his or her tenant. Notwithstanding the foregoing, no Owner shall have the right to delegate use of any Golf Club Facilities or any privileges related thereto that such Owner may have as it relates to any category of membership in the Golf Club and any such delegation, whether expressed orally or in any lease or rental agreement shall be and hereby is declared null and void.

2.6. Declarant's Reasonable Rights to Develop. No rule or action by the Association shall unreasonably impede Declarant's right to develop the Property. This Declaration shall be liberally construed to advance Declarant's rights and interest in developing the Property.

2.7. Construction, Business, Marketing, and Sales. Notwithstanding any provisions to the contrary in this Declaration, 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 and sale of Units during the period of construction and sale of said Units and upon such portion of the premises as Declarant deems necessary including but not limited to a business office, storage areas, construction yard, signs, model units and sales offices. As part of the overall program of development of the Property into a residential community and to encourage the marketing thereof, the Declarant shall have the right of use of the Common Area and facilities thereon, including any community buildings, without charge during the sales and construction period to aid in its marketing activities.

2.8. Exclusive Rights to Use Name of Development. No person shall use the name "The Ledges of St. George" or any derivative of such name or the corresponding logo in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "The Ledges of St. George" or "The Ledges" in printed or promotional material where such term is used solely to specify that particular property is located within the Property. The Association shall be entitled to use the words "The Ledges of St. George" in its name.

ARTICLE 3
MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every Owner is a Member of the Association. Membership in the Association automatically transfers upon transfer of title by the record Owner to another person or entity.

3.2. Voting Rights; Classes. The Association has two classes of voting membership, Class "A" and Class "B".

(a) *Class "A."* Class A Members are all Members with the exception of the Declarant, until Declarant's membership converts to Class A membership as provided for herein. Class A Members are entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, the group of such persons shall be a Member. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. A vote cast at any Association meeting by any of such co-Owners, whether in person or by proxy, is conclusively presumed to be the vote attributable to the Unit concerned unless written objection is made prior to that meeting, or verbal objection is made at that meeting, by another co-Owner of the same Unit. In the event an objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

(b) *Class "B."* The Class B Member is the Declarant. The Class B member is entitled to five (5) votes for each Unit owned; *provided however*, that Declarant's Class B membership status is not dependent or contingent upon Declarant's ownership of any Unit within the Property. Rather, Declarant's Class B membership will cease only upon Declarant's express surrender of Class B membership status, which surrender must be in a written instrument signed by Declarant and recorded in the office of the Washington County Recorder, which instrument shall specify the date of surrender of Class B membership. If the instrument specifies no date, the surrender date shall be the date of recording of the instrument. Declarant has the sole and absolute discretion to determine the date of its surrender. If the Declarant surrenders its Class B membership status while owning Units within the Property, Declarant's membership status in such Units shall be converted to Class A.

3.3. Declarant's Voting Rights in Expansion Area. In the case of expansion (as provided under this Declaration), the class of voting membership appurtenant to Units owned by Declarant in the expansion area shall be Class B.

3.4. Neighborhoods; Voting Members.

(a) Each Neighborhood shall elect a Voting Member who shall be responsible for casting all votes attributable to Units owned by Class A Members in the Neighborhood on all Association matters that the Board, by resolution, determines should be voted on by such Voting Members in lieu of Class A Members. In addition, each Neighborhood shall elect an alternate Voting Member who shall be responsible for casting such votes in the absence of the Voting Member.

(b) The first election of a Voting Member and alternate Voting Member from each Neighborhood shall occur within one year after the sale of the first Unit in the Neighborhood to a bona fide purchaser. Thereafter, the Board shall call for an election of Voting Members and alternates on an annual basis. The procedure for electing Voting Members shall follow the procedure for election of Directors as set forth in the Bylaws, or as the Board otherwise determines by resolution.

(c) For any Neighborhood election, each Class A Member shall be entitled to one equal vote for each Unit which such Owner owns in the Neighborhood. The candidate who receives the greatest number of votes shall be elected as the Voting Member and the candidate receiving the next greatest number of votes shall be elected as the alternate Voting Member. The Voting Member and the alternate Voting Member shall serve a term of one year and until their successors are elected.

(d) Any Voting Member may be removed, with or without cause, upon the vote or written petition of Owners of a majority of the total number of Units owned by Class A Members in the Neighborhood which the Voting Member represents.

(e) Until such time as the Board first calls for election of a Voting Member for any Neighborhood and otherwise designates the matters for which the Voting Members will vote, the Owners within such Neighborhood shall be entitled personally to cast the votes attributable to their respective Units on any issue requiring a membership vote under the Governing Documents.

ARTICLE 4
ASSOCIATION FINANCES

4.1. Assessments; Authority. The Association is hereby authorized to levy assessments against the Owners as provided for herein. The following are the types of assessments that may be levied by the Association, which are more particularly described below: (1) annual assessments or charges; (2) special assessments; (3) specific assessments; (4) emergency assessments; (5) Neighborhood Assessments; (6) any other amount or assessment levied or charged by the Board pursuant to this Declaration; and (7) interest, costs of collection and reasonable attorney fees, as hereinafter provided.

4.2. Creation of Lien and Personal Obligation of Assessments. Excepting Declarant, each Owner of any Unit by acceptance of a deed therefor, 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 and charges authorized in the Governing Documents. All such amounts shall be a charge on the Unit and shall be a

continuing lien upon the Unit against which each such assessment or amount is charged. Such assessments and other amounts shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment became due. No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association, the Board, or Declarant to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making or repairs or improvements, or from any other action it takes.

4.3. Purpose of Assessments. The assessments levied by the Association shall be used to advance the purposes for which the Association was formed, as set forth and articulated in the Governing Documents. The assessments may provide for, but are not limited to, the payment of taxes on Association property and insurance maintained by the Association; the payment of the cost of repairing, replacing, maintaining and constructing or acquiring additions to the Common Area and/or Limited Common Area; the payment of the cost of repairing, replacing, and maintaining any roadways; the payment of administrative expenses of the Association; the payment of insurance deductible amounts; the establishment of capital and operational reserve accounts; the payment of any professional services deemed necessary and desirable by the Board; and other amounts required by this Declaration or that the Directors shall determine to be necessary to meet the primary purposes of the Association. The assessments may provide, at the discretion of the Directors, for the payment of other charges including (without limitation) maintenance, management, and utility charges.

4.4. Annual Assessments; Budgeting.

(a) At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for that year, 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 routine maintenance and operation of the Common Area; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, and common lighting within the Common Area; routine renovations within the Common Area; wages; common water and utility charges for the Common Area; legal and accounting fees; management fees; expenses and liabilities from a previous assessment period; the supplementing of the reserve fund for general, routine maintenance, repairs, and replacement of the Common Area on a periodic basis; and Telecommunications Services.

(b) The Board shall send a copy of the final budget, together with notice of the amount of the annual assessment to be levied pursuant to such budget, to each Owner at least thirty (30) days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by Members representing at least seventy-five percent (75%) of the Entire Membership. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings pursuant to the Bylaws. Any such petition must be presented to the Board within ten days after delivery of the budget and notice of any assessment.

(c) This notice shall not be a pre-requisite to validity of the assessment. Failure of the Board to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay

assessments. In such event, each Owner shall continue to pay assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

(d) If any proposed budget is disapproved or the Board fails, for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(e) The Board may revise the budget and adjust the annual assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth in this Section 4.4(b).

4.5. Special Assessments. In addition to the annual assessments, the Board may levy in any assessment year a special assessment, applicable to that year only to cover unbudgeted expenses or expenses in excess of those budgeted, including but not limited to defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of Common Area or Limited Common Area and any structures, fixtures and personal property related thereto. Any such special assessment may be levied against the Entire Membership (excluding Declarant) if such special assessment is for Common Expenses or against Units within any Neighborhood if such special assessment is for Neighborhood Expenses. Except as otherwise provided in this Declaration, any special assessment shall require the affirmative vote or written consent of a majority of the Entire Membership, if a Common Expense, or, if it is a Neighborhood Expense, Owners representing a majority of the Units which will be subject to the special assessment. Special assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal years in which the special assessment is approved.

4.6. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association. Specific assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing any Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any specific assessment under this subsection.

(c) The Association may also levy a specific assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners of Units in, or the Voting Member representing, the Neighborhood and an opportunity for such Owners or Voting Member to be heard before levying any such assessment.

4.7. Emergency Assessments. Notwithstanding anything contained in this Declaration, the Board, without Member 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 Board 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 Members 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 Board 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 Board finds:

(a) An expenditure, in its discretion, required by an order of a court, to defend the Association in litigation, or to settle litigation;

(b) An expenditure necessary to repair or maintain the Property or any part of it for which the Association is responsible where a threat to personal safety on the Property is discovered;

(c) An expenditure necessary to repair, maintain, or cover actual Association expenses for the Property or any part of it that could not have been reasonably foreseen by the Board 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 Board finds that immediate action is necessary and in the best interests of the Association.

4.8. Neighborhood Assessments; Budgeting.

(a) The Board shall be responsible for preparing a budget of the estimated Neighborhood Expenses for each Neighborhood in the same manner and on the same schedule as provided for in establishing the budget for annual assessments as set forth in Section 4.4(a).

(b) The Board shall send a copy of the final Neighborhood budget, together with notice of the amount of the Neighborhood Assessment to be levied pursuant to such budget, to each Owner affected by the Neighborhood Assessment at the same time that it sends out a copy of the final budget to the Entire Membership as provided in Section 4.4(b). The Neighborhood budget shall automatically become effective unless disapproved at a meeting by Members representing at least seventy-five percent (75%) of the Owners within the Neighborhood affected by the Neighborhood Assessment. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings pursuant to the Bylaws. Any such petition must be presented to the Board within ten days after delivery of the budget and notice of any assessment.

(c) This notice shall not be a pre-requisite to validity of the Neighborhood Assessment. Failure of the Board to fix Neighborhood Assessment amounts or rates or to deliver or mail to each Owner affected by the Neighborhood Assessment an assessment notice shall not

be deemed a waiver, modification, or a release of any Owner from the obligation to pay Neighborhood Assessments. In such event, each Owner shall continue to pay Neighborhood Assessments on the same basis as during the last year for which a Neighborhood Assessment was made, if any, until a new Neighborhood Assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

(d) If any proposed Neighborhood budget is disapproved or the Board fails, for any reason to determine the budget for any year, then the Neighborhood budget most recently in effect shall continue in effect until a new Neighborhood budget is determined.

(e) The Board may delegate its responsibility of establishing a Neighborhood budget and the amount of any Neighborhood Assessment to any Neighborhood Association or Neighborhood Committee established pursuant to the Bylaws.

(f) In addition, any Neighborhood, acting either through a Neighborhood Committee elected as provided in the Bylaws or through a Neighborhood Association, if any, may request that the Association provide a higher level of service than which the Association generally provides to all Neighborhoods or may request that the Association provide special services for the benefit of Units in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Units within the Neighborhood, the Association shall provide the requested services and the cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment.

4.9. Uniform Rate of Assessment; Periodic Assessment. Unless otherwise specifically provided for herein or elsewhere in the Governing Documents, assessments must be fixed at a uniform rate for all Units; *provided, however,* that no assessments shall accrue against the Declarant for Units owned by Declarant so long as the Declarant has Class B membership.

4.10. Declarant's Option to Fund Budget Deficits. During the Declarant Control Period, Declarant may but is not obligated to fund any budget deficit of the Association, including, without limitation, funding any initial capital or operational reserve fund. In the event Declarant funds any budget deficit, it shall not establish any obligation by Declarant to continue to fund any future deficits.

4.11. Payment; Due Dates.

(a) The assessments provided for herein shall commence to accrue against a Unit upon conveyance of a Unit to a bona fide purchaser, adjusting the amount of such assessment according to the number of months remaining in the fiscal year.

(b) Assessment due dates shall be established by the Board. The Board may provide for the payment of assessments in equal installments throughout the assessment year on a monthly or quarterly basis.

(c) The Board may require advance payment of assessments at closing of the transfer of title to a Unit.

4.12. Effect of Non-Payment of Assessment; Remedies of the Association. Any assessment or installment thereof not paid within thirty (30) days after the due date therefor shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or such lesser rate as the Directors shall determine appropriate) until paid. In addition, the Directors may assess a late fee for each delinquent installment that shall not exceed ten percent (10%) of the installment.

(a) *Remedies.* To enforce this Article, the Board may, in the name of the Association:

(i) bring an action at law against the Owner personally obligated to pay any such delinquent assessment without waiving Association's lien for the assessment;

(ii) foreclose the lien against the Unit in accordance with the laws of the State of Utah applicable to the exercise of powers of sale in deeds of trust or to the foreclosure of mortgages, or in any other manner permitted by law;

(iii) restrict, limit, or totally terminate any or all services performed by the Association on behalf of the delinquent Owner;

(iv) terminate, in accordance with section 57-8a-204 of the Utah Community Association Act, Utah Code Ann. § 57-8a-204, the Owner's right to receive utility services paid as a Common Expense or Neighborhood Expense and/or terminate the Owner's right of access and use of any recreational facilities;

(v) if the Owner is leasing or renting his Unit, the Board may, in accordance with section 57-8a-205 of the Utah Community Association Act, Utah Code Ann. § 57-8a-205, demand that the Owner's tenant pay to the Association all future lease payments due from the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid;

(vi) suspend the voting rights of the Owner for any period during which any assessment or portion thereof against the Owner's Unit remains unpaid; and/or

(vii) 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. This acceleration provision may only be invoked against an Owner who has been delinquent in paying any assessment or installment two (2) or more times within a twelve (12) month period.

(b) *Attorney Fees and Costs.* There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and reasonable attorney fees incurred by the Association, together with, where applicable, an account for the reasonable rental for the Unit from time to time of 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.

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

4.13. Exempt Property. The following property subject to this Declaration is exempt from the assessments created herein: (a) all property dedicated to and accepted by any local public authority; (b) all Common Area and Limited Common Area; (c) all Units or other real property owned by Declarant; and (d) any other property declared exempt as set forth in this Declaration or within any Plat.

4.14. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage held by an institutional lender if the mortgage was recorded prior to the date the assessment became due. 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 or Owner from personal liability for assessments coming due after he takes title or from the lien of such later assessments.

4.15. Books, Records, and Audit.

(a) The Association shall maintain current copies of the Declaration, Articles, Bylaws, Rules and other similar documents, as well as its own books, records and financial statements which shall all be available for inspection by Owners and insurers as well as by holders, insurers and guarantors of first mortgages during normal business hours upon reasonable notice. Charges shall be made for copying, researching or extracting from such documents. An Owner or holder, insurer or guarantor of a first Mortgage may obtain an audit of Association records at its own expense so long as the results of the audit are provided to the Association.

(b) The Association shall prepare a roster of Owners in the Property and the assessments applicable thereto at the same time that it shall fix the amount of the annual assessment, which roster shall be kept by the Treasurer of the Association, who shall record payments of assessments and shall allow inspection of the roster by any Member at reasonable times.

(c) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Unit has been paid. Such certificates, when properly issued, shall be conclusive evidence of the payment of any assessment or fractional part thereof which is therein shown to have been paid.

ARTICLE 5
INSURANCE

5.1. Casualty Insurance on Insurable Common Area.

(a) The Directors shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses which shall be included in the regular annual assessments made by the Association.

(b) In addition to casualty insurance on the Common Area, the Board may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the Units including the structural portions and fixtures thereof. The insurance coverage with respect to the Units shall be written in the name of, and the proceeds thereof shall be payable to the Association as trustee for the Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be a Common Expense of the Association to be included in the regular annual assessments as levied by the Association. Insurance premiums may be different depending on the Neighborhood for which the coverage is obtained and therefore assessments for premiums paid by the Association may be assessed non-uniformly among different Neighborhoods as Neighborhood Assessments.

(c) The Association policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements herein. In the event of an insured loss, the deductible shall be treated as a common expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and opportunity to be heard, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner and the Owner's Unit.

(d) All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Utah which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its

Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

(e) In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss

5.2. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Owner.

In the event that the Association is maintaining blanket casualty and fire insurance on the Units, the Association shall repair or replace the same to the extent of the insurance proceeds available.

In the event of damage or destruction by fire or other casualty to any portion of the Property covered by insurance written in the name of the Association, the Directors are empowered to and shall represent the Members in any proceedings, negotiations, settlements or agreements. The Association is appointed attorney-in-fact of each Owner for this purpose; provided however that no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

5.3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

5.4. Liability Insurance. The Board shall obtain a comprehensive policy of public liability insurance covering all of the Common and Limited Common property for at least \$1,000,000.00 per occurrence for personal or bodily injury and property damage that results from the operation, maintenance or use of the Common Areas. Liability insurance policies obtained by the Association shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

5.5. Fidelity Insurance. The Board may elect to obtain fidelity coverage against dishonest acts on the part of managers, Directors, officers, employees, volunteers, management agents or others responsible for handling funds held and collected for the benefit of the Owners or Members. In procuring fidelity insurance the Directors shall seek a policy which shall (1) name the Association as obligee or beneficiary, (2) be written in an amount not less than the sum of (i) three months' operating expenses and (ii) the maximum reserves of the Association which may be on deposit at any time, and (3) contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee."

5.6. Annual Review of Policies. The Board shall 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 Board may, to the extent it deems necessary to more fully protect and insure the Association and its property, or to otherwise comply with evolving laws and insurance standards, modify the coverage standards set forth in this Article 5 without the necessity of amending this Declaration.

ARTICLE 6 ARCHITECTURAL CONTROLS AND BUILDING STANDARDS

6.1. Architectural Approval. No structure, building, fence, wall, or thing shall be placed, erected, or installed upon any Lot or to any Unit and no improvements or other work (including staking, clearing, excavation, grading and other site work, paving, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Property until the plans and

specifications showing, without limitation, the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee ("ACC") in accordance with this Article and any rules and regulations adopted by the ACC pursuant to the authority of this Article. ACC approval shall be required regardless of whether the structure, building, fence, wall, or thing to be constructed, placed, erected, or installed is new, or an addition, extension or expansion, change or alteration, or re-construction, replacement, re-erection, or re-installation of any of the foregoing.

6.2. Architectural Control Committee. The ACC shall be composed of a minimum of three (3) or more representatives appointed by the Board of Directors. If the Board of Directors does not establish or appoint the ACC the Board itself shall carry out the functions and responsibilities of the ACC. Notwithstanding the above, during the Declarant Control Period, the Declarant shall be entitled to carry out the functions and responsibilities of the ACC or may otherwise appoint all members of the ACC. The Association shall have no jurisdiction over architectural matters during the Declarant Control Period. Unless appointed by the Declarant, all members of the ACC shall be Members of the Association.

6.3. Compensation. Unless authorized by resolution of the Board, the members of the ACC shall not receive any compensation for services rendered. Members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Committee function or duty. Professional consultants retained by the ACC shall be paid such compensation as the ACC determines.

6.4. Rules, Regulations, Standards, and Procedures. The ACC shall establish rules, regulations, standards, guidelines, and procedures to govern the submission, review, and approval of any plans submitted to it for review. Any rules, regulations, guidelines, and procedures established by the ACC hereunder shall be made available to any Member upon request by that Member. It is contemplated that each Neighborhood within the Property may have different architectural styles, standards, and themes and therefore the ACC may promulgate and establish different regulations, standards, and procedures to govern specific Neighborhoods. Because it is impossible to cover every contingency and because there are some aspects of architectural design that do not lend themselves to be easily articulated, the ACC shall have broad authority and discretion in establishing regulations, standards, and guidelines and in reviewing and approving plans submitted to it for review.

6.5. Home Wiring and Conduit Specifications. Without limiting the general terms of this Article 6, the ACC will establish specifications to govern the installation of each Unit's wiring and conduit for telecommunications services. Each Owner must construct their Unit in compliance with such specifications. The wiring and conduit specifications for telecommunication services shall be made available to any Member upon request by that Member.

6.6. Prohibited Structures. Notwithstanding anything in any rules, regulations, standards, and procedures adopted by the ACC, the following structures shall be prohibited within any part or portion of the Property: dome structures, log homes, pre-manufactured homes; re-located homes; and Earth or Berm homes of any type are not allowed. No structure of a temporary nature, including but not limited to a trailer, bus, basement only residence, motor home, outhouse, tent, shack, garage, shed, or other outbuilding shall be used at any time as a residence either temporarily or permanently, nor shall any such structures be erected or placed on the Property at any time. No old or second-hand structures shall be moved onto any of the Lots. The ACC may, by rule, make this provision more restrictive or comprehensive.

6.7. Enforcement Authority. The ACC is vested with authority to enforce any rules, regulations, standards, and procedures it establishes with respect to any particular Neighborhood, including, but not limited to, the authority to establish and levy fines and penalties, initiate legal proceedings to enforce its rules, regulations, standards, and procedures, and abate or enjoin any violation thereof, and take any other action authorized by this Declaration.

6.8. Abandonment of Architectural Plan or Community Wide Standard. Without the prior written approval of at least sixty-seven percent (67%) of the Entire Membership and, during the Declarant Control Period, the written approval of Declarant, neither the Association nor the ACC shall have the power, by act or omission, to change, waive or abandon the Community Wide Standard or any plan, scheme or regulations pertaining to the architectural design or the exterior appearance or maintenance of Units, and the maintenance of the Common Area and Limited Common Area, if any, including walls, fences, driveways, lawns and plantings.

6.9. Application to Declarant. The Declarant shall not be required to comply with the provisions of this Article in the initial construction of the Property. The Declarant shall fulfill all functions of the ACC under this Declaration until the Declarant expressly surrenders this right by written instrument, or until each Unit in the Property (including all expansion area(s)) has a home constructed on it. Additionally, the Declarant may, in its discretion, grant to any builder an expedited ACC review process.

6.10. Non-Liability; Indemnification. Rules, regulations, standards, guidelines, and procedures established by the ACC are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Property and the particular Neighborhood to which they apply; they do not create any duty to any person or entity. The Declarant, the ACC, and the Association shall not bear any responsibility for ensuring the structural or mechanical integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners. Declarant, the ACC, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees or agents, whether or not Declarant has approved or featured such contractor as a builder within Property; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit.

ARTICLE 7 PARTY WALLS

7.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction upon the Property and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

7.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

7.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, then, to the extent said destruction or damage is not covered by insurance and repaired out of the proceeds of the same, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

7.4. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator within ten (10) days of their selection, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request to do so, the Directors of the Association shall select an arbitrator for the refusing party.

ARTICLE 8 MAINTENANCE

8.1. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit, and any appurtenant Limited Common Areas, in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association pursuant to any additional or supplemental declaration or the adoption of any rule or regulation applicable to such Unit and/or Neighborhood. The Directors shall, however, in the default of the Owner to perform maintenance which is the Owner's responsibility, and after ten (10) days written notice (which notice shall not be required in the event of emergency or threat to life, health, property or safety), provide exterior maintenance upon each Unit and the Limited Common Area adjacent and appurtenant thereto. The cost of such maintenance shall be assessed against the Unit.

8.2. Association's Responsibility. The Association shall be responsible for maintenance upon the Common Area, the Limited Common Area which is not adjacent to any Unit, and the area of any Unit outside the walls of the Unit which is of the same character as surrounding Common or Limited Common Area. The cost of such maintenance shall be a Common Expense.

8.3. Neighborhood Association Responsibility. Any Neighborhood Association having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to a declaration of covenants affecting the Neighborhood or by delegation of such responsibility by the Board shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood Association fails to perform its maintenance responsibility as required herein and or in any supplemental declaration or delegation of such responsibility by the Board, the Association may perform it and assess the costs against all Units within such Neighborhood Association.

8.4. Access at Reasonable Hours. For the sole purpose of performing the maintenance required by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Unit or Limited Common Area at reasonable hours.

8.5. Alteration of Certain Maintenance Duties by Rule. The duty of maintenance for the area outside the walls of the Unit, and the Limited Common Areas adjacent and appurtenant to the Units may be altered by rule of the Association.

ARTICLE 9
GOLF COURSE AND GOLF CLUB

9.1. Use and Ownership of Golf Course; Golf Club Facilities. Golf Course Land is not owned by the Association, is not Common Area, and is not subject to any assessment by the Association pursuant to this Declaration. The Golf Club has the sole and exclusive right to determine any and all access and play rights with respect to the Golf Course and with respect to any Golf Club Facilities.

9.2. Golf Club Membership. The Golf Club has established or will establish certain categories of membership that are available to Owners and to individuals and entities who are not Owners. The Golf Club has the exclusive right and authority to determine and establish the terms, conditions, benefits, and cost of membership in the Golf Club; provided, however, that every Owner, by virtue of his ownership of a Unit within the Property, shall have a "Social Membership" in the Golf Club, which is the basic category of membership as defined by the Golf Club. The Social Membership entitles the Owner to the rights and privileges of such membership as established by the Golf Club. Owners may upgrade their category of membership on such terms and conditions as may be established from time to time by the Golf Club. An Owner's Social Membership in the Golf Club automatically transfers upon transfer of title of the Owner's Unit to another person or entity. Owners shall be required, at closing of their purchase of their Unit, to enter in to a separate membership agreement with the Golf Club.

9.3. Golf Club Membership; Fees and Assessments. Fees and dues for an Owner's Social Membership ("*Golf Club Social Membership Fees*") shall be set by the Golf Club and billed to Owners by the Association along with the assessments and fees provided for herein. Any upgrade in a category of membership with the Golf Club shall be billed separately by the Golf Club to the Owner in accordance with the terms and conditions established by the Golf Club. In addition to any rights of enforcement for non-payment which the Golf Club may have, the Association shall have the authority to enforce the remedies provided hereunder for non-payment of Golf Club Social Membership Fees in the same manner as enforcement of nonpayment of assessments as provided under Article 4 against any Owner who fails or is otherwise delinquent in paying the Golf Club Social Membership Fees billed to the Owner, which includes terminating or suspending the Owner's right of access and use to the Golf Course and Golf Club Facilities which may be incident with the Social Membership. The remedies afforded the Association herein shall not prejudice any remedies of the Golf Club.

9.4. Restrictions on Units Adjacent to Golf Course Land. In addition to all other restrictions set forth in the Governing Documents, all Units adjacent to Golf Course Land are subject to the following restrictions for use and maintenance :

(a) All fencing along such Units shall be constructed and maintained in accordance with the specifications established by the Declarant or the ACC for the purpose of preserving and protecting the views of the Golf Course from all adjoining property.

(b) Any portion of such a Unit that is visible from neighboring property shall be kept neat, clean, and free of weeds and refuse.

(c) To the extent not prohibited by law, nothing shall be affixed to the outside of any such Units which has not received the prior written approval of the ACC.

(d) All such Units shall be landscaped and maintained in accordance with the rules and regulations established by the Declarant or the ACC. Such landscaping shall not be modified without prior approval of the ACC. Any such modification shall not interfere with the view from neighboring property or of other Units adjacent to Golf Course Land. The ACC shall have exclusive authority and discretion to make determinations on the issue of view interference.

(e) Within thirty (30) days of occupancy each Owner of a Unit adjacent to Golf Course Land shall install permanent draperies or suitable window treatments on all exterior windows. In no event shall windows be covered with paper, aluminum foil, bed sheets, or any other materials or temporary coverings not specifically intended for such purpose. No interior or exterior reflective material shall be used as a window covering unless such material has been approved by the ACC.

9.5. Golf Balls, Disturbances, and Nuisances. Each Owner acknowledges and agrees that his Unit may be located adjacent to or near Golf Course Land and related facilities and that golf course related activities, such as regular course play, will be held at the Golf Course. Each Owner acknowledges that the location of his Unit may result in nuisances or hazards to persons and property on or around such Unit as a result of golf course operations and golf course-related activities, including, without limitation, the following: (a) regular golf course play insofar as golf balls are not susceptible of being easily controlled and accordingly may enter a Unit Owner's airspace, and strike a Unit Owner, the Unit Owner's guests, the Unit itself, walls, roof, windows, landscaping, and personal property causing personal injury and property damage; (b) maintenance activities, including but not limited to lawn mowing at early or late evening hours, and the use of fertilizers, chemicals, and pesticides; and (c) overspray from watering.

9.6. Release and Indemnification. Each Owner covenants for himself and his successors, assigns, lessee's and guests that he shall and hereby does assume all risks associated with such location, including, but not limited to, the risk of property damage, personal injury, or other loss arising from stray golf balls or actions incidental to such golf course-related activities and releases and shall indemnify and hold harmless the Association, including the Board, the Declarant, the owner of such Golf Course, and any officers, members, managers, employees, or agents of the Association, the Declarant, and the owner of such Golf Course from any liability, claims, or expenses, including attorney fees, arising from such property damage, personal injury, or other loss. Each Owner further covenants that Declarant and the owner of any Golf Course Land shall have the right to subject all or any portion of the Owner's Unit to an easement for the maintenance, operation, or use of the Golf Course Land, and to the carrying out of golf course-related activities.

9.7. Non-Exclusive Nature of Article. The covenants, conditions, restrictions, and easements contained in this Article are not intended to be and are not exclusive of any covenants, conditions, restrictions, and easements which may be contained in any applicable Plat of record or any agreement of record, or any right possessed by the owner of such Golf Course Land to further restrict or regulate the Golf Course.

ARTICLE 10
TELECOMMUNICATIONS SERVICES

10.1. General Services. The Association may contract with one or more third-parties ("*Service Providers*") to provide telecommunications services, including internet, multi-channel video services, local phone service, and other like services to Owners for a monthly fee, which fee shall be established by the Association and levied against Owners as part of the annual assessments. Such fee may be billed and collected directly by the Service Providers from the Owner. No Owner may opt out of paying for or otherwise refuse to pay for such services by not using the same, nor may an Owner be relieved of his obligation to pay for such services by using or contracting for services provided by other parties other than the Service Providers.

10.2. Agreement with Service Providers. The Owner may be required to enter into a separate agreement (the "*Owner Services Agreement*") with the Service Providers, which agreement shall be in addition to the terms and conditions set forth herein as it relates to such services. The agreement with Service Providers may contain provisions that provide for, without limitation, late charges, service charges, reactivation/reconnection fees, disconnection fees, billing procedures and remedies for non-payment, limitations of warranties and liabilities, disclaimers, and mandatory arbitration. Each Owner shall be required to execute a document (herein referred to as the "Acknowledgement of Services") simultaneously with their purchase of a Unit, acknowledging his or her obligation to pay for the Approved Services and his or her obligation to comply with the terms and conditions of the Owner Services Agreement. The Association will provide each Owner a copy of the Acknowledgement of Services upon request.

ARTICLE 11
USE RESTRICTIONS AND REQUIREMENTS

11.1. General Use Restrictions. Except as otherwise expressly provided for herein, all of the Property that is subject to this Declaration is hereby restricted to residential dwellings and buildings in connection therewith, including but not limited to community buildings on the Common Area, if any, and such other uses that are compatible with Declarant's master plan and not otherwise contrary to applicable law.

11.2. Quiet Enjoyment. No noxious or offensive activity shall be carried on upon any part of the Property nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Owners, or which shall in any way interfere with the quiet enjoyment of each of the Owners or which shall in any way increase the rate of insurance, this includes but is not limited to any activity which creates excessive or obtrusive light, noise, odor, or presents or creates an unsightly appearance.

11.3. Parking. No motor vehicle which is inoperable shall be allowed within the Property, and any motor vehicle which remains parked on any street within the Property for over 72 hours shall be subject to removal by the Association, at the vehicle Owner's expense. Upon demand, the owner of the vehicle shall pay any expense incurred by the Association in connection with the removal of that owner's vehicle. If the vehicle is owned by an Owner, any amounts payable to the Association shall be secured by the Unit and the Association may enforce collection of said amounts in the same manner provided for in this Declaration for the collection of assessments. Notwithstanding the foregoing, this Section 11.4 shall not be construed to authorize the parking of those vehicles that are prohibited from being operated or parked within the Property as set forth in Sections 11.20 and 11.21.

11.4. Leases. 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 Governing Documents and that any failure by a lessee/tenant to comply with the terms of such documents shall be a default under the lease. An Owner who enters into a lease or rental agreement must notify the Board of the same, in writing, within fifteen (15) days after execution of the lease or rental agreement and along with such notification must provide to the Board a copy of the lease or rental agreement. The Association may require that Owners use lease forms approved by the Association but shall not impose any fee on the lease of any Unit greater than an amount reasonably based on the costs to the Association of administering that lease. The Association or Board may require, as established by rule, a minimum lease term of not less than twelve (12) months. The Board is hereby authorized to, by resolution, revise the restrictions set forth in this Section to be more restrictive with respect to the leasing of Units, including, but not limited to requiring longer lease periods or otherwise abolishing the right to lease Units within the Property or within any particular Neighborhood.

11.5. Timesharing. Unless otherwise expressly provided for with respect to any Neighborhood in a supplemental declaration, no Owner shall offer or sell any interest in his Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

11.6. Signs; Commercial Activity. No signs of any kind including but not limited to advertising signs, "for rent" and "for sale" signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed, or permitted to remain on any Unit or any portion of the Property. No commercial activities of any kind whatever shall be conducted in any building or on any portion of the Property. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the Declarant Control Period or by the Association in furtherance of its powers and purposes set forth hereinafter in the Governing Documents, as the same may be amended from time to time.

11.7. Recreational Use of Water Features. Any lakes, ponds, or water features within the Property shall not be used for swimming, wading, boating or recreational use of any kind.

11.8. Hazardous Activities and Substances. No Owner shall engage in or permit any of said Owner's guests, visitors, tenants, or invitees to engage in any activity that will cause an increase in insurance premiums for insurance coverage on the Property nor shall any Owner or any Owner's guests, visitors, tenants, or invitees engage in any activity that will cause or permit any hazardous substance or material to be stored, used or disposed of on or within the Property.

11.9. External Apparatus and Displays. No Owner shall cause or permit anything (including, without limitation, awnings, canopies or shutters) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the ACC. In addition, no sign, lawn ornament, or display may be maintained, erected, placed, or posted outside of any Unit without the prior written consent of the ACC, which consent the ACC may withhold, in its sole discretion.

11.10. Clotheslines. No portion of any Unit shall be used as a drying or hanging area for laundry of any kind.

11.11. Garbage Removal. All rubbish, trash and garbage shall be regularly removed from the Units and shall not be allowed to accumulate thereon. Garbage shall be placed in proper containers. Garbage containers shall be kept in an area so that such containers are not visible from the Unit front yard area or street, or, in the case of Units adjacent to any golf course, from the golf course.

11.12. Pest Control. No Owner or Unit occupant shall permit any thing or condition to exist within or upon the Unit which would induce, breed, or harbor infectious plant diseases or noxious insects. In addition to such pest control services as may be provided by the Association, each 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 on his Unit.

11.13. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property. No derrick, lift, shaft or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property.

11.14. Temporary or Other Structures. No structure of a temporary nature, and no trailer, bus, basement, outhouse, tent, shack, garage, storage, utility, or other outbuilding shall be used at any time as a home either temporarily or permanently, nor shall any such structures be erected or placed on the Property at any time, except as may be necessary during the course of construction of a Unit. No old or second-hand structures shall be moved onto any of said Units. It is the Declarant's intention that all Units and other buildings to be erected within the Property be new construction, of good quality, workmanship, and materials.

11.15. Sight Obstructions; View Impairment. The ACC may establish guidelines for the construction of improvements and landscaping so as to maximize views. Notwithstanding the foregoing, neither Declarant nor the Association represents or guarantees that any views from Units will be preserved without impairment. In addition, the owner of any Golf Course Land may, in its sole and absolute discretion, change, alter, add to, or modify the location, configuration, size, and elevation of the trees, bunkers, fairways, and greens from time to time and any and all other Golf Course Facilities, components, and/or features. Any such additions or changes may diminish or obstruct any view from Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

11.16. Slope and Drainage Control. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels. The slope control areas of each Unit and all improvements in them shall be maintained continuously by the Owner, except for those improvements for which a public authority or utility company is responsible. Owners are responsible to see that no nuisance or damage is created by drainage location or flow to any adjacent property.

11.17. Lateral and Subjacent Support and Drainage. An Owner's activities which affect the lateral or subjacent support, or both, of adjacent landowners shall be responsible for damages proximately caused by such activities. Owners shall be responsible for all damage proximately caused by drainage from their Lot(s) to adjacent landowners.

11.18. Interior Utilities. All utilities, fixtures and equipment installed within a Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter boundaries of a Unit, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair any easement or hereditament nor do any act nor allow any condition to exist which will adversely affect the other Units or Owners.

11.19. Motorbikes; Non-Street Legal Vehicles. All street-legal motorcycles, trail bikes, three-wheel powered devices, automobiles, and two or four-wheel drive recreational type vehicles are to be operated only by individuals with driver's licenses and only on established streets and parking areas and are specifically prohibited from all other portions of the Property, and are to be used on said streets only for ingress, egress, and access purposes and not for recreational purposes anywhere within the Property. Except for motorized vehicles which are used for activities and maintenance related to the Golf Course, Common Area and Limited Common Area (such as golf carts and maintenance vehicles), all non-street legal vehicles, including but not limited to motorbikes, all terrain, and other such vehicles are prohibited from being operated or parked within the Property.

11.20. RVs, Boats, and Trailers. No boats, trailers, buses, motor homes, campers, recreational vehicles, or other such vehicles, shall be parked or stored upon any Unit except within an enclosed garage. No such vehicles shall be parked overnight on any street located within the Property.

11.21. Damage Caused by Owners, Guests, and Invitees. Damage caused to the Common Area, including personal property owned by the Association, by a Member, or by a person who has been delegated the right to use and enjoy such Common Area by a Member, shall create a debt to the Association. Debts owed to the Association as a result of damage to the Common Area shall be an assessment charged to the Member.

11.22. Pets and Animals. The Board has the right to regulate and restrict, by rule, the keeping and harboring of pets and animals within the Property. This right includes the right to restrict the type, breed, or species of animal, the number of animals which may be kept, the areas in which the animals may be kept or taken, and to completely eliminate the keeping and harboring of pets; *provided however*, that unless the Board expressly authorizes the keeping of pets and animals by rule, the same shall be prohibited within the Property. The Board may also establish procedural rules and regulations to implement its rules. The Board may establish different rules and regulations to govern different Neighborhoods, and may delegate enforcement responsibility to any special or Neighborhood committee. In the event the Board authorizes the keeping of any pets and animals, Owners must take due care to ensure that their pets do not make excessive noises, cause any offensive smell, or create any physical threat to the safety of any other Owner or person within the Property, or the safety of any guests, lessees, or invitees, particularly among children. Owners are responsible for any property damage, injury, or disturbance that their pet may cause or inflict anywhere within the Property. To the extent the Association is subjected or otherwise exposed to any liability, claims, damages, costs, losses, or expense as a result of the actions of an animal, the Association has the right to make a claim against the Owner. Owners shall indemnify the Association from any claims, damages, or causes of action that arise from or otherwise relate to the conduct of their pets. This indemnification shall include any attorney fees, costs, and expenses incurred by the Association. Notwithstanding the above, commercial breeding of pets and animals is prohibited within the Property.

11.23. Violation Constitutes a Nuisance Any act or omission whereby any restriction, condition or covenant as set forth in this Declaration if violated in whole or in part is declared to be and shall constitute a nuisance, and may be abated by Declarant or affected Owners and such remedy shall be deemed to be cumulative and not exclusive.

ARTICLE 12
EASEMENTS

12.1. Encroachments. Each Unit and the Property included in the Common Area and Limited Common Area, if any, shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Declarant. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event the structure containing Units is partially or totally destroyed, and then rebuilt, the Owners of the Units so affected agree that minor encroachments of parts of the adjacent Units or Common Area and Limited Common Area, if any, due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

12.2. Utilities. There is hereby created a blanket easement upon, across, over and under all of the Property for 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 utilities may affix and maintain electrical and/or telephone wires, pipes, circuits and conduits on, above, across and under roofs and exterior walls. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant or the Association shall have the right to grant such easement on said Property without conflicting with the terms hereof. Declarant reserves the right to convey to itself and to other adjoining landowners, easements for roadway and utility use in the Common Area and Limited Common Area, if any, and the right to connect to and use roadways and utilities owned or controlled by the Association or serving the Property. The Declarant reserves the right to execute agreement(s) which may confer on itself or adjacent landowners or Owners associations the right to use Common Area and Limited Common Area, if any.

12.3. Police, Fire and Ambulance Service. An easement is hereby granted to all police, fire protection, ambulance services and all similar persons to enter upon the streets and Common Area and Limited Common Area, if any, in the performance of their duties.

12.4. Maintenance by Association. An easement is hereby granted to the Association, its officers, agents, employees and to any maintenance company selected by the Association to enter in or to cross over the Common Area and Limited Common Area, if any, and any Lot to perform the duties of maintenance, repair, and enforcement.

12.5. Easement for Use of Common Area. The Declarant, during the Declarant Control Period, and each Owner of the Association is hereby granted a non-exclusive right and easement of use and enjoyment in common with others of the Common Area, except as specifically limited by this Declaration. Each Owner is also hereby granted a non-exclusive easement for ingress and egress over the Common Area to the extent necessary to provide vehicular and pedestrian access to such Owner's Unit.

12.6. Easement for Declarant; Reservation of Easements by Declarant. The Declarant hereby reserves to itself during the Declarant Control Period the right to reserve easements over, beneath, and through the Property, including over the Common Area 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 during the Declarant Control Period 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. Golf Course Easements; Private Amenities. There may be easements designated on the Plat which shall be used for golf cart paths, pedestrian walkways, maintenance and vehicle access, and unhindered access between said paths and any Golf Course. Nothing shall be placed or maintained in any such easement which shall interfere with utilization thereof as a playable part of the Golf Course. In addition, the Declarant may create and grant such additional easements in the Property to and for the benefit of the Golf Course as it deems necessary. Declarant may also enter into and burden the Property with a declaration of easements and covenant to share costs relating to the Golf Club or other private amenities as it deems necessary in its sole discretion.

12.8. Easements of Record. The easements provided for in this Article shall in no way affect any other recorded easement.

12.9. No Dedication. This Declaration does not dedicate the easements herein declared for the benefit of any person not herein expressly made a beneficiary hereof. Declarant expressly disclaims the creation of any right in or for the benefit of the general public.

ARTICLE 13 EXPANSION

13.1 Expansion Rights. Declarant is vested with and reserves the right, during the Declarant Control Period, to unilaterally expand the Property to include additional property more particularly described below by unilateral action without the consent of the Owners. The exercise of such expansion right shall be in the sole discretion of Declarant.

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 as follows:

All property located in the general vicinity of the Property previously described herein, which is contiguous to or within the vicinity of any phase of the development or which otherwise may be shown on any master plan created by Declarant for the Property.

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

(a) an additional subdivision plat or plats creating additional planned unit developments on the 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 or supplemental declaration (after satisfying conditions hereafter stated), which shall state the Declarant's intention to have the area described therein subject to this Declaration. Upon the recording of such a Declaration of Annexation the property described therein shall be subject to this Declaration.

13.4 Additional Covenants and Restrictions. The Declaration of Annexation or supplemental declaration may include, in addition to subjecting property to this Declaration and annexing into the Property, covenants, conditions, restrictions, and easements which relate solely to the property (Neighborhood) being annexed.

13.5 Withdrawal of Property. So long as it has the right to expand the Property, Declarant shall have the right to remove any portion of the Property which has not yet been improved with structures from the coverage of this Declaration. The procedure for such withdrawal shall follow the procedure for expansion as provided in this Article.

ARTICLE 14 CONDEMNATION; PARTITION

14.1. Condemnation. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board and the Declarant during the Declarant Control Period) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, during the Declarant Control Period, and Members representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Section 5.3 hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

14.2. No Partition. Except as otherwise permitted in this Declaration, the Common Area shall remain undivided and no person or entity shall bring any action for the partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This section shall not be construed to prohibit the Board from acquiring and disposing of title to real property which may or may not be subject to this Declaration.

ARTICLE 15
AMENDMENT

15.1. By Class A Members. 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, or any combination thereof, of 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.

15.2. By Declarant. Declarant has the right to unilaterally amend, modify, extend, or revoke this Declaration for any purpose during the Declarant Control Period, with or without notice to the Class A Members. 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; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment occurring after the Declarant Control Period shall not adversely affect the title to any Lot unless the 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.

15.3. By Board. The Board 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, rule, regulation, or judicial determination.

15.4. Validity. No amendment made by the Class A 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. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.5. 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 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 16
ENFORCEMENT

16.1. 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 or by law or equity.

16.2. Legal Action Authorized. The Association, through the Board, the Declarant or any Owner, 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, including all charges and liens now or hereafter imposed pursuant to the authority of this Declaration, against any person, persons, or entities violating or attempting to violate any provision of this Declaration or any rule or regulation established pursuant to the authority of this Declaration, to restrain or abate or otherwise recover damages for the violation, and against the land to enforce any charge or lien created by this Declaration. In addition to taking legal action, the Declarant and the Board shall have the right to grant variances and stay enforcement proceedings against any Owner on a case-by-case basis when they determine such action is in the best interests of the Association.

16.3. Fines and Penalties. The Board may levy a fine or penalty not to exceed, for each violation, fifty percent (50%) of the amount of the maximum annual assessment against any Owner who fails to refrain from violating this Declaration or any rule or regulation established pursuant to the authority of this Declaration. The Board may establish time frames and requirements for written notice, hearings, and cure periods for Owners in violation prior to levying such fine or penalty. Any fine or penalty levied by the Directors shall be treated as an assessment recoverable by the Association under and in accordance with Article 4.

16.4. Attorney Fees and Costs. Any fine or penalty levied against an Owner for any violation shall include any attorney 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 attorney fees and costs incurred in such action.

16.5. Nonexclusive Remedies. All the remedies set forth in this Declaration are cumulative and not exclusive to any others provided in the Governing Documents or by law.

ARTICLE 17
GENERAL PROVISIONS

17.1. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board without a vote of the membership except where applicable law or the Governing Documents specifically require a vote of the membership.

17.2. Powers of the Association Relating to Neighborhood Associations. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefor. A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

17.3. Facilities and Services Open to the Public. Certain facilities and areas within the Property may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: any Golf Club Facilities, Golf Course Land, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians.

17.4. Safety and Security. Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property within the Property. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to enhance the level of safety or security which each person provides for himself or herself and his or her property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within the Property, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant are not insurers or guarantors of security or safety and that each person with the Property assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

17.5. More Restrictive Terms; Conflicts in Further Restrictions. Nothing in this Declaration shall preclude any supplemental declaration or other recorded covenants applicable to any portion of the Property from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration and, in such case, the more restrictive shall control.

17.6. Construction and Severability. All of said conditions, covenants, and restrictions contained in this Declaration shall be construed together, but if any one of said conditions, covenants, or restrictions, or any part thereof, shall at any time be held invalid, or for any reason become unenforceable, no other condition, covenant, or restriction, or any part thereof, shall be thereby affected or impaired; and the Declarant, Association and Owners, 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 or unenforceability of any other article, section, subsection, paragraph, sentence, clause or phrase.

17.7. Duration. 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, or the Owner of any Unit subject to this Declaration, 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.

17.8. Interpretive Conflicts. In the event of any conflict between the provisions of this Declaration, the Articles, and/or the Bylaws, the provisions of this Declaration shall control. In all cases of conflict between any Association or committee rule and/or regulation and this Declaration, the Articles, or Bylaws, this Declaration, the Articles, and Bylaws shall control.

17.9. Notices. Any notice required to be sent under the provisions of this Declaration 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 keep the Association informed as to their current mailing address. Notwithstanding the above, the Declarant or the Board may adopt a policy for notification via electronic communication to Members in lieu of notice by mail.

17.10. 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.

17.11. 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 which may occur.

17.12. Topical Headings. The topical headings contained in any article, section, or subsection of this Declaration are for convenience only and do not define, limit, or construe the contents of this Declaration or any provision hereof.

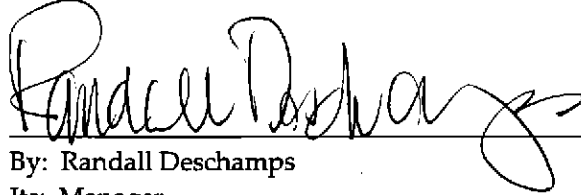
ARTICLE 18
ASSIGNMENT OF RIGHTS

All of the rights and powers of Declarant herein contained may be delegated, transferred, or assigned, in whole or in part. To be valid, said delegation, transfer, or assignment must be via a written instrument recorded in the office of the Washington County Recorder.

* * *

IN WITNESS WHEREOF, the undersigned, as the Declarant herein, has hereunto set his hand
this 8th day of MARCH, 2006.

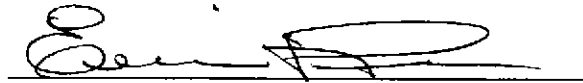
DECLARANT
Ledges Development, LLC



By: Randall Deschamps
Its: Manager

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this 8th day of MARCH, 2006, before me personally appeared Randall Deschamps,
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are signed on the preceding document, and acknowledged before me that he/she/they signed
it voluntarily for its stated purpose.



NOTARY PUBLIC

N:\SGDOCS\BPATTISON\L\Ledges 2302900\CCRs Final 030706 bjp.doc

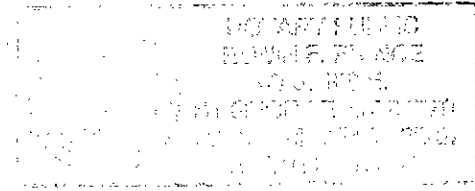


EXHIBIT A

[Legal Description]

Parcel I.D. Numbers:

SG-7273-A-6
SG-7273-A-1-A
SG-7273-A-2
SG-7259-L
SG-7259-A-1

Basis of bearing is South 88°40'34" East between the North Quarter Corner and the Northeast Corner of Section 27, Township 41 South, Range 16 West, Salt Lake Base and Meridian.

Beginning at a point being South 88°40'34" East, 2450.42 feet and North 01°19'26" East, 102.56 feet from the North Quarter Corner of Section 27, Township 41 South, Range 16 West, Salt Lake Base and Meridian; thence North 86°02'56" West, 120.00 feet; thence North 89°23'15" West, 120.20 feet; thence South 67°00'04" West, 84.02 feet; thence South 59°46'25" West, 222.11 feet; thence South 41°55'22" West, 221.47 feet; thence South 38°16'32" West, 107.46 feet; thence South 28°08'56" West, 107.81 feet; thence South 32°33'27" West, 220.00 feet; thence South 22°58'40" West, 99.00 feet; thence South 19°40'14" West, 126.86 feet; thence North 61°33'28" West, 155.43 feet; thence South 28°26'32" West, 12.25 feet to a point on a 15.00 foot radius curve to the left; thence 24.08 feet along said curve through a central angle of 91°58'52" (chord bears South 17°32'54" East, 21.58 feet); thence South 26°27'40" West, 30.00 feet; thence North 63°32'20" West, 70.04 feet; thence North 26°27'40" East, 30.00 feet to a point on non-tangent a 15.00 foot radius curve to the left; thence 21.05 feet along said curve through a central angle of 80°25'19" (chord bears North 76°15'00" East, 19.37 feet; thence North 67°35'54" West, 125.38 feet; thence North 24°37'12" East, 119.86 feet; thence North 10°31'54" East, 114.44 feet; thence North 11°49'05" West, 63.72 feet; thence North 11°07'19" West, 130.25 feet; thence North 05°39'15" West, 131.95 feet; thence North 10°58'56" East, 134.54 feet; thence North 11°34'21" East, 116.44 feet; thence North 05°14'44" East, 108.84 feet; thence North 02°14'20" East, 219.16 feet; thence North 12°44'55" East, 140.78 feet; thence North 36°51'12" East, 45.12 feet to a point on a non-tangent 270.00 foot radius curve to the right; thence 17.76 feet along said curve through a central angle of 03°46'09" (chord bears North 51°15'43" West, 17.76 feet); to a point on a 105.00 foot radius curve to the left; thence 86.04 feet along said curve through a central angle of 46°57'06" (chord bears North 72°51'12" West, 83.66 feet); thence North 09°26'09" East, 103.66 feet; thence North 35°10'45" East, 160.50 feet; thence South 54°49'15" East, 262.17 feet; thence South 49°20'55" East, 118.54 feet; thence South 54°49'15" East, 118.00 feet; thence South 58°13'45" East, 108.74 feet; thence South 62°04'43" East, 240.36 feet; thence South 73°09'33" East, 86.75 feet; thence South 80°41'39" East, 118.52 feet; thence South 74°33'09" East, 120.41 feet; thence South 86°02'56" East, 110.00 feet; thence South 03°57'04" West, 111.37 feet thence South 09°44'02" West, 41.60 feet; thence South 03°57'04" West, 108.24 feet to the point of beginning.

(Proposed "THE LEDGES OF ST. GEORGE - PHASE 2")

Parcel I.D. Numbers:

SG-7253-C-1

SG-7273-A-6

Basis of bearing is South 88°40'34" East between the North Quarter Corner and the Northeast Corner of Section 27, Township 41 South, Range 16 West, Salt Lake Base and Meridian.

Beginning at a point being South 88°40'34" East, 1176.50 feet; and North 01°19'26" East, 635.46 feet from the North Quarter Corner of Section 27, Township 41 South, Range 16 West, Salt Lake Base and Meridian; and running thence North 62°45'57" West 230.62 feet; thence North 27°14'03" East 85.00 feet; thence North 20°03'03" East 65.51 feet; thence North 14°22'14" East 107.13 feet; thence North 22°53'18" East 92.16 feet; thence North 86°49'48" East 53.36 feet; thence South 40°22'07" East 146.59 feet; thence South 48°45'04" East 113.29 feet to a point on a Westerly boundary of "THE LEDGES OF ST. GEORGE - PHASE 2"; and running thence along said LEDGES PHASE 2 the following two (2) courses: thence South 35°10'45" West 160.50 feet; thence South 09°26'09" West 103.66 feet to a point on a 105.00 foot radius curve to the left; thence 45.42 feet along said curve through a central angle of 24°46'56" (chord bears South 71°16'47" West, 45.06 feet) to the point of beginning.

(PROPOSED "THE LEDGES OF ST. GEORGE - PHASE 4")