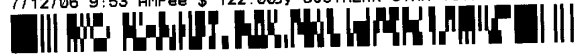


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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF

BELLA TERRAZZA AT SUNBROOK

A Residential Condominium Development

128297

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**Declaration of Covenants, Conditions, and Restrictions of
*Bella Terrazza at Sunbrook***

This Declaration of Covenants, Conditions and Restrictions is made pursuant to the Utah Condominium Ownership Act to establish *Bella Terrazza at Sunbrook*, a residential condominium development.

PURPOSE AND INTENT

Declarant is the owner of certain real property located in Washington County, State of Utah, which is more particularly described below. Declarant is desirous of subjecting this property, along with all improvements thereon, to the Utah Condominium Ownership Act (Utah Code Ann. § 57-8-1 *et. seq.*, 1953, as amended), dividing, selling and conveying the same to various purchasers subject to the covenants, conditions, and restrictions herein.

DECLARATION

Declarant does hereby declare that the following described real property located in Washington County, Utah, is subject to the Utah Condominium Ownership Act and the following covenants, conditions, restrictions, easements, assessments, charges and liens, and the Condominium Plat recorded herewith, entitled "*Bella Terrazza at Sunbrook*," consisting of six sheets, prepared and certified by Kelly R. Schmutz, with Bush & Gudgell, Inc., a Utah Registered Land Surveyor:

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

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

ARTICLE 1
DEFINITIONS

As used herein, the following terms shall have the indicated meanings:

1.1. **"Act"** means the Utah Condominium Ownership Act, Utah Code Ann. § 57-8-1 et. seq., (1953, as amended).

1.2. **"Association"** means the Bella Terrazza at Sunbrook Condominium Owners Association, a Utah non-profit corporation, its successors and assigns.

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

1.4. **"Bylaws"** means and refers to the Bylaws of the Association, appended hereto as *Exhibit "B."*

1.5. **"Common Areas and Facilities"** means and refers to the area designated "common area" on the Condominium Plat, and all other area not included within any Unit, and shall specifically include, but not be limited to the land within the Condominium Project as described on the Condominium Plat.

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

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

1.8. **"Condominium"** means and refers to the entire ownership of any Unit Owner, which includes an undivided interest in the Common Areas and Facilities of the Property.

1.9. **"Condominium Plat"** means and refers to the plat that is made and prepared by a registered Utah land surveyor in accordance with section 57-8-13 of the Act and recorded concurrently herewith, or any replacements thereof or additions thereto.

1.10. **"Declarant"** means Sunhill Homes, L.C., a Utah limited liability company, and its successors or assigns.

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

1.12. **"Golf Course"** or **"Golf Course Land"** means the adjacent real property known as the Sunbrook Golf Course as shown on the Condominium Plat, which is owned and operated by the City of St. George.

1.13. **"Limited Common Areas"** means and refers to any designated areas shown on the Condominium Plat as dedicated to the exclusive use and enjoyment of the Unit Owners to which such limited common area is adjacent and/or appurtenant, to the exclusion of other Unit Owners, but subject to rights of the Association, as herein set forth.

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

1.15. **"Mortgagee"** includes both mortgagees and trust deed beneficiaries with a first lien position on any Unit.

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

1.17. **"Unit"** means and refers to the area or space contained in the perimeter walls of each of the individually numbered areas on the Condominium Plat designated for private ownership.

1.18. **"Unit Owner"** means and refers to the entity, person or group of persons owning a Unit in fee simple and an appurtenant undivided interest in the fee simple estate of the Common Areas and Facilities. Regardless of the number of parties participating in ownership of each Unit, those parties shall be treated as one "Unit Owner."

ARTICLE 2
PROPERTY AND OWNERSHIP RIGHTS

2.1. **Division into Units, Common Areas and Facilities, and Limited Common Areas.** In order to establish a plan of Condominium ownership, the Condominium Project is hereby divided into the following separate free-hold estates.

(a) Units. There are initially 60 separately designated and legally described freehold estates consisting of the Units as defined above and designated on the Condominium Plat recorded herewith. Each Unit consists:

(i) *horizontally* of the area within the interior surface of the sheet rock on walls which form the exterior of the Building, and the lines as drawn on the Condominium Plat as constituting boundaries between the Unit and Common Areas and Facilities and Limited Common Areas or between the Unit and other Units, and

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

(b) Common Areas and Facilities. Another separate freehold estate consists of the remaining portion of the Property defined above as the "Common Areas and Facilities." The Common Areas and Facilities consist of those areas specifically set forth and designated in the Condominium Plat as "Common Area"; that portion of the Condominium Project not specifically included in the respective Units as herein defined; all foundations, columns, girders, beams, supports, main walls, roofs, stairways, exterior walkways, driveways, streets, such recreational areas and facilities as may be provided, yards, fences, service and parking areas and entrances and exits, and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the common areas and facilities or normally in common use; and all common areas and facilities as otherwise defined in the Act, whether or not expressly listed herein. Every Unit Owner shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities which easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(i) The right of the Management Committee to establish and enforce rules and regulations governing the use of the Common Areas and Facilities.

(ii) The right of the Management Committee, for and on behalf of the Association, to enter into agreements or leases which provide for use of the Common Areas and Facilities by a similar Association in consideration for use of the common areas and facilities of the other Association, or for cash consideration;

(iii) The right of the Association with the approval of seventy-five percent (75%) of Unit Owners, to sell, exchange, hypothecate, alienate, mortgage, encumber, dedicate, release or transfer all or part of the Common Areas and Facilities to any private individual, corporate entity, public agency, authority, or utility.

(iv) The right of the Association to grant easements for public utilities or other public purposes consistent with the intended use of the Common Areas and Facilities.

(v) The right of the Association to take such steps as are reasonably necessary or desirable to protect the Common Areas and Facilities against foreclosure.

(vi) Such other terms and conditions of this Declaration or as otherwise provided by the Act.

(c) Limited Common Areas. Limited Common Areas may be designated on the Condominium Plat as double cross hatched areas appurtenant to certain Units as contained in the Condominium Plat. The exclusive right to use and occupy the Limited Common Areas, if any, shall be appurtenant to and shall pass with the title to the Unit with which it is associated. Each Unit Owner is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas reserved exclusively for the use of his Unit, subject to the residual rights of the Association therein. The Condominium Plat recorded herewith makes no specific designation of Limited Common Areas; however, future plats may designate such areas and some areas are treated as Limited Common Areas under section 57-8-10(2)(b) of the Act.

2.2. **Description of Building.** Each building will be of wood frame construction erected on wood joists and concrete and tile roof. Each building will be two-storays in

height and will contain ten Units each. Each Unit will have a two car, covered garages for parking. Each Unit shall contain a minimum of two bedrooms and two baths. Each Unit constructed will be finished as follows: self-contained equipment to supply heat and hot water; exterior finish of stucco; interior walls of painted sheet rock, exterior walls fully insulated. Each Unit will be separately metered for electricity. Water will be metered in common. Each Unit's water supply system will be connected to a public sewage disposal system. A more detailed description of the Units, including the number of storeys and rooms is found on the Condominium Plat. Revised Unit descriptions may be contained in subsequent plats, expansions, or amendments.

2.3. **Par Values.** Appurtenant to and inseparable from each Unit shall be an initial percentage ownership in Common Areas and Facilities and an initial par value according to the table attached as *Exhibit "D."* These par values may not be changed except by amendment or expansion as provided herein. No Unit Owner shall execute any deed, mortgage, lease or other instrument conveying, leasing or encumbering title to the Unit without including therein all interests appurtenant thereto. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed to include any omitted interest, even though not expressly mentioned or described therein. Declarant shall have the right to adjust the resulting ownership interests of all Units in the Common Areas and Facilities as may be necessary to ensure that the total ownership interest equals 100% as required by the Act.

ARTICLE 3
MEMBERSHIP AND VOTING RIGHTS

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

3.2. **Voting.** Each Unit Owner shall be entitled to a number of votes equal to the par value corresponding to his Unit. A Unit which has been acquired by the Management Committee in its own name or in the name of its agents, designee or nominee on behalf of all of the Unit Owners shall not be entitled to vote so long as it continues to be so held. The limitation in the preceding sentence shall have no application to Units owned by Declarant.

If a Unit is owned by more than one person or entity, as joint tenants, tenants by the entirety, or as tenants in common, or in partnership, the persons or entities owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. A vote cast at any Association meeting by any of such co-owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Unit concerned unless written objection is made prior to said meeting or verbal objection is made at said meeting by another co-owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE 4
MANAGEMENT COMMITTEE

4.1. **Management Committee.** The affairs of the Association shall be governed by a Management Committee composed of three (3) persons elected by the Association. The number of persons on the Management Committee may be changed by amendment of the Bylaws. The Management Committee shall have the power to manage the Condominium Project in accordance with the Act, this Declaration, and the Bylaws. Notwithstanding the above, however, the Declarant may appoint and remove all the members of the Management Committee, all officers of the Association, and exercise all powers and responsibilities delegated by this Declaration and the Act to the Association, its officers and the Management Committee for a period ending (a) six years after the recording of this Declaration; or (b)(i) after Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain have been conveyed, or (ii) after all additional land has been added to the Property, whichever occurs last between (b)(i) and (ii), and whichever first occurs between (a) and (b).

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

4.3. **Books and Records.** The Management Committee shall maintain current copies of the Declaration, Articles, Bylaws, rules and regulations, and other similar documents, as well as its own books, records, and financial statements all of which shall be available for inspection by Unit Owners during normal business hours and upon reasonable notice. Reasonable charges shall be made for the cost of copying, researching or extracting from such documents, in an amount to be determined by resolution of the Management

Committee. The Management Committee shall keep detailed, accurate records in chronological order, of receipts and expenditures affecting the Common Areas and Facilities.

4.4. **Rulemaking Power.** The Management Committee may, from time to time, subject to the provisions of the Act, this Declaration and the Bylaws, adopt, amend and repeal rules and regulations governing, among other things, use of any Common Areas and Facilities, parking restrictions and limitations, limitations upon vehicular travel on the Property, and restrictions on other activities or improvements on the Property which create a hazard or nuisance.

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

4.6. **Management Agreement.** The Management Committee shall have the power to enter into a management agreement, management contract or lease of recreational areas or facilities on behalf of the Association or the Unit Owners as a group. No agreement entered into pursuant to the grant of authority in this section shall exceed a term of two (2) years.

ARTICLE 5
ASSESSMENTS AND LIENS

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

(a) The Declarant and each subsequent Unit Owner 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 levied or charged by the Association or Management Committee pursuant to this Declaration as well any additional charges, interest, costs of collection and reasonable attorney fees, as hereinafter provided. All such amounts shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or amount is charged. Such assessments and other amounts shall be the personal obligation of the person who was the owner of such property at the time the assessment fell due. Successors-in-title shall not be personally liable for assessments delinquent at the time they took title unless that obligation is expressly assumed by them.

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

(c) The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage held by an institutional lender. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Unit Owner from personal liability for assessments coming due after he takes title or from the lien of such later assessments.

5.2. **Purposes.** The Management Committee has authority, and is required, to set and levy assessments on a periodic basis for:

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

5.3. **Calculation of Annual Assessments.** The Management Committee shall prepare a budget before the close of each fiscal year of the Association for the purpose of calculating and establishing the annual assessments for the subsequent fiscal year. Annual assessments for Common Expenses shall be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of routine maintenance and operation of the Common Areas and Facilities; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, common lighting within the Common Areas and Facilities; routine renovations within the Common Areas and Facilities; wages; common water and utility charges for the Common Areas and Facilities; legal and accounting fees; management fees; expenses and liabilities from a previous assessment period; and the supplementing of the reserve fund for general, routine maintenance, repairs, and replacement of the Common Areas and Facilities on a periodic basis.

5.4. **Special Assessments.** In addition to the annual assessments, the Management Committee may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of (a) defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of Common Areas and Facilities or Limited Common Areas and any structures, fixtures and personal property related thereto; (b) making up any shortfall in the current year's budget; or (c) as necessary to fund any litigation the Management Committee deems necessary for the benefit of the Association. If any of the special assessments levied pursuant to this section are to be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities in the Condominium Project) and if the total amount of the special assessments levied for such construction exceeds ten percent (10%) of the gross annual budget for the Association for that year, then such special assessment must have the assent of at least sixty-seven percent (67%) of the votes in the Association at a meeting duly called for this purpose.

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

5.6. **Rates of Assessment; Par Values.** All assessments levied by the Management Committee under the authority of this Article, whether assessed as annual, special, or additional assessments, must be fixed based on the par value of each Unit; *provided, however,* that for sixty (60) days following the conveyance of the first Unit, unsold

and unoccupied Units owned by the Declarant shall be assessed at twenty-five percent (25%) of their full assessment. Sixty (60) days after the first Unit is conveyed, all Units shall be fully assessed.

5.7. Date of Commencement of Annual Assessments; Due Dates.

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

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

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

(d) Due Dates. The assessment due dates shall be established by the Management Committee. The Management Committee may provide for the payment of annual and special assessments in equal installments (monthly or quarterly) throughout the assessment year.

(e) Unit Roster. The Management Committee shall prepare a roster of the Units and the assessments and payments applicable thereto at the same time that it shall fix the amount of the annual assessment. The roster may be inspected by any Unit Owner upon request at a reasonable time.

5.8. Effect of Non-Payment of Assessment; Remedies of the Association.

(a) Delinquency; Interest and Late Fees. Any assessment or installment thereof not paid within thirty (30) days after the due date shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid. In addition, the Management Committee may assess a late fee for each delinquent installment which shall not exceed ten percent (10%) of the installment.

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

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

(ii) foreclose the lien against the property 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) terminate, in accordance with section 57-8-20(5)(a) of the Act, the Unit Owner's right to receive utility services paid as a Common Expense and/or terminate the Unit Owner's right of access and use of recreational facilities;

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

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

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

(c) Costs, Expenses, and Attorney Fees. There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and a reasonable attorney fees, together with an account for the reasonable rental for the Unit from time to time from commencement of the foreclosure. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental without regard to the value of the other security.

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

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

5.9. **Statement of Amount.** The Management Committee shall, upon the written request of any Unit Owner or any encumbrancer or prospective encumbrancer of a Unit, upon payment of a reasonable fee not to exceed \$10, issue a written statement setting forth the unpaid assessments with respect to the Unit covered by the request. Such a statement shall be conclusive upon the remaining Unit Owners and upon the Management Committee in favor of all persons who rely thereon in good faith. Unless the requested statement of indebtedness is provided within ten days, all unpaid assessments that became due prior to the date of the making of such request shall be subordinate to the lien or position of ownership held by the person requesting the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid assessments payable with respect to such Unit. Upon payment, the encumbrancer shall have a lien on the Unit for the amounts paid of the same rank as the lien of the respective encumbrance.

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

ARTICLE 6
INSURANCE

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

(a) A "master" or "blanket" policy of property insurance equal to full replacement value (exclusive of land, foundation, excavation and other like items) of all Common Areas and Facilities and all Buildings, including any improvement which is a permanent part of any Building, affording protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage and such other risks as are customarily covered in similar projects. The policy must cover all of the general and limited common elements normally included in coverage including fixtures, building service equipment, and the Association's personal property and supplies. The maximum deductible amount must be the lesser of \$10,000 or 1% of the policy face amount. The policy must be written by an insurance carrier that has an acceptable rating from either the A.M. Best Company, Demtech, Inc., or Standard and Poor's, Inc.

(b) A comprehensive policy of commercial general liability insurance covering all Common Areas and Facilities, all Buildings, including any improvement which is a permanent part of any Building, and Limited Common Areas, if any, with a Severability of Interest Endorsement or equivalent coverage which would preclude the company from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner, with limits not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other risks as are customarily covered in similar projects. The policy should provide that coverage not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds, including holders of first mortgages who have filed written request for such notice including its name and address and the Unit number on which it has the mortgage.

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

(a) Any Insurance Trust Agreement will be recognized;

(b) The named insured under any such policies shall be the Association, as a trustee for the Unit Owners in the percentages established in this Declaration and holder of each Unit's mortgage, and shall have standard mortgage clauses;

(c) Insurance coverage obtained and maintained pursuant to the requirements of Section 6.1 may not be brought into contribution with insurance purchased by the Unit Owners or their mortgagees, and the coverage shall in all events be primary even if other insurance covers the same loss;

(d) Coverage must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control;

(e) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to any and all insureds, including holders of first mortgages who have filed written request for such notice including its name and address and the Unit number on which it has the mortgage;

(f) The insurer shall waive subrogation as to any and all claims against the Association, the Unit Owners, and/or their respective agents, employees or tenants, and of any defenses based on co-insurance or on invalidity arising from the acts of the insured; and

(g) Any provisions that the carrier may elect to restore damage in lieu of a cash settlement shall not be exercisable without the prior written approval of the Association or when in conflict with any requirement of law.

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

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

- (a) naming the Association as the insured;
- (b) written in an amount equal to at least three months' assessments plus all reserve funds; and
- (c) containing waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

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

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

6.6. **Flood Insurance.** If any part of the Condominium Project's improvements are in a Special Flood Hazard Area, the Association must maintain a "master" or "blanket" policy of flood insurance covering the Common Areas and Facilities. The amount should be at least the lesser of 100% of the insurable value of the facilities or the maximum coverage available. The deductible shall be the lesser of \$5,000 or 1% of the policy's face amount. Funds to cover this deductible should be in the Association's reserve account.

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

ARTICLE 7
GOLF COURSE PROVISIONS

7.1. **Use and Ownership.** The City of St. George ("City") owns the adjacent Golf Course Land and has the sole and exclusive right to determine any and all access and play rights with respect to Golf Course Land.

7.2. **Golf Balls, Disturbances and Nuisances.** Each Unit Owner hereby acknowledges that his Unit may be located adjacent to or near one or more golf courses and related facilities which 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 (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.

7.3. **Release and Indemnification.** Each Unit Owner covenants for himself and his successors and assigns 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, the Management Committee, the Declarant, and each of their respective officers, directors, partners, members, predecessors, successors, assigns, parents, affiliates, subsidiaries, and the agents and employees of any of them, from any liability, claims, or expenses, including attorneys' fees, arising from such property damage, personal injury, or other loss. Each Unit Owner further covenants that the Association, the Declarant, and the City of St. George shall have the right, in the nature of an easement, to subject all or any portion of the Unit Owner's Unit to nuisances incidental to the maintenance, operation, or use of the golf courses, and to the carrying out of golf course-related activities.

7.4. **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 City of St. George to further restrict or regulate Golf Course Land.

ARTICLE 8 DAMAGE OR DESTRUCTION

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

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

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

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

8.5. **Funds for Repair and Reconstruction.** Subject to the provisions of Section 8.6 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 5.3 above, levy, assess, and collect in advance from the Unit Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. The cost of repair and reconstruction in excess of insurance proceeds and reserves is a Common Expense.

8.6. **Disbursement of Funds.** The insurance proceeds held by the Association and the amounts received from the special assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association as attorney-in-fact for such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power, as attorney-in-fact to cause the repair and restoration of the improvements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special assessments. If there is a balance remaining after payment of all costs of such repair

and reconstruction, such balance shall be distributed to the Unit Owners in proportion to the contributions each Unit Owner made as special assessments, or if no special assessments were made, then in proportionate shares among Unit Owners based on the relative value of each Unit and in accordance with the par value of each Unit, as more fully set forth in the Act, first to the Mortgagees and then to the Unit Owners, as their interests appear.

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

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

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

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

ARTICLE 9
CONDEMNATION

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

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

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

ARTICLE 10
MAINTENANCE AND ALTERATIONS

10.1. **Maintenance.**

(a) Maintenance by Association. It shall be the responsibility of the Association to maintain, repair, or replace:

- (i) all portions of the Unit which contribute to the support of the Building, including main bearing walls, but excluding painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings and floors within the Unit;
- (ii) all portions of the Unit which constitute a part of the exterior of the Building, or which front the Common Areas and Facilities;

- (iii) all Common Areas and Facilities and Limited Common Areas, and any other common elements; and
- (iv) all incidental damage caused by the work done by direction of the Association.

(b) Maintenance by Unit Owner. It shall be the responsibility of the Unit Owner:

- (i) to maintain, repair, or replace at the Unit Owner's expense all portions of the Unit which may cause injury or damage to the other Units or to the Common Areas and Facilities and Limited Common Areas, if any, and any other common elements;
- (ii) to paint, wallpaper, decorate and maintain the interior surfaces of all walls, ceilings and floors within the Unit;
- (iii) to perform all responsibilities in such a manner and at such reasonable hours so as not to unreasonably disturb other Unit Owners; and
- (iv) to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the Unit.

10.2. **Alteration or Improvement of Units.** No structural alterations shall be made to any Unit. Unit Owners shall not repair, alter, replace, paint, decorate or change the exterior of the Unit or any exterior appendages whether exclusively used by the Unit Owner or otherwise without obtaining the written consent of the Management Committee.

10.3. **Responsibility for Damage.** Any individual who causes damage to any Common Areas and Facilities or Limited Common Area shall be personally responsible for said damage and repair or restoration of the same.

ARTICLE 11 USE RESTRICTIONS

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

that would result in an increase in the cost of any insurance covering the Condominium Project.

11.2. **Subdividing.** No Unit may be further subdivided.

11.3. **Use of Common Areas and Facilities.** Except for the rights of ingress and egress, Unit Owners are hereby prohibited and restricted from using any of the Common Areas and Facilities other than as permitted in this Declaration or as may be allowed by the Management Committee. It is expressly acknowledged and agreed by all parties concerned that this restriction is for the mutual benefit of all Unit Owners and is necessary for the protection of the interests of all said owners in and to the Common Areas and Facilities. 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 Areas and Facilities thereon, including any community buildings, without charge during the sales and construction period to aid in marketing activities.

11.4. **Commercial Activity.** No commercial activities of any kind whatever shall be conducted on any portion of the Condominium Project, including an in-home business as defined by local ordinances. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation, Bylaws, and any rules and regulations, as the same may be amended from time to time.

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

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

11.7. **Timeshares Prohibited.** No Unit Owner shall offer or sell any interest in his Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

11.8. **Signs.** Except for one "For Sale" sign of not more than two (2) square feet, no "For Rent" or "For Lease" signs, advertising signs, billboards, objects of unsightly

appearance, or nuisances shall be erected, placed, or permitted to remain on any Unit or any portion of the Condominium Project. Nor shall such signs, billboards, objects of unsightly appearance, or nuisances be placed or permitted to remain within any Unit where the same are visible from the streets, roadways, or adjacent Golf Course Land. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation, Bylaws and Rules and Regulations, as the same may be amended from time to time.

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

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

11.11. **Garbage Removal.** All rubbish, trash and garbage shall be regularly removed from the Units and shall not be allowed to accumulate thereon. Garbage should be placed in proper containers.

11.12. **External Apparatus.** No Unit Owner shall cause or permit anything (including, without limitation, external material, awnings, canopies or shutters) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee.

11.13. **Electronic Antennas.** No television, radio, or other electronic antenna or device of any type shall be erected, constructed, placed or permitted to remain on or in any of the Units, to the extent not prohibited by law, unless and until the same shall have been approved in writing by the Management Committee.

11.14. **Leases.** Leasing of Units is permitted subject to the following requirements. Any Unit Owner entering into a lease or rental agreement for his Unit must provide a copy of said lease or rental agreement to the Management Committee of the same within thirty (30) days thereafter. The minimum lease period for any lease or rental agreement for any Unit shall be one (1) year. Any lease or rental agreement shall be in writing and shall

provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association and that any failure by lessee to comply with the terms of such documents shall be a default under the lease. The Management Committee may adopt, by rule or resolution, provisions regarding the leasing or renting of Units that are more restrictive and/or extensive than provided for in this section.

11.15. **Parking.** Parking on the streets is prohibited. Parking spaces within the Property shall be used for parking of motor vehicles actually used by the Unit Owner or his immediate family for personal use and not for commercial use. Parking spaces are limited to not more than two vehicles per Unit. No motor vehicle which is inoperable shall be placed in parking areas, and any motor vehicle which remains parked over 72 hours shall be subject to removal by the Association, at the owner's expense. Such expense of removal shall be secured by the lien for assessment obligations previously provided. No vehicle repairs of any kind shall be performed in the parking areas. Parking areas may not be used for storage purposes of any kind. If parking spaces are designated with numbers corresponding to Unit numbers, each such space is for the exclusive use of the Unit Owner. Recreational vehicles, boats, travel trailers and similar property may not be parked in the Condominium Project.

11.16. **Skateboards and Rollerblades.** Skateboarding and rollerblading are prohibited within the Condominium Project.

ARTICLE 11A
PETS AND ANIMALS

11A.1. **Authorized Pets.** Subject to the following restrictions, Unit Owners shall be permitted to keep the following pets within their Unit: one dog or one cat; or no more than two small, caged domesticated birds (*e.g.*, parakeets, finches, canaries). No other pets or animals shall be permitted. The keeping of pets is limited to Units and does not authorize or allow a Unit Owner to keep or harbor a pet on any Common or Limited Common Area or other areas outside of the walls of any Unit. Notwithstanding the above, canines other than dogs, any dog that weighs in excess of twenty five pounds (25 lbs.) or is an aggressive breed such as a pit bull, and felines other than common house cats shall not be allowed. The Management Committee shall waive the twenty five-pound restriction on dogs in the case of Unit Owners who need seeing-eye dogs or special assistance-trained animals. The keeping of pets is limited to Units and does not authorize or allow a Unit Owner to keep or harbor a pet on any Common Areas or Facilities or in any Limited Common Area or other areas outside of the walls of any Unit.

11A.2. Common Area Pet Restrictions.

(a) Except for Unit Owners who need seeing-eye dogs or special assistance-trained animals, Unit Owners are prohibited from bringing any pets onto Common Areas and Facilities designed for active use, such as the pool area, nor shall a Unit Owner bring any pets inside of any Common Area and Facilities building. Unit Owners may bring pets onto the Common Areas designed for passive use, such as grassy open space areas, if any, provided that (i) the Unit Owner shall have direct control of their pet with a leash at all times or (ii) the Unit Owner carry their pet in a carrier designed for such use.

(b) Unit Owners are responsible for the control of their pet at all times and may not leash a pet to any stationary object on the Common Areas and Facilities.

(c) Unit Owners are responsible for ensuring that their pet does not attack or otherwise interfere with the freedom of movement of persons on Common Areas and Facilities, or which attack other pets, or create a threatening disturbance in other ways.

11A.3. Individual Unit Responsibility. Unit 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 any Unit Owner's safety, particularly among children, or the safety of any guests, lessees, or invitees. Unit Owners are responsible for any property damage, injury, or disturbance that their pet may cause or inflict anywhere within the Condominium Project. 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 Unit Owner. Unit 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.

11A.4. Unit Owner Responsibility for all Pets Housed within His Unit. The responsibilities of Unit Owners set forth in this Article extend to any pet that is housed within the Unit Owner's Unit, regardless of whether or not the pet is actually owned by the Unit Owner. As such, Unit Owner's shall be responsible for ensuring that their occupants, guests tenants, or invitees comply with this Article 11A.

11A.5. Pet Waste. Unit Owners are responsible for promptly cleaning their Units and any Common Areas and Facilities of any waste from their pets and disposing of such waste promptly and properly.

11A.6. **Commercial Breeding.** Commercial breeding of pets is prohibited within the Condominium Project.

11A.7. **Enforcement.** There is hereby adopted a complaint driven policy of enforcement of this Article 11A. The following provisions shall apply to enforcement of this Article 11A.

(a) Informal Resolution. Unit Owners are strongly encouraged to informally attempt to resolve any complaints with their neighbors before formally filing a complaint with the Management Committee. Informal resolution shall not be a prerequisite to the submission of a formal complaint.

(b) Formal Complaints. If two Unit Owners in good standing, each from separate Units, submit a written complaint against another Unit Owner to the Management Committee, then the Management Committee shall conduct a formal review of the matter.

(c) Conflicts of Interest; Management Committee. Management Committee members may file complaints only in their capacity as individual Unit Owners. If a Management Committee member (or a member of his/her household) files a complaint, the Management Committee member must recuse himself/herself from all of the proceedings relating thereto.

(d) First Complaint. If a complaint is signed by both Unit Owners, dated and sufficiently clear and credible in the establishment of probable cause that a Unit Owner has committed or is committing a violation of this Article, the Management Committee shall send a notice of complaint to the Unit Owner alleged to be in violation. Upon receipt of such notice, the Unit Owner shall do what is necessary to come into compliance with this Article and otherwise cure the violation.

(e) Second Complaint; Hearing; Fines. Upon a second complaint, a hearing notice will be sent to the Unit Owner. After a hearing is held and the Management Committee determines the Unit Owner has violated or is in violation of this Article, it may impose a fine of up to \$100.00 for a single offense; however, the Management Committee shall reserve the power to impose a \$10.00 charge per day for any offenses that continue after the Management Committee formally notifies the Unit Owner of its ruling and issues a cease and desist order to be made effective by a specific prospective date. Prior to imposing any fine, however, the Management Committee must provide the Unit Owner at least 48 hours to cure the violation. In no event may a fine exceed \$500 per month for a continuing violation. Any fine

imposed by the Management Committee pursuant to the authority of this Article shall constitute a lien on the offending Unit Owner's Unit, enforceable as provided for in this Declaration.

(f) Action for Abatement. In addition to imposing monetary sanctions against a Unit Owner, the Management Committee is authorized to require that a Unit Owner remove the subject pet from the Condominium Project and shall have the power to bring an action for abatement to compel compliance with such a request. If the Management Committee decides that the Unit Owner must remove the subject pet from the Condominium Project, it shall provide the member with a minimum of twenty (20) days to comply with the Management Committee's ruling. The Management Committee has the power to impose monetary sanctions and require pet removal cumulatively. The Association shall be entitled to collect from the offending Unit Owner all attorney fees and costs incurred in enforcing this Article against such Unit Owner.

(g) Rules and Regulations. The Management Committee shall have the authority to establish rules and regulations to supplement the restrictions provided in this Article, which may include without limitation, establishing procedural rules and regulations to govern hearings and establishing a schedule of fines. The Management Committee shall not be authorized to pass any rule or regulation which conflicts with the requirements of this Article. The Management Committee shall have the power to assign all of its rights and responsibilities under this Article to a standing or special committee created for this purpose.

ARTICLE 12 EASEMENTS

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

12.2. **Utilities.** There is hereby created a blanket easement upon, across, over and under all of the Property for public utility purposes. By virtue of this easement, it shall be expressly permissible for all public utilities serving the Property to lay, construct, renew, operate and maintain conduits, cables, pipes, mains, ducts, wires and other necessary equipment on the Property, provided that all such services shall be placed underground, except that said public utilities may affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under roofs and exterior walls. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property in such a way as to unreasonably encroach upon or limit the use of the Common Areas and Facilities, Limited Common Areas, or any structures thereon. In the initial exercise of easement rights under this Section, a utility shall make reasonable efforts to occupy and use the same physical location or lane as other utilities. After a utility service has initially exercised its easement rights under this Section, the utility shall make reasonable efforts to occupy and use the same physical location as its prior installations. Should any utility furnishing a service covered by the general easement in this Section request a specific easement by separate recordable document, the Declarant or the Association shall have the right to grant such easement without conflicting with the terms hereof.

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

12.4. **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 any Unit in case of emergency or to perform the duties of maintenance and repair, in the event the same are neglected by the Unit Owner or for the purpose of repair to the Common Areas and Facilities.

12.5. **Easement for Unit Owners.** Each Unit Owner has an unrestricted right of ingress and egress to his Unit which is appurtenant to ownership of the Unit.

12.6. **Easement for Declarant.** The Declarant shall have a transferable easement over and on the Common Areas and Facilities for the purpose of making improvements on the Property or on any additional land under the Act or this Declaration, or any development, related or unrelated, on land described herein or adjacent to the Property and for the purpose of doing all things reasonably necessary and proper in connection with the same.

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

ARTICLE 13
EXPANSION

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

13.2. **Expansion Property.** The property all or part of which may be included in one or more expansions, is located in Washington County, Utah, and is more particularly described as follows:

See Exhibit "C" that is attached hereto and incorporated herein by this reference

There are no limitations on the maximum or minimum amount of the above property which may be added. There may be more than one expansion and the expansion may be made as to any amount or in any order.

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

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

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

13.4. **Use of Expansion Property.** Any additional property annexed hereto by the Declarant shall be exclusively for residential purposes, architecturally compatible to the existing Units, substantially identical to the units depicted in the Condominium Plat, constructed out of similar materials, with substantially similar unit size. The Units shall all be restricted to residential use. No other assurances are made as to the improvements which will be made on the expansion property. The Declarant shall have the sole discretion as to development of the common area in any expansion area and may include any facilities

or amenities thereon that Declarant deems necessary and such common areas shall be managed by the Association. Additional common and limited common area shall be added in any expansion area to maintain a ratio of common and limited common area to total unit area similar to the ratio which now exists.

13.5. **Maximum Number of Units in Expansion Property.** The total maximum number of Units that may be added to the Condominium Project is 60.

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

ARTICLE 14
AMENDMENT

14.1. **Amendment.** This Declaration, or any provision in it, may be amended, extended, or modified as to the whole or any portion of the Condominium Project, by a vote of the Unit Owners holding not less than sixty-seven percent (67%) of the votes of the Association. Any proposed amendment shall be sent to every Unit Owner at least thirty (30) days in advance of the meeting at which the amendment is to be voted on. For purposes of amendment, the quorum required at such meeting for any vote on an amendment shall be not less than sixty-seven percent (67%) of the votes of the Association. 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 were obtained at a duly called meeting in which a quorum was present.

14.2. **Amendment by Written Consent in Lieu of Meeting.** This Declaration may be amended pursuant to written consent in lieu of meeting undertaken in accordance with the Bylaws.

14.3. **Amendment by Declarant.** Notwithstanding the above, the Declarant reserves the right to unilaterally amend the Declaration and Bylaws so long as Declarant has the right to expand the Condominium Project as provided in Article 13. Any amendment must be properly recorded in the records of Washington County, Utah, to become effective, and shall become effective upon its recording.

14.4. **Notice of Amendment.** The Management Committee shall provide notice of any amendment to this Declaration within a reasonable time after the recording of the same. Such notice may contain a copy of the amendment itself or a summary of the amendments, along with a notice that a copy of the same may be obtained from the Management Committee upon request. The notice required under this section shall not be a prerequisite to the validity of any amendment.

ARTICLE 15
GENERAL PROVISIONS

15.1. **Enforcement.** The Association, Management Committee, Declarant or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, or any rule of the Association, including but not limited to any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, condition, or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants. In the event action, with or without suit, is undertaken to enforce any provision hereof or any rule of the Association, the party against whom enforcement is sought shall pay to the Association, Management Committee, Declarant, or enforcing Unit Owner's reasonable attorney fees. The Management Committee, officers or members of the Association shall not be liable to any lessee, tenant, Unit Owner, member or other individual for mistake in judgment, or for any negligence or non-feasance arising in connection with the performance or non performance of duties under the Declaration, Bylaws, or any rules established pursuant to the Declaration or Bylaws.

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

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

15.4. **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, Management Committee, or any Unit Owner or their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

15.5. **Notices.** Any notice required to be sent under the provisions of this Declaration shall be conclusively deemed to have been given when deposited in the U.S. Mail, postage paid, to the last known address of the person who is entitled to receive it.

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

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

15.8. **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.

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

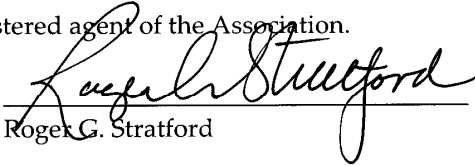
ARTICLE 16
ASSIGNMENT OF POWERS

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

ARTICLE 17
AGENT FOR SERVICE

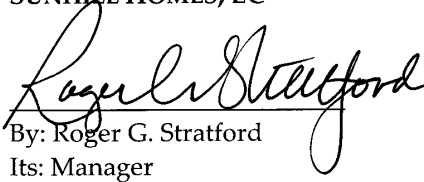
Roger G. Stratford of St. George, Utah, whose address is 2240 West Sunbrook Drive #5, St. George, Utah, 84770, is hereby appointed agent for service of process in those cases provided under Section 57-8-10(2)(d)(iii)(A) of the Act. The Management Committee may change this resident agent by a filing with the Secretary of State in the manner provided by law.

I hereby accept appointment as registered agent of the Association.


Roger G. Stratford

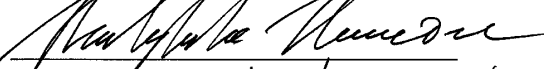
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this 9 day of DECEMBER, 2005.

DECLARANT
SUNHILL HOMES, LC


By: Roger G. Stratford
Its: Manager

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this 9 day of December, 2005, before me personally appeared Roger G. Stratford whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he is the Manager of Sunhill Homes, LC, a Utah limited liability company and that the foregoing document was signed by him on behalf of that Company by proper authority and he acknowledged before me that the Company executed the document and the document was the act of the Company for its stated purpose.



NOTARY PUBLIC
Address: 3102 Nashua Rd.
My Commission Expires: 03-31-07

F:\SGDOCS\BPATTISON\5\SUNBROOK 5003900\Condo\Final\CCRs Bella Terrazza 112105 bjp.doc

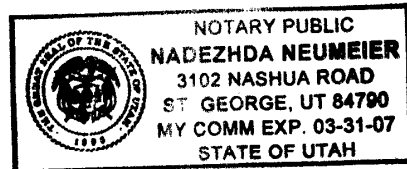


EXHIBIT A

[Legal Description]

BOUNDARY DESCRIPTION
Bella Terrazza @ Sunbrook

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF "AMENDED SUNBROOK DRIVE", SAID POINT ALSO BEING ON THE WESTERLY RIGHT OF WAY LINE OF "LUCE DEL SOL", A 50.00 FOOT WIDE STREET, SAID POINT BEING LOCATED S0°39'40"W 2127.72 FEET AND WEST 1205.71 FEET FROM THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 42 SOUTH, RANGE 16 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE THE FOLLOWING TEN (10) COURSES: S11°48'03"W 44.39 FEET TO THE POINT OF A 375.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 4°24'34" A DISTANCE OF 28.86 FEET TO THE POINT OF A 42.50 FOOT RADIUS COMPOUND CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 33°32'45" A DISTANCE OF 24.88 FEET TO THE POINT OF A 57.50 FOOT RADIUS REVERSE CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 25°58'35" A DISTANCE OF 26.07 FEET TO THE POINT OF A 362.00 FOOT RADIUS REVERSE CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°27'16" A DISTANCE OF 91.32 FEET; THENCE S38°14'04"W 28.87 FEET TO THE POINT OF A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°38'23" A DISTANCE OF 15.23 FEET; THENCE S38°14'04"W 49.20 FEET TO A POINT ON A 20.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS S38°14'04"W; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 85°55'55" A DISTANCE OF 30.00 FEET TO THE POINT OF A 565.00 FOOT RADIUS REVERSE CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 31°36'49" A DISTANCE OF 311.75 FEET; THENCE N87°39'24"W 243.23 FEET; THENCE S20°53'24"W 39.30 FEET; THENCE N69°06'36"W 64.02 FEET; THENCE N20°53'24"E 36.58 FEET; THENCE N67°39'03"W 18.50 FEET; THENCE N46°29'20"W 39.24 FEET TO A POINT ON A 218.50 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS S71°08'59"E; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°31'26" A DISTANCE OF 135.47 FEET; THENCE N34°09'33"W 182.48 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID "AMENDED SUNBROOK DRIVE", SAID POINT ALSO BEING ON A 692.10 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS N34°10'08"W; THENCE ALONG THE ARC OF SAID RIGHT OF WAY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 5°16'52" A DISTANCE OF 63.79 FEET; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE THE FOLLOWING SIX (6) COURSES; N50°33'00"E 218.16 FEET TO THE POINT OF A 511.50 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 16°57'06" A DISTANCE OF 151.33 FEET TO THE POINT OF A 250.00 FOOT RADIUS COMPOUND CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°32'41" A DISTANCE OF 89.64 FEET TO THE POINT OF A 250.00 FOOT RADIUS REVERSE CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 7°01'25" A DISTANCE OF 30.65 FEET TO THE POINT OF A 500.50 FOOT RADIUS REVERSE CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 16°03'08" A DISTANCE OF 140.22 FEET TO THE POINT OF A 15.00 FOOT RADIUS COMPOUND CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 94°43'33" A DISTANCE OF 24.80 FEET; THENCE S11°48'03"W 4.35 FEET TO THE POINT OF BEGINNING.

CONTAINS 5.11 ACRES.

EXHIBIT B

[Bylaws]

Bylaws
of
Bella Terrazza at Sunbrook Condominium Owners Association

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Bylaws
of
Bella Terrazza at Sunbrook Condominium Owners Association

ARTICLE 1
DEFINITIONS AND APPLICATION

1.1. Definitions. Except as otherwise provided herein, the definitions set forth in the Act, the Declaration, and the Articles, and any applicable amendments and supplements thereto or restatements thereof shall control in these Bylaws.

1.2. Applicability. These Bylaws apply to the Condominium Project. All present or future Unit Owners, tenants, or any other person or entity that might use the facilities of the Condominium Project in any manner, are subject to the provisions set forth in these Bylaws, which are attached to the recorded Declaration. The mere acquisition, rental, or occupancy of any of the Units will signify that these Bylaws and the Declaration are accepted, ratified, and will be complied with.

ARTICLE 2
VOTING

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

2.2. Consent in Lieu of Meeting. In any case in which the Declaration or these Bylaws require, for the authorization of any action, the assent or affirmative vote of a stated percentage of votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such action from members entitled to cast at least the stated percentage of votes necessary to authorize the action. Such consents may be obtained in the manner provided for in the Utah Nonprofit Corporation Act for action by written ballot as set forth in Utah Code Ann. § 16-6a-709.

2.3. Par Values. Each Unit Owner shall have a number of votes equal to the par value of his Unit, as established in the Declaration.

2.4. Majority of Owners. As used in these Bylaws the terms "majority of owners" shall mean those Unit Owners holding 51% of the votes in accordance with the par values established in the Declaration.

2.5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of owners as defined in Section 2.3 of this Article shall constitute a quorum.

2.6. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary before the appointed time of each meeting.

ARTICLE 3
ASSOCIATION MEETINGS

3.1. Place of Meetings. Meetings of the Association shall be held at a suitable place convenient to the Unit Owners as may be designated by the Management Committee.

3.2. Annual Meetings. The first annual meeting of the Association shall be held on January 15, 2006. Thereafter, the annual meetings of the Association shall be held on the first day of June each succeeding year, unless otherwise provided by resolution of the Management Committee. At such meetings the Unit Owners shall elect by ballot a Management Committee, which election shall be in accordance with the requirements of Section 4.5. The Unit Owners may also transact such other business of the Association as may properly come before them.

3.3. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the Unit Owners as directed by resolution of the Management Committee or upon a petition signed by a majority of the Unit Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the holders of three-fourths of the par values present, either in person or by proxy.

3.4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five (5) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

3.5. Adjourned Meetings. If any meeting of Unit Owners cannot be organized because a quorum is not in attendance, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting from time to time.

ARTICLE 4
MANAGEMENT COMMITTEE

4.1. Number and Qualification. The affairs of the Association shall be governed by a Management Committee composed of three (3) persons. Members of the Management Committee must be members of the Association unless appointed by Declarant.

4.2. Powers and Duties. The Management Committee shall have the powers and duties necessary for the administration of affairs of the Association and may do all such acts and things as are not prohibited by law, by the Declaration or by these Bylaws directed to be exercised and done by the Unit Owners. The powers of the Management Committee shall include but not be limited to the following:

(a) The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Areas and Facilities; and work performed pursuant to such easements must be done in a workmanlike manner and any damage to the interior structure or decor of a Unit must be repaired;

(b) The authority to execute and record, on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;

(c) The authority to enter into contracts that in any way concern the Condominium Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

(d) The power or authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;

(e) The power or authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances;

(f) The power and authority to add any interest in real property obtained pursuant to subsection (e) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent;

(g) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to ensure that the Condominium Project is maintained and used in a manner consistent with the interests of the Unit Owners;

(h) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners; and

(i) Any instrument executed by the Management Committee that recites facts which, if true, would establish the Management Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

4.3. Other Duties. In addition to duties imposed by the Declaration, these Bylaws or by resolution of the Association, the Management Committee shall have the following powers:

(a) Care, upkeep and surveillance of the Condominium Project and the Common Areas and Facilities and the Limited Common Areas;

(b) Bringing and defending actions by or against the Association pertinent to the operation of the Condominium Project;

(c) Borrowing money on behalf of the Condominium Project when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however that (i) the consent of at least sixty-seven per cent (67%) in par value of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of the Bylaws, shall be required for the borrowing of any sum in excess of \$2,000 and (ii) no lien (other than the lien of assessment) to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in common elements without the consent of the Unit Owner;

(d) Collection of monthly assessments from the Unit Owners;

(e) Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the Condominium Project; and

(f) Such other duties as set forth in the Declaration or in the Condominium Ownership Act.

4.4. Management Agent. The Management Committee may engage for the Association the services of a manager at a compensation established by the Management Committee to perform such duties and services as the Management Committee shall authorize.

4.5. Election and Term of Office. At the first annual meeting of the Association, the term of office of the committee member receiving the highest number of votes shall be fixed at three (3) years. The term of office of the committee member receiving the next highest number of votes shall be fixed at two (2) years, and the term of office of all other committee members shall be fixed at one (1) year. At the expiration of the initial term of office of each respective committee member, his successor shall be elected to serve a term of three (3) years. The committee members shall hold office until their successors have been elected and hold their first meeting.

4.6. Vacancies. Vacancies on the Management Committee caused by any reason other than the removal of a committee member by a vote of the Association shall be filled by vote of the majority of the remaining committee members, even though the number voting affirmatively for a replacement committee member may constitute less than a quorum; and each person so elected shall be a committee member until a successor is elected at the next annual meeting of the Association.

4.7. Removal of Committee Member. At any regular or special meeting duly called, any one or more of the committee members may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any committee member whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

4.8. Organization Meeting. The first meeting of a newly elected Management Committee shall be held within ten (10) days of election at such a place as shall be fixed by the committee members at the meeting at which such committee members were elected, and no notice shall be necessary to the newly elected committee members in order to legally constitute such meeting, providing a majority of the whole committee shall be present.

4.9. Regular Meetings. Regular meetings of the Management Committee may be held at such time and place as shall be determined, from time to time, by a majority of the committee members, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Management Committee shall be given to each committee member, personally or by mail, telephone, telecopy, or electronic mail at least three (3) days prior to the day set for such meeting. Meetings of the Management Committee shall be open to all Unit Owners, unless litigation or potential litigation, contract negotiation, or employment or personnel matters are being discussed.

4.10. Special Meetings. Special meetings of the Management Committee may be called by the Chairman on three days notice to each committee member given personally or by mail, telephone, telecopy, or electronic mail, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Management Committee shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least two committee members.

4.11. Waiver of Notice. Before or at any meeting of the Management Committee, any committee member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a committee member at any meeting of the Management Committee shall be a waiver of notice by him of the time and place thereof. If all the committee members are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

4.12. Management Committee's Quorum. At all meetings of the Management Committee, a majority of the committee shall constitute a quorum for the transaction of business, and the acts of the majority of the committee present at a meeting at which a quorum is present shall be the acts of the Management Committee. If, at any meeting of the Management Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At the resumption of any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.13. Fidelity Bonds. The Management Committee shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

4.14. Compensation. No committee member shall receive any compensation for any service he shall render to the Association in that capacity. However, reimbursement for actual expenses may be made upon approval by the Management Committee.

ARTICLE 5 OFFICERS

5.1. Designation. The principal officers of the Association shall be a Chairman, a Vice Chairman, a Secretary, and a Treasurer, all of whom shall be elected by the Management Committee. The committee members may appoint any assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. The offices of Treasurer and Secretary may be filled by the same person.

5.2. Election of Officers. The officers of the Association shall be elected annually by the Management Committee at the organization meeting after election of new committee members and shall hold office at the pleasure of the Management Committee.

5.3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Management Committee, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Management Committee, or at any special meeting of the Management Committee called for such purpose.

5.4. Chairman. The Chairman shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Management Committee. He shall have all of the general powers and duties which are usually vested in the office of president of any Association or Chairman of any Board, including but not limited to the power to appoint executive committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5. Vice Chairman. The Vice Chairman shall take the place of the Chairman and perform his duties whenever the Chairman shall be absent or unable to act. If neither the Chairman nor the Vice Chairman is able to act, the Management Committee shall appoint some other member of the Management Committee to so do on an interim basis. The Vice Chairman shall also perform such other duties as shall from time to time be imposed upon him by the Chairman or the Management Committee.

5.6. Secretary. The Secretary shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association; he shall have the charge of such books and papers as the Management Committee may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

5.7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Management Committee.

5.8. Compensation. No officer shall receive any compensation for any service he shall render to the Association in that capacity, except for the Secretary or Treasurer, who may receive such compensation, if any, as the Management Committee may determine. Reimbursement of actual expenses may be made upon approval by the Management Committee.

ARTICLE 6 GENERAL PROVISIONS

6.1. Amendment. These Bylaws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by Unit Owners representing at least sixty-seven per cent (67%) of the par value in the Condominium Project. However, so long as the Declarant has unilateral authority to amend the Declaration, it shall have unilateral authority to amend these Bylaws.

6.2. Construction. These Bylaws shall be construed wherever possible as consistent with the Declaration, and the Condominium Ownership Act. Wherever there is a conflict

between the Declaration or Condominium Ownership Act and these Bylaws, the Declaration or Condominium Ownership Act shall control.

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

6.4. 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.

ACKNOWLEDGEMENT

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this _____ day of _____, 2005.

DECLARANT
SUNHILL HOMES, LC

By: Roger G. Stratford
Its: Manager

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2005, before me personally appeared Roger G. Stratford whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he is the Manager of Sunhill Homes, LC, a Utah limited liability company and that the foregoing document was signed by him on behalf of that Company by proper authority and he acknowledged before me that the Company executed the document and the document was the act of the Company for its stated purpose.

NOTARY PUBLIC
Address: _____
My Commission Expires: _____

EXHIBIT C

[Legal Description ~ Expansion Area]

BOUNDARY DESCRIPTION
Bella Terrazza 2 @ Sunbrook

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF "AMENDED SUNBROOK DRIVE", SAID POINT BEING THE WESTERN MOST CORNER OF "BELLA TERRAZZA AT SUNBROOK", ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDS OF WASHINGTON COUNTY, SAID POINT BEING LOCATED $S0^{\circ}39'40''W$ 2384.08 FEET ALONG THE SECTION LINE AND WEST 1820.87 FEET FROM THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 42 SOUTH, RANGE 16 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG THE WESTERLY BOUNDARY OF SAID "BELLA TERRAZZA AT SUNBROOK" THE FOLLOWING EIGHT (8) COURSES; $S34^{\circ}09'33''E$ 182.48 FEET TO A POINT ON A 218.50 FOOT, NON-TANGENT, RADIUS CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS $S35^{\circ}37'32''E$; THENCE SOUTHWESTERLY 135.47 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $35^{\circ}31'26''$; THENCE $S46^{\circ}29'20''E$ 39.24 FEET; THENCE $S67^{\circ}39'03''E$ 18.50 FEET; THENCE $S20^{\circ}53'24''W$ 36.58 FEET; THENCE $S69^{\circ}06'36''E$ 64.02 FEET; THENCE $N20^{\circ}53'24''E$ 39.30 FEET; THENCE $S87^{\circ}39'24''E$ 243.23 FEET TO THE SOUTHEAST CORNER OF SAID "BELLA TERRAZZA AT SUNBROOK", SAID POINT BEING ON THE WESTERLY RIGHT OF WAY LINE OF "LUCE DEL SOL" A 50.00 FOOT WIDE STREET, SAID POINT ALSO BEING A POINT ON A 565.00 FOOT, NON-TANGENT, RADIUS CURVE TO THE LEFT, THE RADIUS POINT BEARS $S87^{\circ}26'50''E$; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE THE FOLLOWING SIX (6) COURSES: SOUTHWESTERLY 4.25 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $0^{\circ}25'51''$ TO THE POINT OF A 20.00 FOOT RADIUS REVERSE CURVE TO THE RIGHT; THENCE SOUTHWESTERLY 30.00 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $85^{\circ}55'52''$; THENCE $S1^{\circ}56'45''E$ 43.00 FEET TO A POINT ON A 20.00 FOOT, NON-TANGENT, RADIUS CURVE TO THE RIGHT, THE RADIUS POINT BEARS $S1^{\circ}56'45''E$; THENCE SOUTHEASTERLY 30.00 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $85^{\circ}55'54''$ TO THE POINT OF A 565.00 FOOT RADIUS REVERSE CURVE TO THE LEFT; THENCE SOUTHEASTERLY 40.62 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $4^{\circ}07'10''$ TO THE POINT OF A 285.00 FOOT RADIUS REVERSE CURVE TO THE RIGHT; THENCE SOUTHEASTERLY 50.53 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $10^{\circ}09'34''$; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE $N88^{\circ}34'22''W$ 121.51 FEET; THENCE $S36^{\circ}10'13''W$ 150.90 FEET; THENCE $S11^{\circ}14'47''W$ 255.00 FEET; THENCE $S76^{\circ}39'35''W$ 293.20 FEET; THENCE $S18^{\circ}13'32''W$ 166.09 FEET; THENCE $S75^{\circ}58'27''W$ 113.52 FEET; THENCE $N24^{\circ}52'44''W$ 190.72 FEET; THENCE $N15^{\circ}36'44''E$ 155.06 FEET; THENCE $N18^{\circ}19'15''E$ 423.25 FEET; THENCE $N16^{\circ}59'46''E$ 158.00 FEET; THENCE $N26^{\circ}19'28''E$ 216.41 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID "AMENDED SUNBROOK DRIVE", SAID POINT ALSO BEING A POINT ON A 692.10 FOOT, NON-TANGENT, RADIUS CURVE TO THE LEFT, THE RADIUS POINT BEARS $N25^{\circ}56'38''W$; THENCE NORTHEASTERLY 99.35 FEET ALONG THE THE ARC OF SAID CURVE AND SAID RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF $8^{\circ}13'30''$ TO THE POINT OF BEGINNING. CONTAINS 9.28 ACRES.

EXHIBIT D

[Schedule of Par Values]

**Common Areas & Facilities Percentage Ownership
 and Par Value Schedule**

<u>Bldg #</u>	<u>Unit #</u>	<u>Square Footage</u>	<u>% Ownership of Common</u>	
			<u>Areas and Facilities</u>	<u>Par Value</u>
1	110	1573	2.2754%	2.2754
1	111	1193	1.7257%	1.7257
1	112	1193	1.7257%	1.7257
1	113	1477	2.1366%	2.1366
1	114	1477	2.1366%	2.1366
1	115	1193	1.7257%	1.7257
1	116	1193	1.7257%	1.7257
1	117	1477	2.1366%	2.1366
1	118	1477	2.1366%	2.1366
1	119	1573	2.2754%	2.2754
2	210	1573	2.2754%	2.2754
2	211	1193	1.7257%	1.7257
2	212	1193	1.7257%	1.7257
2	213	1477	2.1366%	2.1366
2	214	1477	2.1366%	2.1366
2	215	1193	1.7257%	1.7257
2	216	1193	1.7257%	1.7257
2	217	1477	2.1366%	2.1366
2	218	1477	2.1366%	2.1366
2	219	1573	2.2754%	2.2754
3	310	1573	2.2754%	2.2754
3	311	1193	1.7257%	1.7257
3	312	1193	1.7257%	1.7257
3	313	1477	2.1366%	2.1366
3	314	1477	2.1366%	2.1366
3	315	1193	1.7257%	1.7257
3	316	1193	1.7257%	1.7257
3	317	1477	2.1366%	2.1366
3	318	1477	2.1366%	2.1366
3	319	1573	2.2754%	2.2754
4	410	1573	2.2754%	2.2754
4	411	1193	1.7257%	1.7257
4	412	1193	1.7257%	1.7257
4	413	1477	2.1366%	2.1366
4	414	1477	2.1366%	2.1366
4	415	1193	1.7257%	1.7257
4	416	1193	1.7257%	1.7257

<u>% Ownership of Common</u>				
<u>Bldg #</u>	<u>Unit #</u>	<u>Square Footage</u>	<u>Areas and Facilities</u>	<u>Par Value</u>
4	417	1477	2.1366%	2.1366
4	418	1477	2.1366%	2.1366
4	419	1573	2.2754%	2.2754
5	510	1573	2.2754%	2.2754
5	511	1193	1.7257%	1.7257
5	512	1193	1.7257%	1.7257
5	513	1477	2.1366%	2.1366
5	514	1477	2.1366%	2.1366
5	515	1193	1.7257%	1.7257
5	516	1193	1.7257%	1.7257
5	517	1477	2.1366%	2.1366
5	518	1477	2.1366%	2.1366
5	519	1573	2.2754%	2.2754
TOTAL		69,130	100.0000%	100.0000

The maximum number of Units which may be built is 110 which would result in a 0.7844% minimum ownership interest in the Common Areas and Facilities.

The minimum number of units which may be built is 50 which would result in a 1.7257% minimum ownership interest in the Common Areas and Facilities.