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Amended Restrictive Covenants Page 1 of 46
Russell Shirts Washington County Recorder
06/29/2010 09:26:05 AM Fee \$ 105.00
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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
TREASURE VALLEY**

Table of Contents

RECITALS	Page 6
ARTICLE I	
DEFINITIONS	Page 7
ARTICLE IA	
DESCRIPTION OF PROPERTY	Page 10
ARTICLE II	
OWNERS' PROPERTY RIGHTS	Page 10
2.1 <u>Form For Conveyancing</u>	Page 10
2.2 <u>Transfer of Title to Common Area</u>	Page 11
2.3 <u>Limitations on Common Area Easement</u>	Page 11
2.4 <u>Easements for Public Service Use</u>	Page 11
2.5 <u>Waiver</u>	Page 11
2.6 <u>Easements for Water and Utility Purposes</u>	Page 11
2.7 <u>Taxes</u>	Page 11
2.8 <u>Easement for Encroachments</u>	Page 12
ARTICLE III	
TREASURE VALLEY HOMEOWNERS ASSOCIATION	Page 12
3.1 <u>Organization of Association</u>	Page 12
3.2 <u>Parties and Powers</u>	Page 12
3.3 <u>Membership</u>	Page 12
3.4 <u>Transfer of Membership</u>	Page 12
ARTICLE IV	
VOTING RIGHTS	Page 12
4.1 <u>Vote Distribution</u>	Page 12
4.1.1 <u>Class-A</u>	Page 12
4.1.2 <u>Class-B</u>	Page 12
4.2 <u>Multiple Ownership of a Lot</u>	Page 12
ARTICLE V	
JURISDICTION OF ASSOCIATION	Page 13
ARTICLE VI	
COVENANT FOR ASSESSMENTS	Page 13
6.1 <u>Creation of Assessment Obligation</u>	Page 13
6.2 <u>Purpose of Assessments</u>	Page 13
6.3 <u>Annual Assessments</u>	Page 14
6.4 <u>Basis and Maximum of Annual Assessments</u>	Page 14
6.5 <u>Working Capital Fund</u>	Page 14
6.6 <u>Lot Transfer Assessments</u>	Page 15
6.7 <u>Special Assessments</u>	Page 15
6.7.1 <u>Approved by Board</u>	Page 15
6.7.2 <u>Member Meetings Approval</u>	Page 15
6.8 <u>Uniform Rate of Assessment</u>	Page 15
6.9 <u>Date of Commencement of Annual Assessments</u>	Page 15

6.10	<u>Corrective Assessments</u>	Page 16
6.11	<u>Exempt Property</u>	Page 16
6.12	<u>Notice of Members Meetings; Quorum Requirements</u>	Page 16
6.13	<u>Additional Assessment</u>	Page 16
6.14	<u>Preparation of Budget</u>	Page 16
6.15	<u>Reserve Fund</u>	Page 16

ARTICLE VII

	NONPAYMENT OF ASSESSMENTS; REMEDIES	Page 17
7.1	<u>Nonpayment of Assessments; Remedies</u>	Page 17
7.2	<u>Washington County Tax Collection</u>	Page 17
7.3	<u>Lien</u>	Page 17
7.4	<u>Trust Deed for Assessments</u>	Page 17
7.5	<u>Perfection of Lien and Priority</u>	Page 18
7.6	<u>Future Lease Payments</u>	Page 18
7.7	<u>Statement of Account</u>	Page 19
7.8	<u>Payment by Encumbrancer</u>	Page 19
7.9	<u>Cumulative Remedies</u>	Page 19
7.10	<u>Mortgage Protection</u>	Page 19
7.11	<u>Rent After Foreclosure</u>	Page 19

ARTICLE VIII

	ARCHITECTURAL CONTROL COMMITTEE	Page 19
8.1	<u>Members of the ACC Committee</u>	Page 19
8.2	<u>ACC General Powers</u>	Page 20
8.3	<u>Review of Plans and Specifications</u>	Page 20
8.4	<u>Infrastructure Damage Deposit</u>	Page 20
8.5	<u>Meetings of the ACC</u>	Page 21
8.6	<u>No Waiver of Future Approvals</u>	Page 21
8.7	<u>Compensation of Members</u>	Page 21
8.8	<u>Limitations on Liability</u>	Page 21
8.9	<u>Declarant's Rights</u>	Page 22

ARTICLE IX

	MAINTENANCE AND REPAIR OBLIGATION	Page 22
9.1	<u>Maintenance by Owner</u>	Page 22
9.2	<u>Operation and Maintenance by Association</u>	Page 22
	9.2.1 <u>Sidewalks - All Phases</u>	Page 23
	9.2.2 <u>Park Strips - Phase 1</u>	Page 23
9.3	<u>Walls</u>	Page 24
	9.3.2 <u>Phase 1 Lots</u>	Page 25
	9.3.3 <u>Expanded Phases</u>	Page 25
	9.3.4 <u>General Rules of Law to Apply</u>	Page 25
	9.3.5 <u>Sharing of Repair and Maintenance</u>	Page 25
	9.3.6 <u>Destruction by Fire or Other Casualty</u>	Page 26
	9.3.7 <u>Weatherproofing</u>	Page 26
	9.3.8 <u>Right to Contribution Runs with Land</u>	Page 26
	9.3.9) <u>Arbitration</u>	Page 26
9.4	<u>Perimeter Walls</u>	Page 26
9.5	<u>Mold</u>	Page 26

ARTICLE X

USE RESTRICTIONS	Page 26
10.1 <u>Single Family Residence</u>	Page 27
10.2 <u>Business or Commercial Activity</u>	Page 27
10.3 <u>Signage; Commercial Activity; Restrictions; Declarant Signs;</u>	Page 27
10.3.1 <u>Phase 1 Signage</u>	Page 27
10.3.2 <u>Phase 2 Signage</u>	Page 27
10.4 <u>Quiet Enjoyment</u>	Page 28
10.5 <u>Parking for Vehicles</u>	Page 28
10.6 <u>Animals, Livestock, Poultry, Agriculture</u>	Page 29
10.7 <u>Construction</u>	Page 30
10.8 <u>Temporary Buildings</u>	Page 30
10.9 <u>Unightly Articles</u>	Page 30
10.10 <u>Clothes Line</u>	Page 30
10.11 <u>Drilling; Mining</u>	Page 30
10.12 <u>Minimum Square Footage Required</u>	Page 30
10.13 <u>Types of Homes Prohibited</u>	Page 30
10.14 <u>Exteriors of Homes</u>	Page 31
10.15 <u>Setbacks</u>	Page 31
10.16 <u>Landscaping</u>	Page 31
10.16.1 <u>SPECIAL LANDSCAPING NOTATION PERTAIN TO WCWCD</u>	Page 32
10.17 <u>City of Washington Requirements</u>	Page 32
10.18 <u>Driveways</u>	Page 32
10.19 <u>Alleyway, Driveway Access</u>	Page 32
10.20 <u>Hazardous Activities</u>	Page 33
10.21 <u>Maintenance</u>	Page 33
10.22 <u>Abandonment</u>	Page 33
10.23 <u>Walls, Common Walls, Adjacent or Adjoining Walls</u>	Page 33
10.24 <u>Treatment Facilities</u>	Page 33
10.25 <u>Further Subdivision of a Lot; Lease Provisions</u>	Page 34
10.25.1 <u>Further Subdivision of a Lot</u>	Page 34
10.25.2 <u>Lease Occupancy or Other Temporary Occupancy</u>	Page 34
10.26 <u>Drainage</u>	Page 35
10.27 <u>Water Supply and Sewage Disposal Systems</u>	Page 35
10.28 <u>Rubbish and Debris</u>	Page 35
10.29 <u>Antennas and Satellite Dishes</u>	Page 35
10.30 <u>Exception for Declarant</u>	Page 35

ARTICLE XI

DAMAGE AND CONDEMNATION	Page 36
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ARTICLE XII

INSURANCE	Page 36
12.1 <u>Casualty Insurance</u>	Page 36
12.2 <u>Fidelity Insurance</u>	Page 36
12.3 <u>Lots and Dwelling Units Not Insured by Association</u>	Page 36

ARTICLE XIII

MORTGAGEE PROTECTION CLAUSE	Page 36
13.1 <u>Preservation of Regulatory Structure and Insurance</u>	Page 37
13.2 <u>Preservation of Common Area; Change in Method of Assessment</u>	Page 37
13.3 <u>Notice of Matters Affecting Security</u>	Page 37

13.4	<u>Notice of Meetings</u>	Page 37	
13.5	<u>Annual Meeting</u>	Page 37	
13.6	<u>Right to Examine Association Records</u>	Page 38	
13.7	<u>Right to Pay Taxes and Charges</u>	Page 38	
13.8	<u>Rights Upon Foreclosure of Mortgagee</u>	Page 38	
 ARTICLE XIV			
	GENERAL PROVISIONS	Page 38	
14.1	<u>Amendment</u>	Page 38	
	14.1.1 <u>BY CLASS-A MEMBERS</u>	Page 38	
	14.1.2 <u>BY DECLARANT</u>	Page 38	
	14.1.3 <u>BY BOARD</u>	Page 38	
	14.1.4 <u>VALIDITY</u>	Page 38	
	14.1.5 <u>EFFECTIVE DATE</u>	Page 39	
14.2	<u>Enforcement</u>	Page 39	
14.3	<u>Interpretation</u>	Page 39	
14.4	<u>Manager</u>	Page 39	
14.5	<u>Management Agreement</u>	Page 40	
14.6	<u>Notice</u>	Page 40	
14.7	<u>Rules and Regulations</u>	Page 40	
14.8	<u>Severability</u>	Page 40	
14.9	<u>Term</u>	Page 40	
14.10	<u>Development Phase</u>	Page 40	
14.11	<u>Application of Provisions Upon Declarant</u>	Page 41	
 ARTICLE XV ANNEXATION OF ADDITIONAL PROPERTY			Page 41
15.1	<u>Annexation by Declarant</u>	Page 41	
15.2	<u>Limitations on Annexation</u>	Page 41	
 IN WITNESS WHEREOF			Page 41
 ACKNOWLEDGMENT			Page 42
 EXHIBIT "A"			Page 43

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
TREASURE VALLEY**

RECITALS

1. THIS AMENDED AND RESTATED DECLARATION of Covenants Conditions and Restrictions and Reservations of Easements for Treasure Valley is made by Ence Bros. Construction, Inc, (hereafter "Declarant" or "EBC"). Declarant, having obtained Successor Declarant rights and interests by virtue of the Notice of Assignment of Dclarant Interests recorded at the Office of the Washington County Recorder on April 15, 2010, and in accordance with provisions of Section 14.1, among other such provisions, of the Original Declaration for Treasure Valley, as recorded November 24, 2009 in the Office of the Washington County Recorder, shall undertake the recordation of this Amended and Restated Declaration for Treasure Valley (hereinafter "Treasure Valley" or "TVS"). This Amended and Restated Declaration affects all, every portion of Treasure Valley, Phases 1, as further identified by legal description in Exhibit "A" and other Phases as they may be annexed in the future.

2. Declarant, executing this Amended and Restated Declaration this 29th day of June, 2010, pursuant to Article XIV, Section 14.1 of the Original Declaration, hereby AMENDS, SUPERSEDES AND RESTATES IN ITS ENTIRETY SAID ORIGINAL DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS AND RESERVATIONS OF EASEMENTS FOR TREASURE VALLEY, as recorded November 24, 2009, as Doc No. 20090044671, as follows in this the Amended and Restated Declaration.

3. Treasure Valley Homeowners Association, Inc. (hereinafter referred to as ("Association" or "HOA"), was previously incorporated and established by authority of the Original Declarant. Said Association is vested with powers, as overseen by the Declarant, for the purpose of owning, maintaining and administering the Common Area, administering and enforcing the covenants and restrictions pertaining to the Property, promulgating Rules and Regulations through the Board of Directors and its committees, as they may exist from time to time, and collecting and disbursing the assessments and charges hereinafter created.

4. The Declarant intends that the Property shall be maintained, developed and conveyed pursuant to a general plan for the Property and subject to certain protective covenants, easements, equitable servitudes, liens and charges, all running with the Property as hereinafter set forth.

5. The Declarant hereby declares that all of the Property shall be maintained, held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, reservations, rights, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property, in furtherance of a general plan for protection, maintenance, subdivision, improvement, and sale of the Property or any portion thereof. The covenants, conditions, restrictions, rights, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Property and shall be binding upon all persons having or acquiring any right, title, or interest in the Property, or any part thereof, their heirs, successors and assigns, shall inure to the benefit of every portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon and may be enforced by Declarant, the Association, as hereinafter defined, each owner and their respective heirs, executors and administrators, and successors and assigns.

6. Notwithstanding the amendments, changes and modifications made herein to the Original Declaration, and, notwithstanding such, the Amended and Restated Declaration shall be in effect upon its recordation in the Office of the Washington County Recorder. Any individual, builder, investor, or other bonafide purchaser of a Lot from the previous Declarant, Washington Irrevocable Trust, shall be bound

by the provisions of this Amended and Restated Declaration.

7. There are certain provisions of this Declaration which, for Phase 1, preserve certain elements as set forth in the Original Declaration. Such provisions are clearly identified and shall be binding only upon Phase 1 of Treasure Valley. The preservation of such elements is made necessary by the manner of how Phase 1 started its construction elements, both Common and Private, which "manner" shall no longer be embraced within Phases 2,3,4, and 5 of Treasure Valley.

8. These Recitals shall be deemed covenants as well as recitals.

ARTICLE I DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used herein shall have the meanings hereinafter specified.

1.1 ACC. ACC shall mean the Architectural Control Committee created pursuant to Article VIII hereof.

1.2 ACC Rules and Regulations. ACC Rules and Regulations shall mean such rules and regulations as may be adopted and promulgated by the Board and ACC pursuant to provisions of this Declaration as such rules and regulations may be amended from time to time.

1.3 Annual Assessment. Annual Assessment shall mean the annual charge against each Owner and his/her/its/their Lot, representing the Common Expenses, which are to be paid by each Owner to the Association in the manner and proportions provided herein.

1.4 Articles. Articles shall mean the Articles of Incorporation of the Association filed in the office of the Department of Commerce of the State of Utah, as such Articles may be amended from time to time.

1.5 Association. Association shall mean TREASURE VALLEY HOMEOWNERS ASSOCIATION, a corporation formed under the Nonprofit Corporation Law of the State of Utah, its successors and assigns.

1.6 Beneficiary. Beneficiary shall mean a mortgagee under a mortgage or a beneficiary under a trust, as the case may be, and the assignees of such mortgagee or beneficiary.

1.7 Board. Board shall mean the Board of Directors of the Association, elected pursuant to the By-Laws of the Association.

Notwithstanding anything to the contrary contained in this Declaration or in the By-Laws, so long as Declarant owns a Lot in the Property, as recorded or as yet-to-be recorded in keeping with the Official City-Approved Preliminary Plat of Treasure Valley, which approves a total of 161 Lots, or as otherwise set forth in this Declaration, a) Declarant may choose to undertake management of the affairs of the Association without assistance of Members as Board Members, acting instead, in the capacity as "the Board" or b) Declarant may elect at its sole discretion to appoint an Advisory Board of Directors to assist Declarant in the management of the Association.

1.8 Budget. Budget shall mean a written itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration.

1.9 By-Laws. By-Laws shall mean the By-Laws of the Association, as adopted by the Board as such By-Laws may be amended by the Board from time to time.

1.10 Capitalization Assessment; Working Capital Fund. Capitalization or Working Capital Assessment shall mean the charge against each initial Owner and when his/her/its/their Lot has a dwelling unit on it, which home receives a Certificate of Occupancy from Washington City. The Capitalization and Working Capital Assessment representing a portion of the cost to capitalize and establish the Association's reserve fund which shall be paid by each Owner in the manner and proportions provided herein.

1.11 Corrective Assessments. Corrective Assessments shall mean a charge against a particular Owner and his Lot representing the costs to the Association for corrective action set forth in this Declaration.

1.12 Common Area. Common Area means that portion of property owned by the Association, shown on the Plat, as dedicated to the common use and enjoyment of the Owners and all improvements constructed thereon. Common Area shall also include Landscape Park Strip area in the front portion of each Owner's Lot and paved alleyways as shown on the Plat. Notwithstanding Alleyways are Common Areas, such 'common area' is not available nor is dedicated to the common use and enjoyment of the Owners of Treasure Valley; rather, Alleyways are for the specific use of Owners whose Lot the Alleyway backs. Alleyways shall be maintained by the Association.

1.13 Common Expenses. Common Expenses shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair, replacement and improvement of the Common Area; costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all utilities, certain landscaping and Improvements on the Common Area, gardening, against the Property, or portions thereof; and the costs of any other items incurred by the Association for any reason whatsoever, in connection with the Property, for the benefit of all the Owners.

1.14 Declarant. Declarant shall mean Ence Bros. Construction, Inc ("EBC"), its successors and any Person or Entity to which it shall have assigned any rights hereunder, except that a party acquiring all or substantially all of the right, title and interest of EBC, in the Property by foreclosure, judicial sale, bankruptcy proceedings, or by other similar involuntary transfer, shall automatically be deemed a successor and assignee of EBC, as Declarant under this Declaration.

1.15 Declaration. Declaration shall mean this Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for TREASURE VALLEY, including any expansion thereof and amendments. Declarant shall have the right for so long as Declarant owns a Lot in Treasure Valley to act as the Board, with or without the assistance of an Advisory Board, as provided herein. By reference, "Original Declaration" shall mean the Declaration recorded in the Office of Washington County Recorder on November 24, 2009.

1.16 Deed of Trust. Deed of Trust shall mean a mortgage or a deed of trust, as the case may be.

1.17 Development. Development shall mean TREASURE VALLEY according to the Official Plats thereof.

1.18 Dwelling Unit, Dwelling, Home. Dwelling Unit/Home shall mean a single family dwelling, without structural walls or roofs in common with other single family dwelling(s). Dwelling Unit/Home includes fee title to the real property lying beneath the single family dwelling, within Lot boundary lines.

1.19 Fiscal Year. Fiscal Year shall mean the fiscal accounting and reporting period of the Association selected by the Board from time to time.

1.20 Improvement. Improvement shall mean any structure or appurtenance thereto of every type and kind, including but not limited to Dwelling Units and other buildings, walkways, sprinkler pipes, swimming pools, athletic fields or areas, garages, roads, driveways, alleyways, parking areas, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, ponds, hedges, wind-breaks, patio covers, railings, plantings, planted trees, poles, signs, storage areas, hot tubs, saunas, casitas, green houses, sun rooms, Arizona rooms, out buildings, exterior air conditioning and water-softening fixtures or equipment, among others as approved by the Board.

1.21 Infrastructure Damage Deposit. Infrastructure Damage Deposit shall mean the deposit required by each Owner as security for any repair or replacement of any damaged or broken sidewalk, curb, gutter, Landscape Park Strip, or any portion thereof.

1.22 Landscape Park Strip, Park Strip. Landscape shall mean the area between the sidewalk and the curb in front of each Lot. Such Park Strip lies within the Public Right-of-Way and is therefore not part of an Owner's Lot.

1.23 Landscaping. Landscaping shall mean any trees, shrubs, grass or other vegetative cover, as well as landscape aggregate rock, as approved by the Board, whether native or domestic, decorative planters, borders, ornaments or other such items which alter the appearance of any Lot.

1.24 Lot. Lot shall mean a portion of the Property which is owned in fee simple interest by the Owner thereof. A Lot, at any given time, may or may not have a Dwelling Unit erected thereon. Lot numbers shall be designated on the Plat.

1.25 Lot Transfer Assessment. Lot Transfer Assessment shall mean the charge against each Owner and his/her/its/their Lot which shall be paid by each Owner to the Association in the manner provided herein upon any sale, modification, transfer, or change of Owner.

1.26 Manager. Manager shall mean the Person or Entity appointed by the Declarant or the Board, if any, hereunder, as its delegated agent to administer certain duties, powers or functions of the Association as further provided in this Declaration and in the By-Laws.

1.27 Member, Membership. Member shall mean any Person holding a membership in the Association, as provided in this Declaration. Membership shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations contained in this Declaration and the Articles, By-Laws and Rules and Regulations.

1.28 Mortgage, Mortgagee, Mortgagor. Mortgage shall mean any Recorded mortgage or deed of trust. The term Deed of Trust or Trust Deed when used herein shall be synonymous with the term Mortgage. Mortgagee shall mean a person or entity to whom a Mortgage is made by the Mortgagor. The term Beneficiary shall be synonymous with the term Mortgagee. Mortgagor shall mean a Person who mortgages his/her/its/their Lot to another individual or entity (i.e., the maker of a Mortgage). The term Trustor shall be synonymous with the term, Mortgagor.

1.29 Notice of Members Meeting. Notice of meetings of the Members required or provided for in this Declaration shall be in writing, shall satisfy the notice requirements set forth in the By-Laws, and may be delivered either personally or by first class or registered mail. Notice of Members Meetings shall be delivered at least ten (10) days but not more than thirty (30) days prior to the date of the meeting of the Members. Notwithstanding the foregoing, notice given by other means shall be deemed fair and reasonable if given in accordance with the Utah Revised Nonprofit Corporation Act.

1.30 Owner. Owner shall mean the Person, Persons, or Entity, including Declarant, who or which is the Owner of record (in the office of the County Recorder of Washington County, Utah) of a fee simple or an undivided fee simple interest in a Lot, with or without a Dwelling Unit thereon. Notwithstanding any applicable theory relating to a Mortgage, the term Owner shall not mean or include a Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.31 Person. Person shall mean a natural individual or any other entity with the legal right to hold title to a Lot within the Property.

1.32 Plans and Specifications. Plans and Specifications shall mean any and all documents designed to guide or control the construction or erection of any Improvement on a Lot, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, topographical plan, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services and all other documentation or information relevant to such proposed Improvements to a Lot or to a Dwelling Unit already existing on a Lot.

1.33 Plat. Plat shall mean the ,TREASURE VALLEY Plat, including all phases thereof, which may be annexed from time to time according to provisions of the Declaration, as executed and acknowledged by Declarant, as recorded in the records of the Washington County Recorder, and as the same has been modified, amended, supplemented or expanded in conjunction with annexations to the Property.

1.34 Property. Property shall mean ,TREASURE VALLEY£ described in the Plat.

1.35 Record, Recorded, Filed or Recordation. Record, Recorded, Filed or Recordation shall mean, with respect to any document, the recordation of such document in the office of the County Recorder of Washington County, Utah.

1.36 Rules and Regulations. Rules and Regulations shall mean rules and regulations as may be adopted and promulgated by the Declarant, or by the Board, under occasion of Declarant no longer having Class-B Membership, pursuant to the By-Laws and this Declaration, as the Declarant, and the Board deems necessary or desirable (i) to aid it in administering the affairs of the Association, (ii) to ensure the Property is maintained and used in a manner consistent with the interests of the Owners, (iii) to regulate the use of the Common Areas and to regulate the personal conduct of the Members and their guests thereon, and (iv) to establish penalties for the infractions thereof, as such rules and regulations may be amended from time to time.

1.37 Recreational Vehicles. Recreational Vehicles shall mean all water-craft, travel trailers, campers, camper shells, tent trailers, motor homes, snowmobiles, dune buggies, all-terrain-vehicles and off-highway-vehicles (ATVs and ORVs, respectively), scooters, or devices similar to any of the foregoing.

1.38 Special Assessments. Special Assessments shall mean a charge against each Owner and his/her/its/their Lot, representing a portion of the costs to the Association of defraying any extraordinary expenses incurred or special projects approved as set forth in Article VI.

1.39 Streets. Streets shall mean public streets and thoroughfares in the Property.

1.40 Vehicle. Vehicle shall mean any and all equipment or device (mobile or immobile, operable or inoperable) of any type, designed to transport persons, objects or are designed to be transported on wheels, skids or tracks including, without limitation, dump trucks, cement mixer trucks, gas trucks, delivery trucks, buses, aircraft, trailers, Recreational Vehicles, minivans, cars, SUV's, mopeds, pickup trucks, motorcycles, other devices or equipment similar to any of the foregoing, whether or not used for daily transportation.

ARTICLE IA DESCRIPTION OF PROPERTY

The real property which is associated with the Development and which has been and shall hereafter continue to be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration consists of all the property described in Exhibit A hereto; TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the described parcel of real property.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which effect the above-described land or any portion thereof, including without limitation, any Mortgage; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described land at such time as construction of all Development-related improvements and build-out of Homes is complete; and, all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

ARTICLE II OWNERS' PROPERTY RIGHTS

2.1 Form For Conveyancing. Any deed, lease, deed of trust, mortgage, or other instrument conveying or encumbering title to a Lot, with or without a Dwelling Unit shall describe the interest or estate involved substantially as follows:

"All of Lot _____ of TREASURE VALLEY, according to the official Plat thereof, subject to the Declaration of Conditions, Covenants and Restrictions and Reservation of Easements, on file in the office of the Washington County Recorder."

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.

2.2 Transfer of Title to Common Area. Declarant represents that it shall, on or prior to the first conveyance of a Lot, convey to the Association title to all Common Area, and Declarant further agrees that it shall discharge all liens and encumbrances on said Common Area on or before the sale and close of escrow of the last Lot.

2.3 Limitations on Common Area Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

(1) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. In absence of Declarant, any such dedication or transfer must, however, upon Notice of Members Meeting be assented to by two-thirds (2/3) of the vote of the Membership which Members present in person or by proxy are entitled to cast at a meeting duly called for the purpose. The quorum requirement for such meeting shall be as set forth in the By-Laws.

(2) The right of the Association, to be exercised by the Board, to reconstruct, replace or refinish any Improvement, including but not limited to alleyway paving, or portion thereof upon the Common Area in accordance with the original design, finish or standard of construction of such Improvement;

(3) The right of the Association, to be exercised by the Board, to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Area;

(4) The right of the Association, to be exercised by the Board, to reasonably restrict access to portions of the Common Area; and

(5) The easements reserved in Sections 2.4, 2.6, and 2.8.

2.4 Easements for Public Service Use. In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future owners within the Property, easements for public services of the City of Washington in which the Property are located, including but not limited to, the right of the police and fire departments to enter upon any part of the Common Area for the purpose of carrying out their official duties.

2.5 Waiver. No owner, except the Declarant, may exempt himself from personal liability for assessments duly levied by the Association or Board nor release the Lot or other property owned by him from the liens and charges hereof.

2.6 Easements for Water and Utility Purposes. In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Property, easements for public and private utility purposes. The Lots shall also be subject to such public utility easements as shown on the Plat and as required by the City of Washington.

2.7 Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Board to obtain separate real estate tax assessment of each Lot. If any taxes or assessments may, in the opinion of the Board, become a lien on the Common Area, or any part thereof, they may be paid by the Association as a Common Expense, and the Association may levy

against the Lot as a Corrective Assessment any amounts paid by the Association to rectify the problem.

2.8 Easement for Encroachments. If any portion of a Dwelling Unit or other Improvement constructed by Declarant, or if any portion of a Dwelling Unit or other Improvement is reconstructed so as to substantially duplicate the Dwelling Unit or other Improvement originally constructed by Declarant, encroaches upon the Common Areas or other Lots, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Property, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

ARTICLE III TREASURE VALLEY HOMEOWNERS ASSOCIATION

3.1 Organization of Association. Declarant or preceding declarant, if any, has caused or shall cause the Association to be organized and the Articles filed with the State of Utah, Department of Commerce, Division of Corporations and Commercial Code.

3.2 Parties and Powers. The Association shall have such duties and powers set forth in the Articles, By-Laws, and this Declaration (and such other powers and duties as properly delegated or assigned through the Rules and Regulations), or as such documents are amended from time to time.

3.3 Membership. Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory and shall be appurtenant to the Owner's Lot.

3.4 Transfer of Membership. Membership in the Association is nontransferable and shall not be separated from the Lot to which it appertains.

ARTICLE IV VOTING RIGHTS

4.1 Vote Distribution. The Association shall have the following two classes of voting Membership which shall cumulatively be counted on any matter submitted for Member voting.

4.1.1 Class-A. Class-A Members shall be all the Owners. Class-A Members shall be entitled to one vote for each Lot which the interest required for Membership in the Association is held. In no event, however, shall more than one Class-A vote exist with respect to any Lot.

4.1.2 Class-B. Class-B Member shall be the Declarant. Class-B Member shall be entitled to three (3) votes for each Lot owned by Declarant. Class-B membership shall cease and be converted to Class-A membership on the happening of either of the following events, whichever occurs earlier:

(A) upon conveyance of all Lots, including those in expansion areas in keeping with the City-Approved Preliminary Plat, which includes 161 lots, as approved (or as expanded under provisions hereof), to third-party purchasers; or

(B) the expiration of ten (10) years from the first Phase 1 Lot conveyance from Declarant to a purchaser; or

(C) the surrender of Class-B membership status by the express written action of the Developer.

4.2 Multiple Ownership of a Lot. In the event there is more than one Owner of a particular Lot, the vote pertaining to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by

proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned, unless an objection is immediately made by another Owner of the same Lot. In the event such objection is made, the vote involved shall not be counted for any purposes whatsoever, other than to determine whether a quorum exists.

ARTICLE V JURISDICTION OF ASSOCIATION

The Association has been organized to provide for the operation, maintenance, preservation and architectural control of the Property and Improvements, to administer the Common Areas of the Association, and to reasonably regulate the Members of the Association. The Association shall have jurisdiction and authority over the Property and the Members of the Association to the full extent allowed by law and also as provided for in this Declaration and in the Articles, By-Laws, and Rules and Regulations, as such documents may be modified from time to time.

ARTICLE VI COVENANT FOR ASSESSMENTS

No Assessment as set forth in this Article shall apply to the Declarant. Declarant's sole obligation to provide financial assistance under this Article, or as otherwise approved by the Board, is in the form of *subsidy*. In no event, however, shall any Declarant be required to provide a subsidy which exceeds the monthly HOA assessment for Lots owned by the Declarant, in currently recorded Phases. If the cash needs of the Association are greater than a *subsidy* will cover, the Board may undertake to approve a levy of a Special Assessment, as provided herein.

6.1 Creation of Assessment Obligation. Each Owner of a Lot, with or without a Dwelling Unit thereon, by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) Annual Assessments for Common Expenses, (2) Capitalization Assessments, (3) Lot Transfer Assessments, (4) Special Assessments, (5) Corrective Assessments, and (6) any other amount or assessment levied by the Board pursuant to this Declaration; all such assessments to be established and collected as provided in this Declaration. The Association shall not levy or collect any Annual Assessment, Capitalization Assessment, Lot Transfer Assessment, Special Assessment or Corrective Assessment that exceeds the amount necessary for the purpose or purposes for which it is levied. All such assessments, together with interest, costs of collection and reasonable attorney's fees for the collection thereof, shall be charged on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment together with interest, costs of collection and reasonable attorney's fees, if applicable, shall also be and remain the personal obligation of the Person who was the Owner of such Lot/property at the time when the assessment fell due. This personal obligation cannot be avoided by abandonment of a Lot or by an offer to waive use of the Common Area. The personal obligation for delinquent assessments liability shall not pass to any new Owner ("Purchaser") as successor in title unless expressly assumed by such Purchaser. For the purpose of assessment, the term "Owner" shall exclude the Declarant.

The determination of the reasonable cash needs for ordinary and necessary maintenance expenses shall be within the sole discretion of the Board and Declarant shall have no liability to the Association if subsequent Boards shall disagree with the determination of the Board which made such determination.

6.2 Purpose of Assessments. The Annual Assessments, Capitalization Assessments, Lot Transfer Assessments, and Special Assessments levied by the Association shall be used exclusively to promote the common health, safety, benefit and welfare of the Owners and for the improvement and maintenance of the Common Area, including establishing and funding a reserve to cover major repair or

replacement of Improvements within the Common Area and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or its Articles.

6.3 Annual Assessments. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided in the By-Laws. The Annual Assessment shall be payable in twelve (12) equal monthly installments due on the first day of each month. The Annual Assessment shall be based upon the Budget prepared by the Board. The Common Expenses of the Association, and therefore the Annual Assessment, may increase because of, among other reasons, Improvements constructed in the sole discretion of Declarant. Nothing herein shall obligate Declarant to construct any Improvements.

Each Owner of any Lot shall be subject to the Annual Assessment, provided, however, Declarant shall not be subject to such Assessment for Lots owned by the Declarant. In no event, however, shall any Declarant be required to provide a subsidy to the Association which exceeds the monthly assessment for the Lots owned by the Declarant. Such subsidy shall only be required of Declarant when cumulative Assessment funds available to the Association are insufficient to meet the expenses of the Association.

6.4 Basis and Maximum of Annual Assessments. Until the occurrence of the First Annual HOA Meeting, as such date is set by the Board, the maximum annual assessment shall be Six Hundred Dollars (\$600.00) per Lot ("Base Fee"). Upon the occurrence of the First Annual Meeting of the HOA, the Board shall fix the annual installment in keeping with a Board-approved Budget.

(1) From and after the First Annual Meeting of the HOA, the Base Fee annual assessment may be increased each year, and subsequent years, by the Board of Trustees not more than fifteen percent (15%) above the Base Fee assessment for the previous year, whether or not applied or invoked, without a vote of the membership. The actual yearly/monthly fee as levied by the Association may not exceed the amount of the then-current Base Fee, but may by determination of the Board be less than permitted by the then-current Base Fee.

(2) The Board of Trustees shall fix the annual assessment at an amount not to exceed the base maximum annual assessment.

6.5 Working Capital Fund, Capitalization Assessment. Upon recording of a deed transferring ownership of a Lot, each Owner shall pay to the Association an initial Working Capital Fee, which shall be based upon the Budget prepared by the Board.

The intent of this provision is that the payment to the Working Capital Fund, as described following, shall only apply at the first point in time when a Home is built, completed, and approved for Occupancy by Washington City. This provision is not meant to apply but once with regard to any given Lot. It is not the intent of this provision that it apply at the time of purchase of a vacant lot, whether from Declarant to a third party purchaser or from such purchaser to a subsequent purchaser.

Accordingly, upon purchase of a Lot with a Home erected thereon, by the "first title owner" of said lot and Home together thereon, other than Declarant or a licensed building contractor, a contribution shall be made at settlement/closing of a given lot together with a Home to the Working Capital Fund of the Association in an amount equal to three (3) months installments of the then-current monthly assessment to Association Members. Payment of this amount shall be in addition to, not in lieu of, the annual assessment due hereunder and shall not be considered an advance payment of any assessment.

The Association shall maintain the Working Capital Fund in a segregated account to be used for repair, maintenance and replacement of those Common Areas and elements which must be replaced on a periodic basis, to meet unforeseen expenditures, unbudgeted maintenance or repairs, or to acquire additional equipment or services for the

benefit of the Members. Such payments to this Fund shall not be refundable to a Member.

6.6 Lot Transfer Assessments. Upon recording of a deed transferring ownership of a Lot, each new Owner shall pay to the Association a Lot Transfer Assessment which shall be based upon the Budget prepared by the Board in an amount necessary to reasonably compensate the Association for the expenses incurred as a result of such transfer.

6.7 Special Assessments. In addition to the other assessments, a Special Assessment can be assessed to pay the costs of any one or more of the following:

6.7.1 Approved by Board. Special Assessments for the following extraordinary expenses can be levied by the Board without Member approval:

(A) An extraordinary expense required by an order of a court; or

(B) An extraordinary expense necessary to repair or maintain the Common Area or any portion thereof for which the Association is responsible where a threat to personal safety on the Common Area is discovered. Prior to the imposition or collection of a Special Assessment pursuant to this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was necessary and was not or could not have been reasonably foreseen in the budgeting process. The resolution shall be distributed to the Members with the notice of Assessment.

6.7.2 Member Meetings Approval. Except as referenced in 6.6(a) any additional Special Assessments shall be approved by the Members in accordance with 6.11.

6.8 Uniform Rate of Assessment. Annual Assessments, Capitalization Assessments, Lot Transfer Assessments and Special Assessments imposed pursuant to subsections 6.3, 6.4, 6.5 and 6.6, among others, of this Declaration shall be assessed on a pro-rata basis in equal amounts, regardless of Dwelling or Lot size, against all Owners and their Lots.

Notwithstanding the foregoing, inasmuch as Phase 1 Park Strips utilize Common landscaping and Common watering systems, including valves, electrical power and water, inasmuch as Phase 2,3,4, and 5 will not utilize such Common elements, as provided elsewhere in this Declaration, Phase 1 Lot Owners may be levied, upon consideration and decision of the Board, an additional assessment amount reflective of the cost to the Association for maintenance of the Phase 1 Park Strips including the watering system providing water and power to Phase 1 Park Strips (see Section 9.2 hereof for additional provisions and explanation).

6.9 Date of Commencement of Annual Assessments. The Board shall authorize and levy the amount of the Annual Assessment upon each Lot, as provided herein, by a majority vote of the Board. Annual Assessments shall commence on all Lots, with the exception of Declarant-owned Lots, on the first day of the first calendar month following the first recording of a deed transferring ownership of a Lot in the Property from the Declarant, or other Lot Owner as in the instance of the Owner of Lots in Phase 1, to a Purchaser. The first Annual Assessment shall be adjusted according to the number of months remaining in the Fiscal Year as set forth in the By-Laws. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of any change in the amount of any Annual Assessment shall be sent to every owner subject thereto, not less than thirty (30) days prior to the effective date of such change. The Association shall,

upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments against a Lot shall be binding upon the Association as of the date of its issuance.

6.10 Corrective Assessments. In addition to the Annual Assessment, Capitalization Assessment, Lot Transfer Assessment, and any Special Assessments, the Association may levy Corrective Assessments against a particular Owner and his/her/its/their Lot to pay the following: costs directly attributable to, or reimbursable by, that Owner, equal to the costs incurred by the Association for corrective action, performed pursuant to the provisions of this Declaration, plus interest and other charges on such Corrective Assessments. The Board shall deliver a Notice of Non-compliance and Right to Hearing to the Owner upon whom it intends to levy a Corrective Assessment. Corrective Assessments shall be due and payable within forty-five (45) days following delivery of Notice of Board Adjudication and shall bear interest thereafter, if unpaid, at the rate of eighteen percent (18%) per annum until paid in full. If unpaid, the Board may elect to lien Owner's Lot, as provided elsewhere in this Declaration.

6.11 Exempt Property. The following property subject to this Declaration shall be exempt from the assessments herein:

- (1) All portions of the Property dedicated to and accepted by a local public authority; and
- (2) The Common Area owned by the Association in fee; and
- (3) All Lots owned by the Declarant, except as may be used in calculation of subsidy which may be required hereunder from time to time (see Section 6.3 hereof).

6.12 Notice of Members Meetings; Quorum Requirements. Before any Special Assessment is levied, the Board shall deliver a Notice of Members Meeting. The quorum required for any action authorized by provisions of this Declaration shall be as follows: at the first meeting called the presence of Members or of proxies entitled to cast fifty percent (50%) of all outstanding votes shall constitute a quorum. If a quorum is not present at any meeting another meeting may be called by the Board issuing a Notice of Members Meeting at which a quorum shall be one-half (½) of the quorum which was required at such preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following such preceding meeting at which a quorum was not present.

6.13 Additional Assessment. In addition to the Annual Assessments, Capitalization Assessments, Lot Transfer Assessments, Special Assessments and Corrective Assessments, the Association shall levy such additional assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to the Common Areas from the activities of the City of Washington in maintaining, repairing or replacing the City's utility lines and facilities thereon.

6.14 Preparation of Budget. The Board shall prepare a Budget to be presented to the Members at the annual meetings of the Members held as provided in the By-Laws.

6.15 Reserve Fund. The Board shall, on behalf of the Association, cause to be funded through Annual Assessments, Capital Assessments, Lot Transfer Assessments, or other periodic assessments, an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacement to the Common Areas.

ARTICLE VII
NONPAYMENT OF ASSESSMENTS; REMEDIES

7.1 Nonpayment of Assessments; Remedies. Pursuant to Utah Code Ann. §§ 578a-101, *et seq.* (2004), any assessment installment payment not paid when due shall, together with the hereinafter provided for interest and costs of collection, be, constitute, and remain a continuing lien on the Lot provided, however, that any such lien shall be subordinate to the lien or equivalent security interest of any Mortgage on the Lot Recorded prior to the date any such installment payment on assessments become due. If any installment payment on the assessment is not paid within thirty (30) days after the date on which it becomes due, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum plus a late payment service charge of Twenty-Five Dollars (\$25.00) if the assessment is not paid within ten (10) days of when it is due, or such larger amount as set by the Board. The Association may, in its discretion, bring an action either against the Owner or to foreclose the lien against the Lot. Any judgment obtained by the Association and any foreclosure commenced shall include reasonable attorney fees, court costs, and each and every other expense incurred by the Association in enforcing its rights. If a monthly installment payment is not timely made, the Board may declare the entire balance due on all Assessments in default and accelerate the balance of all Assessments and declare the entire amount of the balance of all Assessments immediately due and owing.

7.2 Washington County Tax Collection. It is recognized that under the Declaration, the Association shall own the Common Area and that it shall be obligated to pay property taxes to Washington County. It is further recognized that each Owner of a Lot is a Member of the Association and as part of his/her/its/their assessment shall be required to pay the Association his/her/its/their pro rata share of such taxes. Notwithstanding anything to the contrary contained in this Declaration, or otherwise, Washington County shall be, and is, authorized to collect such pro rata share (on an equal basis) of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot. To the extent allowable, Washington County is hereby directed to do so. In the event that the assessor shall separately assess Common Areas to the Association, the Board may impose, in its discretion a Special Assessment to pay such taxes, or they may be incorporated into the Annual Assessment.

7.3 Lien. The Board may elect to file a claim of lien against the Lot of the delinquent Owner by Recording a notice (Notice of Lien) setting forth (a) the amount of the claim or delinquency, (b) the interest and costs of collections which have accrued thereon, (c) the legal description of the Lot against which the lien is claimed, (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or duly authorized agent of the Association, and (e) setting forth that the Association intends to sell the Lot to satisfy the lien, pursuant to Utah law. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the Notice of Lien have been fully paid or satisfied, the Association shall execute and Record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board to cover the cost of preparing and recording the release of lien. Unless paid or otherwise satisfied, the lien may be foreclosed in a like manner as a mortgage or any other manner provided by law, including without limitation, a deed of trust as set forth in this Declaration.

7.4 Trust Deed for Assessments. By acceptance of a deed for a Lot, each Owner as Trustor conveys and warrants to Trustee in trust for the Association as Beneficiary, with power

of sale, the Owner's Lot and all Improvements thereon for the purpose of securing payment of all assessments (including basis of collection) provided for in this Declaration. For purposes of this Section and Utah Code Ann. §§ 57-1-19, *et seq.*, as amended from time to time, the Trustee shall mean the attorney for the Association and the Association may provide notice and disclosure of the Trustee by recording and *Appointment of Trustee* on the records of the Washington County Recorder. Each Owner hereby also grants the Association and Trustee all powers and rights of non-judicial trust deed foreclosure provided for in Utah Code Ann. §§ 57-119, *et seq.*

7.5 Perfection of Lien and Priority. Upon the recording of Notice of Lien by the Board, or its Manager,, such lien constitutes a lien on the Lot Owner's interest in the property prior to all other liens and encumbrances, recorded or unrecorded, except:

(1) tax and special assessment liens on the Lot in favor of any assessing lot or special improvement district; and

(2) encumbrances on the interest of the Lot Owner:

A. recorded prior to the date of the recording of Notice of Lien; and

B. that by law would be a lien prior to subsequently recorded encumbrances.

The Board, or its Manager, may enforce the assessment lien by sale or foreclosure of the Owner's interest. The Board, or its Manager, may bid at a sale or foreclosure and hold, lease, mortgage, or convey the Lot that is subject to the assessment lien.

7.6 Future Lease Payments. Payments of Monthly Assessment Fees are to be paid by the Owner to the Association. An Owner who is leasing his/her/its/their Lot, with or without a Dwelling, shall not transfer the obligation to the tenant to pay the Monthly Assessment Fee to the Association; rather, an Owner who is leasing his/her/its/their Lot shall make payment directly to the Association.

If the Owner of a Lot who is leasing the Lot fails to pay an assessment for more than sixty (60) days after the assessment is due, the Board, upon compliance with this Section, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid in full. The Board, or its Manager, shall give the Owner written notice of its intent to demand full payment from the tenant under this Section. The notice shall: (i) provide notice to the tenant that full payment of the remaining lease payments shall begin with the next monthly or other periodic payment unless the assessment is received within the time period provided in the Declaration, By-Laws, or Association Rules; (ii) state the amount of the assessment due, including any interest or late payment fee; (iii) state that any costs of collection, and other assessments that become due may be added to the total amount due; and (iv) provide the requirements and rights described in this Section. If the Owner fails to pay the assessment due by the date specified in the notice, the Board, or its Manager, may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association pursuant to this Section. The Board, or its Manager, shall mail a copy of the notice to the Owner. The notice provided to the tenant under this Section shall state: (i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the intent of the Board to collect all lease payments due to the Association; (ii) that until notification by the Association that the assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (iii) that payment by the tenant to the Association in compliance with this Section shall not constitute a default under the terms of the lease agreement. If a tenant makes payments in compliance with this Section, the Owner may not

initiate an action against the tenant. All funds paid to the Association pursuant to this Section shall be: (iv) separately accounted for, together with any cost of administration until paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association. Within five (5) business days after payment in full of the assessment, including any interest or late payment fee, the Board, or its Manager, shall notify the tenant in writing that future lease payments are no longer due to the Association and shall mail a copy of such notification to the Owner. Any Owner that leases a Lot shall include in the lease agreement provisions that obligate the tenant to make payments as set forth in this section in the event the Owner fails to pay assessments as described in this section.

7.7 Statement of Account. The Board, or its Manager, shall issue a written statement indicating any unpaid assessment with respect to a Lot covered, upon the written request of the Owner, and payment of a reasonable fee. The written statement shall be binding upon the (i) remaining Owners; (ii) Manager; and (iii) Board in favor of any person who relies in good faith on the written statement. Unless the Board, or its Manager, complies with such request within ten (10) days, any unpaid assessment that became due prior to the date the request was made is subordinate to a lien held by the person requesting the statement.

7.8 Payment by Encumbrancer. An encumbrancer holding a lien on a Lot may pay any unpaid assessment due with respect to the Lot. Upon such payment, the encumbrancer shall have a lien on the Lot for the amounts paid.

7.9 Cumulative Remedies. The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as provided above.

7.10 Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under this Article VII, nor any breach of this Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Beneficiary under any Recorded first Deed of Trust (meaning any deed of trust with first priority over the other deeds of trust) upon a Lot made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Lot by judicial foreclosure or by other means of the powers set forth in such Deed of Trust or through a deed in lieu of foreclosure, such Lot shall remain subject to the Declaration and the payment of all installments of Assessments accruing subsequent to the date such Beneficiary or other Person obtains title.

7.11 Rent After Foreclosure. In the event the Association takes title to a Dwelling Unit through foreclosure, the Board may elect to allow the occupant to remain in the Dwelling Unit and the occupant shall be required to pay a fair market rental amount to the Association for the Dwelling Unit. Under circumstances of foreclosure by the Association, the Association shall not be obligated or required to rent the Dwelling/Lot to the foreclosed Owner, nor shall the Association be obligated or required to sell the Dwelling to said previous/foreclosed Owner. The Rule of Law shall govern.

ARTICLE VIII ARCHITECTURAL CONTROL COMMITTEE ("ACC" or "Committee")

8.1 Members of the ACC Committee. An Committee shall not be required to be formed by the Board. If an ACC is not appointed, the Board itself shall perform the duties required of the ACC. The Board shall have the power to appoint and remove all of the Committee members of the ACC, with or without cause. Persons appointed to the ACC by the

Board need not be Members of the Association. Individual Board members may also serve as ACC members.

8.2 ACC General Powers. The ACC shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed Plans and Specifications conform harmoniously to the exterior design and existing materials of the Improvements on the Property. This power shall include the power to issue ACC Rules and Regulations which, among other provisions, may set forth procedures for the submission of Plans and Specifications for approval, and state additional factors which it shall take into consideration in reviewing submissions.

8.3 Review of Plans and Specifications. The ACC shall consider and act upon any and all Plans and Specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the ACC. ACC shall supply necessary submittal forms for Owner's Improvement request. ACC shall respond to all submittals within forty-five (45) days. No exterior construction, alteration, removal, relocation, repainting, demolition, addition, modification, or redecoration, or reconstruction of a Dwelling Unit or Improvement, including landscaping, on the Property shall be commenced until the Plans and Specifications have been submitted to the ACC (together with such fees for review and inspection as may be reasonably required by the ACC) and approved in writing by the ACC.

The ACC shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated shall not be detrimental to the appearance of the surrounding area or the Property as a whole, that the appearance of any structure affected thereby shall be in harmony with the surrounding structures, and that the construction thereof shall not detract from the beauty, wholesomeness and attractiveness of the Lots and the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof shall not become a burden on the Association. All changes in the finish grade of any Lot shall be subject to the prior written approval of the ACC. No changes or deviations in or from the Plans and Specifications once approved by the ACC shall be made without the prior written approval of the ACC. Subsequent to receiving approval of the ACC and prior to the commencement of construction, each Owner shall be responsible for obtaining a building permit from Washington City.

8.4 Infrastructure Damage Deposit. Each Owner of a Lot, as provided in this Section, shall be responsible to repair or replace any damaged portions, as noticed to the Owner by the ACC/HOA, of a) sidewalk, b) curb, c) gutter, d) Common Area Walking Paths, e) handicap ramps, or f) Landscape Park Strip improvements, including electrical, water distribution systems and landscaping, which are attached or adjacent to the Owner's Lot/lot lines, or areas observed by the ACC to have been damaged by an Owner's construction activity, as such activity may be shown to have impacted adjacent or other Lots or improvements. Any portion of such list that has been observed by the ACC to have been broken or damaged or allowed to fall into dis-repair ("Damaged Area") after the date of purchase of a given Lot shall be subject to the provisions of this Section..

Accordingly, in keeping with this provision, 1) an Owner who has purchased a Lot from the previous Declarant or from the current Declarant or 2) who upon making a request for alteration, modification, or addition to the Lot/Home including, but not limited to detached garage, swimming pool, out-buildings, landscaping, etc., shall escrow with the Association a Deposit of one thousand (\$1,000.00) per Lot: a) at the time of Settlement/Closing on the purchase of the Lot ("1" foregoing) or b) by direct payment of such Deposit to the Association ("2" foregoing), to insure the payment, in part or in full, of costs related to the repair, replacement, or other corrective measures regarding such damage, as observed and required

by the ACC/HOA.

The Association shall keep such deposits in a segregated bank account and shall not use said deposit funds for any purpose other than set forth in this Section. Said Deposit shall be returned to Owner upon completion of home construction or upon completion of later modifications to a Home, following inspection and verification by ACC that a) no Damaged Areas exist or b) any Damaged Area identified by the ACC inspection has been satisfactorily repaired or replaced.

When undertaking any work or alteration of Improvements on a Lot, Owner shall be responsible to safeguard the unblemished condition of the curb, gutter, sidewalk and Park Strip elements attached or adjacent to Owner's Lot, that it not be damaged or brought into a condition of dis-repair. In any instance of Damaged Areas, Owner shall be required to repair, replace, or otherwise correct related matters according to the conditions of similar elements (curb, gutter, etc.) within other areas of the Treasure Valley. Said repairs and/or replacements shall be to the sole satisfaction of the ACC.

In the event an Owner, who has been notified by the ACC as to Damaged Area relating to Owner's Lot, fails to timely make repairs or replacements as determined by the ACC inspection, the Association may undertake such repair, replacement, or corrective action. Costs expended by the Association, because of such an Owner's failure, shall be deducted from Owner's Infrastructure Deposit up to the full amount of the Deposit. If the costs of repair or replacement of such Damaged Area exceeds the amount of the Deposit, Owner shall be required to pay/reimburse all associated costs upon demand by the Association as a Corrective Assessment. No interest shall be paid on a Deposit amount. In the event Owner fails to pay any such addition amounts levied as a Corrective Assessment by the Association, the Association may undertake action to lien as provided herein.

It is not the intent of the provisions of this Section that the Association release or refund any portion of the Deposit until and when the ACC has verified that the work relating to the Damaged Area is complete to the sole satisfaction of the ACC.

In addition to the processing of the Infrastructure Damage Deposit as outlined above, the Association may retain the Damage Deposit on account until the Owner completes the front and side-yard landscaping as provided in Section 10.16 hereof.

8.5 Meetings of the ACC. The ACC shall meet from time to time as necessary to perform its duties hereunder. The vote of a majority of the ACC shall be sufficient to enact resolutions or motions of the ACC. The attendance of a majority of the members at any meeting shall constitute a quorum.

8.6 No Waiver of Future Approvals. The approval by the ACC of any proposals or Plans and Specifications for any work done or proposed or in connection with any other matter requiring the approval and consent of the ACC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, Plans and Specifications or matters subsequently or additionally submitted for approval or consent.

8.7 Compensation of Members. The Members of the ACC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

8.8 Limitations on Liability. Neither the ACC, the Board or Declarant, nor any Member, acting in good faith shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of (i) the approval or rejection of, or the failure to approve or reject, any Plans and Specifications, or variance requests (ii) the construction or performance of any work, whether or not pursuant to approved Plans and Specifications, (iii) the development or manner of development of any of the Property, or (iv) any engineering or

other defect in approved Plans and Specifications.

8.9 Declarant's Rights. The Declarant shall not be required to comply with the provisions of this Article in the construction of the Property or the construction of individual homes on Lots within the Property owned by the Declarant.

ARTICLE IX MAINTENANCE AND REPAIR OBLIGATION

9.1 Maintenance by Owner. An Owner shall not commit any act which shall detract from the appearance of the Dwelling Unit or yard areas of the Home or the Park Strips fronting any portion of a Lot.

Each Owner shall be responsible for the repair and maintenance of his/her/its/their Lot and all Improvements thereon, including the Dwelling thereon, together with all landscaping of the yard areas of the Lot, and as set forth in Section 9.2 hereof. These responsibilities, without Amendment to this Declaration, shall not belong to the Association in any degree. As provided elsewhere herein, the Park Strips adjoining a Lot in Phase 1 shall be maintained by the Association, including the watering thereof and replacement of landscaping, if any. Park Strips adjoining a Lot in Phase 2,3,4, and 5 shall be installed and maintained, including the watering thereof and maintenance of landscaping or replacement of such, notwithstanding such Park Strips are recognized as Common Areas in Treasure Valley.

Owner shall timely and routinely attend to the matters of care and maintenance as set forth in this Declaration. In the event an Owner fails to comply herewith and Owner's Lot and Improvements thereto fall into dis-repair or a damaged condition, the Association shall provide Written Notice of Non-compliance and Right to Hearing ("Notice") to the Owner setting forth the maintenance matters which need to be repaired or replaced. If the Owner does not undertake timely action to repairs, replace, or otherwise correct the identified matter(s) within twenty-one (21) days after Notice is delivered by the Association is delivered to the Owner, which Notice shall describe the dis-repair and the scope of needed repairs, replacement or corrective action, the Association may elect, in its sole discretion, to make such repairs and may charge the cost of the repairs against the Lot as a Corrective Assessment. Failure to pay such Corrective Assessment may result in further Association action as provided in this Declaration.

9.2 Operation and Maintenance by Association of Common Areas; Maintenance of Park Strips and Sidewalks. The Association, by its duly delegated representative, shall provide for maintenance and operation of the Common Areas. The Park Strips of Phases 2,3,4, and 5 shall not be maintained by the Association; rather, each Lot Owner shall be responsible for the maintenance of the Park Strip(s) adjoining Owner's Lot, including the providing of a watering system, water, and electrical power for water valve(s), notwithstanding such Park Strips are recognized as Common Area in Treasure Valley.

As of the recordation of this Declaration, the Park Strips in Phase 1 include a water distribution system, electricity and valve system, water meter(s), and grass, shrubs and trees. Said Park Strips, including the landscaping and water distribution system, valves and electrical systems to operate the valves and clock(s), are the property of and responsibility of the Association to supervise and maintain. This condition, as described herein (being different from the intent of Phase 2 and other future phases as described in this Section) was/is occasioned because the Park Strips were required by to be installed prior to the recordation of the Phase 1 Official Plat. Accordingly, provision had to be made for the installation and ongoing maintenance of the finished Phase 1 Park Strips, to maintain them in a live and vital condition until such could assumed by Lot Owners, a set forth in this Section. Thus, the Association assumed the responsibility to install the master water distribution system, valve/electrical systems, and plantings, because there were no individual Lot Owners to

undertake such responsibilities.

Effective with the recordation of this Declaration, the Association shall have planted the Park Strips of Phase 1 with grass and trees and have and will continue to be responsible for the maintenance and upkeep thereof, including the providing of water and electricity for such watering system UNTIL AND TO THE EXTENT AS HEREAFTER DESCRIBED:

9.2.1 Sidewalks - All Phases: All sidewalks adjoining a Lot are the sole responsibility of the Lot Owner to maintain and keep in repair to assure safe use thereof; the Association shall have no responsibility in such upkeep or the cost thereof.

9.2.2 Park Strips - Phase 1: Notwithstanding Park Strips are recognized as Common Areas, and notwithstanding the provisions regarding Park Strips shall vary between Phase 1 and Phases 2, the following applies to Phase 1, alone.

The Park Strip areas in Phase 1 shall be the responsibility of the Association to maintain, including the installation of Park Strip elements, its landscaping and watering/electrical systems thereof. This is due to the manner of installation of the features of Park Strips in Phase 1 as compared to the manner of installation of such in Phases 2,3,4, and 5. Provisions of Section 6.8 apply in all instances of Phase 1 Park Strips.

Section 6.8 provides for an additional Assessment Fee for Phase 1 Lot Owners in view of the fact that the Association is providing water irrigation systems and water for the maintenance of Phase 1 Park Strips, but is not doing so with regard to Phase 2 Park Strips.

Because, as of the recordation of this Declaration, the Association currently provides, and shall continue to provide Park Strip landscape maintenance (prior to occupancy of a Home) and a water and electrical systems required by such and water thereto and related maintenance of such system to the Phase 1 Park Strips, Phase 1 Lot Owners may, by action of the Board, be assessed an additional amount to the Monthly Assessment pertaining to said Lot to cover the cost of such watering and maintenance said water system by the Association.

When construction is complete as evidenced by a Certificate of Occupancy and/or occupancy occurs a Phase 1 Lot Owner shall assume the responsibility of landscape maintenance of the Park Strip(s) fronting or adjoining Owner's Lot. The Association shall no longer provide Park Strip landscaping maintenance of the grass, shrubs, and trees.

However, even upon a Lot/Home Owner assuming the responsibility of landscaping maintenance of the Park Strip, certain expenses of ongoing responsibility shall continue with the Association; namely, those duties and expenses associated with the ongoing maintenance and repair of the water distribution system, its meters and valves and related electrical systems, in addition to providing water.

ACCORDINGLY, THE ASSOCIATION, BY ACTION OF THE BOARD, MAY CONTINUE TO PASS SUCH EXPENSE ON TO THE OWNERS OF PHASE 1 LOTS, BY INCREASING THE MONTHLY ASSESSMENT PERTAIN TO SUCH COSTS AS EXPERIENCED IN PHASE 1.

NOTWITHSTANDING THE PROVISION FOR EQUAL ASSESSMENTS AS OUTLINED IN ARTICLE VI HEREOF, THIS ADDITIONAL ASSESSMENT AMOUNT AS MAY BE ASSESSED BY ACTION OF THE BOARD FOR THE COST OF MAINTENANCE OF THE PARK STRIPS AS HEREIN SET FORTH SHALL NOT BE INTERPRETED AS BEING IN CONFLICT WITH ARTICLE VI.

(1) Upon the conveyance/transfer of a Home and Lot from a Lot Owner to a third party OR upon occupancy of a Home on a Lot, the responsibility for the landscaping (grass and trees) maintenance of Phase 1 Park Strips shall immediately transfer to the Lot Owner/Occupant whose Lot/Home adjoins or is adjacent to the Park Strip(s) fronting said Home. Prior to this moment of transfer, the Association shall be responsible for such

maintenance of the grass, trees and shrubs.

(2) Responsibility for maintenance of the water distribution system and the electrical system related thereto shall remain with the Association, notwithstanding the conveyance or occupancy referred to foregoing.

(3) Because the Association is responsible as indicated by 'A and B' foregoing, an additional assessment may be assessed by the Association to offset the cost of such Common Area maintenance (see "9.2.2" of this Section.

9.2.3 Park Strips - Phase 2: The following shall apply to Phase 2 Lots, and future phasing/lots, as expanded and recorded hereafter, according to provisions of this Declaration, or as amended.

Notwithstanding Park Strips fronting or adjoining each Lot in Phase 2 may be indicated on the Official Plat Common Area(s), either partially or in total, the Association shall not be responsible for maintenance of such Park Strips/Common Area(s).

The maintenance, upkeep and repair of such Park Strip(s) and the features thereof in Phase 2, and following phases, shall be the sole responsibility of a Lot Owner, whose Lot adjoins or fronts such Park Strips, to maintain said features in good and repaired condition at all times.

(A) Phase 2 Park Strip Landscape and Irrigation System Installation: As regards an Owner's responsibility to maintain such Park Strip(s) in Phase 2, and following phases, such Owner, also as part of his/her/its/their front-yard landscaping plan, shall be required, as part of his/her/its/their Home construction, to 1) install a Park Strip water distribution system, including a water line and valve(s), and electrical source to power such valve(s) and 2) install ACC-approved landscaping. Corner Lot Owner shall make provision for this requirement as affects such Lot's dual frontages.

Water, under provision of this responsibility, will be provided ongoing by each Lot Owner, at Owner's expense, for irrigation maintenance of the Park Strip(s) attached to or adjoining the Owner's Lot. Owner shall cause the water distribution system to operate as part of the Owner's landscape irrigation system clock/controller.

Additionally, an Owner shall be responsible to install the Park Strip landscaping as part of the Owner's front-yard landscape plan and to maintain landscape irrigation at all times for said landscaping, even during or over times of Owner's absence from the Lot/Home. Owners shall not allow a discontinuance of water or electric power to cease to be available to the automatic control of landscape irrigation system.

As regards Park Strips in Phase 2, and following phases, the Declarant reserves the right, without Amendment hereto, subject only to the approval of Washington City, to modify the look and presentation of Park Strips, in consideration of water conservation, that such Park Strips, if approved by the City, may be improved with landscape rock/aggregate, in combination with tree and shrub plantings.

9.3 Walls. This Section sets forth a significant change to the matter of walls and shared walls within Treasure Valley.

9.3.1 Phase 2 Walls/Shared Walls

(A) ONLY A REAR YARD WALL SHALL BE REQUIRED ON LOTS IN PHASES 2 (AND FUTURE PHASES, AS ANNEXED), which wall shall be installed/constructed at the time of Home construction and shall be completed prior to the issuance of a Certificate of Occupancy.

(B) IT SHALL BE THE RESPONSIBILITY OF A LOT OWNER TO INSTALL SIDE WALLS, IF SO DESIRED BY SAID OWNER, subject to ACC approval. The "sharing" of the cost of construction of Rear Walls and/or Side Walls is encouraged by the Association but shall not be required of adjacent Lot Owners. If sharing of cost is elected by an adjoining Lot Owner(s), the manner and extent of such sharing of the cost of Rear and/or Side Walls shall be established between the adjacent Lot Owners and shall not involve the Association.

Rear Wall construction/installation shall be concurrent with the construction of a Home on the Lot. Side Walls may be installed together with the construction/installation of the rear wall, OR may be installed at a later date, at the election of the Lot Owner, subject to obtaining approval of the ACC for such wall(s). Section 10.23 shall act in concert with this Section.

9.3.2 Phase 1 Lots. Because, as of the recordation date of this Declaration, most Lots in Phase 1 have 1) been sold to third parties by the previous Owner/Declarant and 2) substantial construction of homes has taken place or is underway, the Declarant has determined it to be in the best interest of the varied group of buyers of Phase 1 Lots to continue concept of walls/shared walls set forth in the Original Declaration to remain in force.

Accordingly, all Phase 1 lots shall continue to be required, as so required in the Original Declaration, to include, as part of the Home construction, i) a rear-wall and ii) a side-wall on each side of the Lot, of a type and consistency with walls that have been previously constructed in Phase 1, and as approved by the ACC.

(A) Special Provision for Sharing Cost of Walls in Phase 1. As established in the Original Declaration, a provision provided for the equal sharing of the cost of construction of all adjacent/common walls by adjoining Lot Owners. Such provision shall continue absolutely, without exception, with regard to Phase 1 Lots, only. It shall be the sole responsibility of Adjacent Lot Owners to facilitate the equal sharing of the cost of Common Wall between Adjoining Lots. Failure of an Adjacent Owner to make timely payment/reimbursement may result in legal civil action. The Association shall take no part in seeking, enforcing, or effecting the accomplishment this provision as herein outlined, as compliance herewith is solely between Adjoining Phase 1 Lot Owners.

9.3.3 Expanded Phases: As pertains to all other phases, as may be annexed, the provisions of this Declaration, or as amended, for Rear Walls shall apply; however, the sharing of the construction cost of a shared Wall shall not apply in Phase 2 or other Phases, as annexed, unless mutually agreed to by adjacent/adjoining Lot Owners.

9.3.4 General Rules of Law to Apply. Except as otherwise provided in this Declaration, each wall which shall be built as a part of the original construction of the Dwelling Units upon the Property and placed on the dividing line between the Lots shall constitute a shared wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding shared walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

9.3.5 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a shared wall, including perimeter walls, shall be shared by the Owners who make use of the wall in proportion to such use, or the Owner of the wall even if there is no wall in common. In the event an Owner fails to make reasonable repairs within thirty (30) days after Notice of Noncompliance and Right to Hearing by the Association is delivered to the Owner, which notice shall describe the disrepair and the scope of needed repairs, the Association may elect, in its sole discretion, to make such repairs and may charge the cost of the repairs against

the Lot as a Corrective Assessment.

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

9.3.7 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his/her/its/their negligent or willful act causes the shared wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements to the extent that said protection is not covered by insurance and paid for out of the proceeds of the same.

9.3.8 Right to Contribution Runs with Land. The right of any Owner to contribution/sharing of cost of a Shared Wall from any other Owner in Phase 1 under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

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

9.4 Perimeter Walls. The Association shall not be obligated to provide or maintain any walls in the Project. Walls dividing a Lot and Common Area shall be maintained by the Owner of the Lot, not by the Association.

9.5 Mold. Whether or not you as an Owner experience mold growth, depends to a great extent on how you manage and maintain your Dwelling and your Lot. You are hereby given notice to take all reasonable means to detect and prevent growth and infestation of mold and other similar agents. The Declarant or Association shall not be responsible for any damages, and as Owner you waive any claim to damages, caused by mold, or by some other similar agent, that may be associated with customary construction practices in the area, to include but not be limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health affects, or any other effects or losses. Any implied warranties, including but not limited to an implied warranty of workmanlike construction, an implied warranty of habitability, an implied warranty of merchantability or an implied warranty of fitness for a particular purpose, are hereby waived and disclaimed by you as the Owner.

ARTICLE X USE RESTRICTIONS

All Lot/Home within the Property shall be held, used and enjoyed subject to such limitations and restrictions as set forth below. This list of restrictions may be modified by Rule of the Board, without amendment to this Declaration, so long as such Rule does not increase the Annual Assessment or cause for additional Assessment as provided herein.

10.1 Single Family Residence. Subject to the provisions of Section 10.2, each Lot shall be used as a residence for a single family, as "family" is defined by Washington City Ordinances..

10.2 Business or Commercial Activity. A Homeowner may use an interior portion of a Dwelling Unit as a home office only if the home office business does not violate any federal, state, or local law, ordinance, or regulation, and has no exterior manifestation (including signage), and no characteristics that are deleterious to the residential nature of the neighborhood (such as increased vehicular traffic). The Declarant, its successors and assigns, may use any portion of the Property for a model home site, signage and display related to sales and construction and a sales office in connection with the sale of Lots and Dwellings on the Property by Declarant.

10.3 Signage; Commercial Activity; Restrictions; Declarant Signs:. Until such time as Declarant no longer owns any Lot in Treasure Valley, including those in expansion areas in keeping with the City-Approved Preliminary Plat, which Plat includes as approved 161 lots, there shall be a restriction on signage within the Property.

10.3.1 Phase 1 Signage: In Phase 1, a builder/contractor who has purchased a Lot from the previous Declarant shall be allowed to post one (1) single "For Sale" sign advertising the Lot and Dwelling "For Sale" to a third party. Said single sign shall be not larger than seven (7) square feet in size and shall, at all times, be maintained in clean and repaired condition.

10.3.2 Phase 2 Signage: An Owner, other than a Phase 1 builder/contractor, who owns a Lot for the purpose of building a Home or owns a completed Home and desires to re-sell said Lot/Home to a third-party, may not post a sign anywhere on the Lot or on the Home or within the Property advertising the Lot/Home "For Sale," for so long as Declarant owns a single Lot in Treasure Valley, as annexed or as may be expanded. Specifically, such Owner MAY NOT and SHALL NOT post a sign on an Owner's Lot or in a window of the Dwelling thereon.

This purpose of this provision is to provide for an uncluttered streetscape within the Property throughout the Development and Build-out of Treasure Valley. These provisions are not meant to prevent an Owner from selling or renting his/her/its/their Home. An Owner may sell or rent the Owner's Residence by making use of any of the follow mediums for promotion and advertising a Home for sale or rent:

- (A) A real estate agent or property management agent of the Owner's choosing.
- (B) A Multiple Listing Service
- (C) Newspapers, magazines, and other such publications.
- (D) Word of mouth.

After Declarant no longer owns any Lots in Treasure Valley, as annexed or as may be expanded, the foregoing restrictions shall expire; following restrictions on signage shall be governed by the following provision:

Except for one (1) "For Sale" sign of not more than seven (7) square feet, no advertising signs, billboards, advertising objects, shall be installed, erected, placed, or otherwise displayed on any Lot or any portion of the Properties.

"For Rent" signs shall not be allowed at any time, in any manner, on any portion of the Property or on a Lot or in the window of a Dwelling; advertising of a rental opportunity may only be undertaken as outlined in this Sub Section.

No commercial activities of any kind whatever shall be conducted in any building or on any portion of the Property.

The foregoing restrictions shall not apply at any time to the commercial activities, signs and billboards, if any, of the Declarant, its assigns or successors, or its agents during the construction and sales period through to the completion of Treasure Valley in keeping with the City-approved Preliminary Plat, or by the Association in furtherance of its powers and purposes set forth hereinafter and in the Association's Articles of Incorporation, Bylaws and Rules and Regulations, as the same maybe amended from time to time.

10.4 Quiet Enjoyment. No noxious or offensive activity or noise shall be carried on upon any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners or which shall in any way increase the rate of insurance. Portable radios, exterior speakers, and other personal sound equipment are permissible so long as they do not create a nuisance or otherwise interfere with the quiet enjoyment of any portion of the Property. All exterior lights must be sheltered or housed in such a way that no light shall shine directly into any neighboring Lot. Owner shall be responsible for the conduct of all guests, including all contractors and subcontractors, while on the Property. Loud music, profanity and other behavior which is offensive or a nuisance shall not be tolerated.

10.5 Parking for Vehicles. There shall be no parking in alleyways at any time; alleyways are for the express purpose of access garage spaces of adjoining lots to which the alleyways pertain. No equipment other than motor vehicles may be kept temporarily in/on driveways. Vehicles, or any portion of such, may not be parked on or allowed to overhang sidewalks or driveway apron areas, landscaped areas of a Home's front-yards, side-yards OR in rear or side-yards except behind enclosed Rear and Side Walls, as provided in this Declaration. Sidewalks must be kept clear for pedestrian and bicycle traffic. No Vehicles or Recreational Vehicles, including without limitation, RV's, boats, equipment, motorcycles, ATV's, motorhomes, or other similar vehicles, shall be parked or stored on a public street or rights-of-way within the Property for more than forty-eight (48) consecutive hours. However, any such vehicle(s) may be stored on a Lot as long as it is stored in a) a garage or b) on a parking pad/area alongside the garage of a Home in the side-yard or behind the garage behind enclosed Walls, as approved by the ACC.

In the instance of such vehicle parking in a rear or side-yard, a Lot Side Wall SHALL BE CONSTRUCTED AND IN PLACE prior to ANY parking of such vehicles.

Such storage in a Side Yard may be concrete, or gravel, either as approved by the ACC. In no instance shall such a parking area accommodate connection for a "sewage/waste dump facility." Election of an Owner to provide for such a storage facility must include provision for proper drainage of the area, such that a neighboring Lot is not affected by such use. In the instance of such storage use, as herein set forth, to be used for parking of permitted vehicles/equipment, the Side Wal MUST EXTEND FROM THE REAR WALL TO THE LINE OF THE FRONT SETBACK OF THE HOME. No such parking/storage pad shall be permitted in absence of a Side Wall, as provided. Such Side Wall, its construction and cost, is the sole responsibility of the Lot Owner who intends to make use of such a parking/storage area. Sharing of cost of such a Side Wall shall be a matter solely between adjacent Lot Owners. However, there is no obligation for sharing of such cost under this Declaration.

Gates and/or screened gates to enclose such side-yard parking/storage initially hereunder is not required to be included. However, the Board, in evidence of an Owner or Owners making such use of a side-yard who do not maintain such area and usage in a neat, orderly, clean and non-offensive condition/manner, the Board may act to require such gate and/or screening device without Amendment to this Declaration. Upon such action of the Board, Owners, who are in violation with the intent of this provision may be required to provide

such gate and/or screening in a timely manner, as determined by the Board. Failure of an Owner to comply may result in a fine and provision of lien hereunder.

The Board may enforce this provision by giving notice to the Owner of the violation, or when the Owner is not readily available, by giving notice in the form of a written request placed on the vehicle in question. Vehicles in violation of this provision may be towed, at the owner's expense. Unless otherwise approved by the Board, no industrial vehicles and equipment shall be allowed in the Property, other than temporary work equipment required solely for the building of Improvements and Dwelling Units. No Vehicle or Recreational Vehicle deemed to be unsightly by the Board shall be permitted to remain on any Lot so as to be visible from adjoining Property or from public or private thoroughfares. No repair or maintenance work shall be done on any of the foregoing or on any vehicle other than in an emergency repairs and unless such repairs are begun and completed within twenty-four (24) hours, except in enclosed garages or other structures. No vehicle shall be permitted to remain in a visible state of disrepair or disassembly from other Lots or areas of the Property.

10.6 Animals, Livestock, Poultry, Agriculture. Pets are a privilege in Treasure Valley, not a right. All Owners must see that their dogs (and other animals, as required by Washington City) maintain a current license from Washington City.

It is not anticipated, at the time of recordation of this Declaration, that registering of permitted and approved animal/pets will be necessary. However, if, in the opinion of the Board, conditions pertaining to pets not properly being attended to, supervised, and monitored by their/its Owner, such that quiet enjoyment as expected under provisions of this Declaration are adversely affected, the Board may adopt rules and regulations pertain to *pets*, which rules and regulations may include a requirement for registration of a pet. Such rules and regulations may provide for the levy of a fine in a case of continued violation regarding pet conduct.

No animals, livestock or poultry of any kind may be raised, bred, or kept on any Lot or in the Common Areas except that dogs, cats or other household pets, no more than two (2) in number, as approved by the Board, may be kept in an Owner's Home, or upon any Lot, subject to the rules and regulations adopted by the Board.

All dogs, while not in a Dwelling or in an enclosed, gated rear-yard area of a Lot, shall be on a leash and shall at no time be allowed to run free in Treasure Valley or be unattended while not in the Owner's rear-yard.

Cats shall not be allowed to roam the neighborhood, during day or night, nor should be allowed to cause disturbances at night. Dogs and other Board-approved pets may be kept in rear-yards provided, however, that a pet owner, being solely responsible for the conduct and actions of his/her/its/their pet, shall not allow his/her/its/their dog (or other approved pets) to disturb the peace, quiet and enjoyment of the Owners within Treasure Valley.

Animal owners shall not allow their pets to defecate or urinate on Common Areas, front or side-yard landscaping ('street-side' of an enclosing side and rear-yard fence), or on Lots belonging to other Owners. Pet owners shall immediately clean up after their pets.

All animals which are permitted hereunder, which are not house-pets (i.e., not kept in the Home) shall be kept within enclosed areas in the rear or side-yards, which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area shall be constructed in accordance with Plans and Specifications approved by the ACC and shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other Lot. In the event a pet resides outside (i.e., not in the Home), the enclosed area and/or facility as approved by the ACC to contain the animal, shall be screened from the view from adjacent Lots and the fronting street. Accordingly, such animal-provisions shall be enclosed by rear and side-yard Walls, as provided in this Declaration.

In the instance of "outside pets", the Side Walls and enclosing side wall returns and gates MUST BE IN PLACE PRIOR TO MAKING PROVISION FOR PET ENCLOSURES

OR THE FULL-TIME PRESENCE OF A PET IN A REAR-YARD, AS SET FORTH IN THIS SECTION, WHETHER IN THE SIDE-YARD OR REAR-YARD AREAS.

10.7 Construction. Commencement of Construction, which shall be evidenced by providing a copy of the building permit for the Lot to the ACC, shall be completed within six (6) months of the initial purchase of Lot from Declarant or issuance of a building permit, unless otherwise approved in writing by the Board, but in no case shall the Board extend such period to greater than twelve (12) months. Construction of Dwelling Units shall be diligently pursued to substantial completion. All damage caused by construction activity (including construction related vehicles) shall be promptly repaired by the Owner or his/her/its/their contractor.

10.8 Temporary Buildings. No outbuilding, tent, shack, shed or other temporary building or Improvement of any kind (except portable outhouses and dumpsters with lids or covers during construction) shall be placed upon any portion of the Property either temporarily or permanently. Notwithstanding the foregoing, the Declarant shall have and reserves the right to use a temporary building or trailer for sales and/or construction purposes. Refer also to Section 10.29 hereof.

10.9 Unightly Articles. Service areas and storage areas, shall be appropriately screened from view, as approved by the Board. No lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap, compost piles, refuse or trash shall be kept stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. Any exterior holiday lighting or decorations pertaining to the holiday celebrated or recognized must be taken down and removed from street or yard visibility within 12 days after the holiday date.

10.10 Clothes Line. No exterior clothes dryer, clothes line or supporting poles or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, etc, be hung outside for drying or any other purpose.

10.11 Drilling; Mining. Except as permitted for earth-coupled heat pumps or similar devices as provided for below, no oil drilling, oil, gas or mineral development operations, oil refining, geothermal exploration or development, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted on or below the surface of any Lot. Further, except as permitted for earth-coupled heat pumps or similar devices as provided for below, no derrick or other structure used in boring for water, oil, geothermal heat or natural gas shall be erected, maintained or permitted on the Property. The Board in its discretion may approve earth-coupled heat pumps or similar devices which may require the excavation or drilling of vertical or horizontal trenches or shafts below the surface of the improved area of a Lot.

10.12 Minimum Square Footage Required. Upon recordation of this Declaration, (1) for a single story dwelling, the finished area above the finish grade shall be no less than fifteen hundred (1,500) square feet exclusive of open porches and garages; for a two (2) story dwelling, the finished area above the finish grade shall not be less than two thousand (2,000) square feet (for both floors), exclusive of open porches and garages, with a minimum of twelve hundred (1,200) square feet on the main floor. All Dwelling Units must have a minimum of a 2-car garage, but not more than a 4-car garage (facing the street frontage).

10.13 Types of Homes Prohibited. Four (4) level split entry (bi-level) homes SHALL NOT BE PERMITTED on this Property unless approved by the ACC. Homes are not to exceed two (2) stories in height, from the finish grade and not to exceed 35-feet. No garage conversions shall be allowed. No RVs, modular homes, mobile homes, underground or

basement homes, round or domed homes, octagon homes, solar homes, manufactured, prefabricated homes, rebuilt homes, concrete homes, or any other unusual style of Dwelling Units shall be allowed in the Property regardless of ACC approval of the same.

10.14 Exteriors of Homes. Tumbled or used brick, synthetic stucco, rock/stone or any combination of the same, as approved in style and color by the ACC, are allowed as exteriors for all Dwellings in the Property, including ACC-approved accessory buildings and detached garages. There must be at least two (2) of the above named materials used in the front elevation of the Dwelling Unit, with not less than ten percent (10%) of the front elevation to be of the lesser used material. ACC shall approve the percentage, style type and color of second material required on side elevations.

Wood, aluminum siding, masonite, concrete, or vinyl siding are not permitted. Any other exterior material may only be used upon the express approval of the ACC. Home exteriors using stucco must be of high quality synthetic stucco.

All roofs must be built using tile or slate material. However, metal accent treatments may be used as part of the roof construction and finish, subject to the express written approval of the ACC; said approval may dictate type, color, style, etc.

All materials, including stucco should be of an earth tone color. No pastels or white colors are allowed. Solar energy, electricity-generating devices, windmills, or other ground or roof appurtenances are prohibited. Courtyards shall have the same finish as the front exterior of the Dwelling Unit. All colors and material types shall be governed by and approved by the ACC.

10.15 Setbacks. All structures built on any Lot must be constructed in accordance with all applicable zoning and building ordinances of the City of Washington, as permitted for Treasure Valley.

10.16 Landscaping.

Consistent with previous provisions, as embraced by Owners of Lots where construction has been completed or is near completion as of the date of recordation of this Declaration, Lots in Phase 1 shall have front-yard and side-yard(s) landscaping reaching to the half-way point of the depth of the Home from the front foundation line; such landscaping shall be completed prior to receiving a Certificate of Occupancy from the City of Washington. With regard to Park Strips, Phase 1 Lots shall be governed by Article 9 hereof.

Lots in Phase 2 (and subsequent Phases, as annexed) shall have front-yard and side-yard(s) landscaping reaching to the rear of the Home, including landscaping of the Park Strip(s), except in Phase 1, (as provided in Article 9 hereof regarding Park Strips) adjoining/adjacent to a Lot, shall be complete prior to receiving a Certificate of Occupancy from the City of Washington.

The primary differentiation between the foregoing provisions with regard to Lots in Phase 1 and in Phase 2 (and future Phases, as annexed) is found in the fact that Phase 1 Lots are required to have Side Walls, extending forward from the Rear Wall, whereas Phase 2 Lots are not required, upon occupancy, to have Side Walls.

Rear-yard landscaping, if not completed prior to Certificate of Occupancy, shall be completed thereafter in a period of time not to exceed twelve (12) months. All Lot frontage landscaping shall include not less than ten percent (10%) of the area in grass, shrubs, trees, and other approved vegetation, as well as landscape aggregate, as approved by the ACC; frontage shall mean the area between the Home and the Sidewalk, by the width of the Lot. Common Area Landscape Park Strips shall not be used when calculating to determine the area to meet the grass percentage.

At all times, Owners shall control the growth and proliferation of noxious weeds and flammable growth materials, including weeds, so as to minimize the unsightly presence of weeds, fire and other hazards within Treasure Valley Homes, and Common Areas. Noxious weeds shall mean as defined by the City of Washington and Washington County. Particularly, in the event a Lot Owner which elects to delay the installation of the rear-yard landscaping as provided above, said Lot Owner, notwithstanding such decision, shall be responsible to maintain the un-landscaped areas of his/her/its/their Lot to be weed free, to the extent which is reasonable, as evaluated by the ACC, at all times by undertaking routine and timely weeding of the un-landscaped area to prevent weeds from growing and going-to-seed such that propagation of weeds spreads within Treasure Valley. In this regard, un-landscaped, rear-yard areas are to be kept neat and unoffensive to a neighboring lot or an on-looker, in general. The fact that a rear-yard is not landscaped at the time of Occupancy does not excuse the need for neatness, absence of clutter and weeds.

All Lots, with or without a Home thereon, in Treasure Valley shall maintain an on-going weed control programs which may include but not be limited to mowing, removal, spraying or a combination thereof. This provision may be addressed by Rule of the Board, without amendment to the CC&Rs.

Failure to timely maintain the Owner's Lot free and clear of weeds, may result in Board action and/or fines pertaining to the nuisance of unattended weeds.

10.16.1 SPECIAL LANDSCAPING NOTATION PERTAIN TO WCWCD:

Washington County Water Conservancy District ("WCWCD") under provisions of its Water Conservancy Program restrict the landscape area which may be irrigated on Lots in Treasure Valley to a maximum of 5,000 square feet. All Lot Owners are bound to observe the policies relating to water conservancy as they may affect Treasure Valley. All landscaping plans as submitted to the ACC shall indicate compliance with such provisions. It shall be each Lot Owner's responsibility to obtain and comply with applicable provisions as published and amended from time to time by WCWCD.

10.17 City of Washington Requirements. All structures built on any Lot must be constructed in accordance with all applicable zoning and building ordinances of the City of Washington.

10.18 Driveways. No Dwelling shall be allowed dual access from Streets or alleyways. Driveways shall be constructed out of concrete or other hard materials approved by the ACC. Driveways consisting of cinders, sand, gravel, asphalt or dirt shall not be permitted on any Lot. Driveways shall be of a sufficient size that two (2) vehicles can park thereon side by side, and shall in all other respects conform to City of Washington requirements. Driveways shall be limited solely to providing a connection between the street or alleyways and the garage area; no private lanes or streets traversing a Lots shall be allowed.

10.19 Alleyway, Driveway Access. No residence, without the express written approval of the City and the ACC, shall be allowed dual access from Streets or Alleyways.

Each Lot that abuts an alleyway shall be required to have the following completed prior to Certificate of Occupancy:

(1) the entire Lot shall be landscaped prior to receiving a Certificate of Occupancy.

(2) an Alleyway light, as specified by the ACC, shall be installed. The Owner of each Lot shall be responsible for installation, utility connection, payment of electricity usage, and ongoing maintenance of such light.

10.20 Hazardous Activities. No activities shall be conducted nor objects or substances stored or kept on the Property and no Improvements shall be constructed or allowed to remain on the Property which are or might be unsafe, illegal, or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property. No open fires shall be lighted or permitted except within safe and well-designed interior fireplaces or in contained barbecue units while attended. Backyard natural gas fire pits are allowed when approved by the ACC and shall be required to be professionally installed. No outdoor fire pit shall be approved by the ACC until the Owner's rear-yard is completely enclosed by Rear and Side Walls, with return walls and gates to the sides of the home, to provide for security and safety.

10.21 Maintenance. Each Owner shall keep all landscaping on such Owner's Lot, whether improved or unimproved, cultivated, irrigated, pruned, mowed, weeded, and free of trash and other unsightly material. All Improvements upon any Lot, including Homes, fencing, alleyways, out-buildings, and all other Improvements constructed by the Owner(s) shall be at all times kept in good condition and repair and adequately painted or otherwise maintained at the sole expense of Owner.

The Association shall be responsible for the installation and maintenance of the Landscape Park Strips.

10.22 Abandonment. A Lot may be considered abandoned if considered hazardous, it has been unoccupied for a period of more than thirty (30) days, and the Board or its Manager has not had contact from the Owner within thirty (30) days after notice was sent by certified mail. A Lot may be considered abandoned if the Owner has allowed a hazardous condition to arise or persist for more than thirty (30) days after the Board or Manager has sent notice by certified mail. In the event an Owner fails to correct any hazardous condition, the Association may, at the Association's discretion, correct the hazardous condition and charge the costs of the correction to the Owner as a Corrective Assessment. Nothing in this section shall create any affirmative duty by the Association to correct any hazardous condition. Declarant shall be exempt from this provision.

10.23 Walls, Common Walls, Adjacent or Adjoining Walls, or Shared Walls. The following provisions act in concert with Section 9.3 hereof, neither replaces the other. Walls over seven feet (7') high shall not be allowed, except as approved by ACC due to unique elevational considerations. Only masonry block walls, of a color and type as approved by the ACC, shall be permitted on the perimeter of the Lot (Side Walls and Rear Walls). Rear Walls must be completed prior to the issuance of a Certificate of Occupancy by the City of Washington.

Wall returns from the side wall, in the instance of Side Wall placement, to the exterior of the Home shall be masonry block, including provision for a gate in the space thereof. Gates shall be wrought iron of color and style as approved by the ACC. The cost of any walls that are required between Lots, may be shared between adjacent Lot Owners, at such Owners' sole election and mutual agreement. (See Section 9.3 for additional details.)

The Owner that first commences with construction ("Adjacent Owner-A) on his/her/its/their Lot shall initially complete the work of wall installation and, in keeping therewith, shall be responsible to pay all costs related thereto.

The procedure as outlined in this Section may be modified by rule(s) of the Board in order to better facilitate accomplishment of its intended purpose.

10.24 Treatment Facilities. No Lot shall be used for the operation of a boarding or rooming house, a residence for transients, a "group home", "family home", "community home" "half-way house", day care center, rehabilitation center, treatment facility, or residence of

unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters, unless otherwise allowed by the terms of any law specifically negating the provisions of restrictive covenants prohibiting same.

10.25 Further Subdivision of a Lot; Lease Provisions.

10.25.1 Further Subdivision of a Lot. No Owner shall further partition or subdivide a Lot or the rooms in the Dwelling Unit, including any division of Lot into time-share estates, time-share uses, or creation of additional living quarters.

10.25.2 Lease Occupancy or Other Temporary Occupancy. No Owner shall lease a Dwelling for transient or hotel purposes. Timeshare is prohibited. No Dwelling shall be made subject to any timeshare program, interval ownership, or similar program whereby the right to exclusive use of the Dwelling rotates among multiple owners or members of a program on a fixed or floating time schedule over a period of years.

By operation of law, an Owner may rent or lease the Owner's Dwelling. Notwithstanding, any Owner so doing shall comply with the provisions of this Section.

Any temporary or other occupancy, other than by the titled Owner, the Owner's family, friends, and invited guests, must be for a period of at least six (6) months. No Owner may designate as a tenant, a family, friends or invited guests in order to avoid the intent of this Section.

Each such occupancy shall be established between the parties by a written lease/rental/occupancy agreement, a copy of which shall be submitted by the Owner to the Board of Directors, or appointee, together with a signed copy of the Temporary Occupancy Notification Form (available from the Board). Lease or rental shall be for terms not less than six months and all such lease/rental must comply with this Section.

Any lease agreement between an Owner and a lessee/renter shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration including all rules and regulations enacted by the Board. The lease agreement must further provide that any failure by lessee/renter to comply with the terms of this Declaration, and the rules and regulations of the Association shall be a default under the lease.

The Temporary Occupancy Notification Form may require the following information: (i) that the Owner has conducted credit and reference checks and concluded, thereby, that the lessee/renter will be a responsible, qualified renter; and (ii) that the lessee has read these Protective Covenants, the Association rules and regulations, and such other documents as published by the Association from time to time, and, by signature of the lessee/renter, agrees to abide by same. The Temporary Occupancy Notification Form shall also bear the signature of the Owner, indicating thereby that the Owner has performed all of the above. Failure of the Owner to provide a copy of a properly referenced lease/rental agreement and Lease Notification Form to the Association shall result in the Association imposing on the Owner a fine of two hundred fifty dollars (\$250.00), which shall be a lien upon such Owner's Lot and shall be added to the annual assessment as provided in This Declaration, (and permits the Association to pursue any remedy of law available to it in the enforcement of this provision.) (A modified version of the Temporary Occupancy Notification Form may be used in cases of family, friends and guests occupying the Dwelling for a period longer than two (2) consecutive weeks.)

Additionally, and notwithstanding any other rights of enforcement under provisions of the Declaration, any rules and regulations enacted by the Board, or by applicable law, the Association may impose a fifty dollar (\$50.00) fine on the Owner whose Lot/Home is being leased or rented where the lessee or renter remains in violation of the Declaration and

Association rules and regulations, which fine shall be deemed a lien upon such Owner's Lot and shall be added to the annual assessment for that Owner's Lot as provided in the Declaration, for each violation by Owner's lessee/renter of such Declaration or any rules or regulations enacted by the Board. Such fine shall be imposed after a ten (10) day notice is given to the Owner of such violation, which notice shall be deemed given on the date such notice is mailed, prepaid, first class U.S. mail, to Owner's address as shown on the County Recorder's ownership records, or by hand delivery to the Owner. The Association may impose an additional fifty dollar (\$50.00) fine on the Owner for each day such violation of non-compliance continues after the ten (10) day notice period provided herein, which additional fines shall constitute a lien upon such Owners Lot and shall be added to the annual assessment as provided in this Declaration.

10.26 Drainage. There shall be no interference with or alteration of the established drainage pattern over any Lot on the Property, unless an adequate alternative provision is made for proper drainage and approved by the ACC. For the purposes hereof, "established *drainage pattern*" is defined as the drainage which exists at the time that such Lot is conveyed to a purchaser from Declarant, and shall include drainage from the Lots on the Property onto the Common Area.

10.27 Water Supply and Sewage Disposal Systems. No individual water supply or sewage disposal system shall be permitted on any Lot.

Pads and/or parking areas, as approved by the ACC in the side-yards RV, motorhomes and the like shall not providing a connection to the subdivision sewer line(s) to be used for the purpose of the dumping of waste material from such vehicles. Only surface water drainage is to be accommodated in side-yard parking arrangements.

10.28 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property or to its occupants; and same shall be promptly removed by the Owner. Refuse, garbage and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view. Trash receptacles must be removed from pick up areas within a reasonable period not to exceed forty-eight (48) hours of the day the trash is collected. The Board may pass additional Rules and Regulations governing trash receptacles. Lot shall be maintained in a clean and orderly manner at all times. The storage of materials should be in an inconspicuous location within the site and stored neatly and orderly. All construction debris shall be cleared at the end of each working day.

Included in this provision, each Lot Owner, prior to the installation of rear-yard landscaping, shall be responsible to maintain the rear-yard to be weed-free at all times. Provisions regarding un-landscaped rear-yards may be addressed by Rules of the Board without need for Amendment hereto.

10.29 Antennas and Satellite Dishes. No antennas of any type are allowed on the Lot or Improvements without the express written approval of the ACC. Up to two (2) Satellite Dishes, not to exceed twenty-four (24) inches in diameter each, may be installed by an Owner, subject to the approval of the ACC, as to number and as to location and method and manner of installation.

10.30 Exception for Declarant. Notwithstanding the restrictions contained in this Article X, Declarant shall have the right to use any Lot or Dwelling Unit owned or leased by it in furtherance of any reasonably necessary or appropriate construction, marketing, sales,

management, promotional, or other activities designed to accomplish or facilitate the sale of Lots and/or Dwelling Units owned by Declarant, including the use of a temporary building/trailer to be used for construction and/or sales and marketing purposes.

ARTICLE XI
DAMAGE AND CONDEMNATION

Damage to or destruction of all or any portion of the Common Area and condemnation of all or any portion of the Common Area shall be handled in the following manner:

(1) Each Member shall be liable to the Association for any damage to the Common Area or Improvement thereon sustained by reason of the negligence or willful misconduct of said Member or guest. All expenses of fixing the damage may be levied by the Association as a Corrective Assessment.

(2) If at any time the Common Area, or any part thereof, shall be taken or condemned by any authority having the power of eminent domain, the Association shall represent the Lot Owners in these proceedings, negotiations, settlements or agreements. All compensation and damages shall be payable to the Association and shall be used promptly by the Association to the extent necessary for restoring and replacing any Improvements on the remainder of the Common Area. Upon completion of such work and payment in full therefore, any proceeds of condemnation then or thereafter in the hands of the Association which are proceeds for the taking of any portion of the Common Area shall be disposed of in such manner as the Board shall reasonably determine.

ARTICLE XII
INSURANCE

12.1 Casualty Insurance. The Association may secure liability and casualty insurance for the Common Area.

12.2 Fidelity Insurance. A fidelity policy or policies shall be purchased to protect against dishonest acts on the part of the Board, officers, Manager, employees of the Association and all others (including volunteers) who handle or are responsible for handling funds of the Association. This fidelity coverage shall name the Association as the obligee or insured and shall be written in an amount sufficient to offer the protection reasonably required, but in no event less than one hundred percent (100%) of the Association's estimated annual operating expenses including reserves. The fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Said policy shall also provide that it may not be canceled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days prior written notice to all Mortgagees of Lots.

12.3 Lots and Dwelling Units Not Insured by Association. The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage or other insurance covering any Lot or Dwelling Unit on any Lot or any Improvement thereon erected by the Owner.

ARTICLE XIII
MORTGAGEE PROTECTION CLAUSE

Notwithstanding any other provision of this Declaration, the following provisions concerning the rights of first Mortgagees shall be in effect:

13.1 Preservation of Regulatory Structure and Insurance. Unless the holders of seventy-five percent (75%) of all first Mortgagees and seventy-five percent (75%) of the Lot Owners shall have given their prior written approval, the Association shall not be entitled:

(1) by act or omission to change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the Architectural design of the exterior, appearance of Dwelling Units, the exterior maintenance of Dwelling Units under certain conditions provided in Section 9.1, or the upkeep of the Common Area;

(2) to fail to maintain fire and extended coverage on insurable portions of the Common Area on a current replacement cost basis in an amount not less than one 100% of the insurance values (based on current replacement costs); or

(3) to use hazard insurance proceeds for losses to the Common Area for other than repair, replacement or reconstruction improvements on the Common Area.

13.2 Preservation of Common Area; Change in Method of Assessment. Unless the Association shall receive the prior written approval of (i) at least seventy-five percent (75%) of all first mortgagees (based on one (1) vote for each Mortgagee) of the Lots and (ii) the Owners of at least seventy-five percent (75%) of the Lots (not including the Lots owned by Declarant), the Association shall not be entitled:

(1) by act or omission to seek abandon, partition, subdivide, encumber, sell or transfer the Common Area, except to grant easements for utilities and similar or related purposes, as herein elsewhere reserved; or

(2) to change the ratio or method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or the owner thereof.

Neither above provision of Article XIII nor the insurance provisions contained in Article XII may be amended without the prior approval of all first Mortgagees.

13.3 Notice of Matters Affecting Security. The Board or Manager shall give written notice to any first Mortgagee, upon written request, of a Lot requesting such notice wherever:

(1) there occurs any substantial damage to or destruction of any Dwelling Unit or any part of the Common Area involving an amount in excess of, or reasonably estimated to be in excess of fifteen thousand (\$15,000.00). Said notice shall be given within fifteen (15) days after the Association learns of such damage or destruction; or

(2) there is any condemnation proceedings or proposed acquisition of a Dwelling Unit or of any portion of the Common Area within fifteen (15) days after the Association learns of the same or the Association plans to abandon or terminate the planned unit development established by this Declaration.

13.4 Notice of Meetings. The Association shall give to any first Mortgagee of a Lot requesting the same, in writing, notice of all meetings of the Association, and such first Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

13.5 Annual Meeting. Annual meetings shall be held as agreed to by the Board. Upon establishment of the date of the annual meeting by the Board, the Annual Meeting shall take place as set by the Board. Changing of the date and time of said Annual Meeting shall not

require amendment of this Sub Section.

13.6 Right to Examine Association Records. Any first Mortgagee, or Owner shall have the right to examine the books, records and financial statements of the Association, upon reasonable request.

13.7 Right to Pay Taxes and Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area; and first Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

13.8 Rights Upon Foreclosure of Mortgage. Each holder of a Mortgage (or Deed of Trust) on a Lot and any purchaser from it who comes into possession of the Lot by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or pursuant to a power of sale or otherwise shall take the Lot free of, and shall not be liable for any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot.

ARTICLE XIV GENERAL PROVISIONS

14.1 Amendment.

14.1.1 BY CLASS-A MEMBERS. Except as otherwise specifically provided herein, these Covenants may be amended, modified, extended, or revoked, in whole or in part, by the affirmative vote or written consent, obtained by written ballot or otherwise, or any combination thereof, of Owners representing at least sixty-seven percent (67%) of the total votes in the Association. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

14.1.2 BY DECLARANT. Declarant, its assigns or successors, shall have and hereby reserves the right to unilaterally amend, modify, extend, or revoke these Covenants, in whole or in part, at any time and for any purpose deemed necessary by the Declarant until Declarant no longer owns a Lot of the recorded phases or of the potential 161 Lots of Treasure Valley, as recorded, annexed or may be expanded in keeping with the City-approved Preliminary Plat of Treasure Valley ("Development Phase"), with or without notice to the Class-A Members.

14.1.3 BY BOARD. The Board has the right, after the Development Phase, to unilaterally amend these Covenants if such amendment is necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination.

14.1.4 VALIDITY. No amendment made by the Class-A Members during the Development Phase shall be effective unless the Declarant provides its prior express written consent to such amendment, which consent is within Declarant's sole and absolute discretion. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Covenants.

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

14.2 Enforcement. This Declaration may be enforced by the Association, Declarant, Manager, and any Owner as follows:

(1) Breach of any of the provisions contained in the Declaration and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings instituted by any Owner, including Declarant so long as Declarant owns a Lot in the Development, and by the Association. The offending party is entitled to such notice and rights to a hearing as provided for in the By-Laws. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in any amount as the court may deem reasonable, in favor of any prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs. The Association may charge the costs of enforcement of this Declaration as a Corrective Assessment against the Lot owned by the nonconforming Owner.

(2) The results of every act or omission whereby any of the provisions contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association, and by the Declarant for so long as Declarant owns a Lot.

(3) The remedies herein provided for breach of the provisions contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(4) The failure of the Association to enforce any of the provisions contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

(5) Any breach or amendment of the provisions contained in this Declaration, the Articles or the By-Laws shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Lot or the Improvements thereon, provided that any subsequent Owner of such property shall be bound by such provisions of the Declaration, Articles and By-Laws, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise.

14.3 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Common Area. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

14.4 Manager. The Association may carry out through a Manager any of its functions which are properly the subject of delegation. Any Manager so engaged may be an independent

contractor or an agent or employee of the Association. Such Manager shall be responsible for managing the Property for the benefit of the Association and the Owners, and shall, to the extent permitted by law and the terms of a management agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

14.5 Management Agreement. Any agreement for professional management of the Development, or any other contract providing for services of the Declarant, sponsor, or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of termination fee on not more than ninety (90) but not less than thirty (30) days written notice.

14.6 Notice. Any notice, including without limitation Notice of a violation of this Declaration, the By-Laws, or any Rules and Regulations of the Association, permitted or required to be delivered as provided herein shall be fair and reasonable if given in writing and may be delivered either personally or by first class or registered mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the Dwelling of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association

14.7 Rules and Regulations. The Board shall have the authority to promulgate and adopt Rules and Regulations as the Board deems necessary or desirable (i) to aid it in administering the affairs of the Association, (ii) to insure that the Property is maintained and used in a manner consistent with the interests of the Owner's, (iii) to regulate the use of the Common Areas and to regulate the personal conduct of the Members and their guests thereon, and (iv) to establish penalties and fines for the infractions of any Rules and Regulations, this Declaration, or the By-Laws. Fines levied may be assessed as a Corrective Assessment against the Lot.

14.8 Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

14.9 Term. Unless earlier terminated pursuant to this Article XIV, the covenants 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, the Declarant for so long as the Declarant owns a Lot in the Development, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successive Owners and assigns, for a term of fifty (50) years from the date this Declaration is Recorded, after which term shall be automatically extended for successive periods of ten (10) years unless a declaration of termination satisfying the requirements of an amendment to the Declaration as set forth in Article XIV is recorded.

14.10 Development Phase. In addition to specific references elsewhere in this Declaration, Development Phase shall refer to the period of time during which the Declarant shall undertake various and related activities pertaining to the development, improvement, entitlement process, recordation, sale of Lots, and/or building of Homes on said Lots until all Lots as contemplated by the City-Approved Preliminary Plat of Treasure Valley are sold and built upon. During this Development Phase, the Declarant may make use of a Sales Office and/or Construction Trailer to conduct the business of the Development Phase, notwithstanding such trailer is of a temporary nature.

14.11 Application of Provisions Upon Declarant. During the Development Phase, i.e., some, certain, or all provisions of this Declaration shall not apply to the Declarant, its assigns or successors, except as required by Rule of Law.

ARTICLE XV
ANNEXATION OF ADDITIONAL PROPERTY

15.1 Annexation by Declarant. Declarant reserves the right, at its sole discretion and without the consent of Class A members, to expand the Properties to include additional property more particularly described in Exhibit B attached hereto and incorporated herein for a period terminating after the expiration of ten (10) years from the first Lot conveyance to a purchaser.

In the event the Declarant, within the time period set forth in this Article, files other plat(s) creating additional subdivision phases in the Exhibit B property under the name and style of "Treasure Valley - Phase I" and states on said plat(s) the intention to have the property described on said plat subject to the terms, covenants and conditions and reservation of easements of the Declaration thereof, as set forth above; then, upon recording of said plat, the property described therein shall be subject to said Declaration. The terms, covenants and conditions and reservation of easements contained in said Declaration run not only to, with, and from the Property described herein, but by this reference to said plat or plats, also to, with and from all adjoining additions thereto made pursuant to this Article.

Declarant's Class B membership status shall extend to all Lots in the expansion properties.

15.2 Limitations on Annexation. Developer's right to annex said land to the property shall be subject to the following limitations:

- (1) The annexed land must be a part of the land described in Exhibit B attached hereto.
- (2) Any additional subdivision phase(s) annexed hereto by the Declarant shall be comprised exclusively of Lots for detached residential single-family dwellings. The Declarant shall have the sole discretion to develop the Common and Limited Common Areas, if any, in said addition(s) and to include any facilities or amenities thereon that Declarant deems necessary.
- (3) If additional phases are created by the Declarant pursuant to the terms of this Article, the Lot Owners in said addition(s) shall be members of the Association and shall have the same rights to the use and enjoyment of the property and facilities of the Association as any other Member, either as an Owner in Treasure Valley- Phase 1, or otherwise. The Common and Limited Common Areas, if any, in any such additional phases as set forth therein shall be deeded by the Declarant to the Association not later than the conveyance of the last Lot on said plat, and the Association must accept the deed to said Common and Limited Common Areas, if any.

IN WITNESS WHEREOF, Declarant executes this Amended and Restated Declaration on the 29th day of June, 2010.

DECLARANT:
ENCE BROS. CONSTRUCTION, INC.


By: Tracy Ence, President

ACKNOWLEDGMENT

STATE OF UTAH)
) ss.
WASHINGTON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tracy Ence, President of Ence Bros. Construction, Inc., signed to the foregoing instrument, and being authorized and empowered to do so, acknowledged before me on this day that, being informed of the contents of said instrument,, he executed the same voluntarily for the uses and purposes stated therein.

Given under my hand and official seal this the 29th day of June, 2010.



Notary Public, Residing in Washington County, Utah

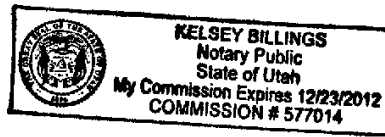


EXHIBIT "A"

Treasure Valley - Phase 1 Legal Description

BEGINNING AT A POINT WHICH LIES NORTH 00°48'35" EAST 1327.21 FEET ALONG THE SECTION LINE, SOUTH 89°16'01" EAST 1174.52 FEET ALONG THE NORTH SIXTEENTH LINE AND SOUTH 00°43'59" WEST 24.75 FEET FROM THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 89°16'01" EAST 681.12 FEET; THENCE SOUTH 00°55'50" WEST 100.25 FEET; THENCE NORTH 89°16'01" WEST 38.33 FEET; THENCE SOUTH 00°55'50" WEST 100.00 FEET; THENCE SOUTH 89°16'01" EAST 55.42 FEET; THENCE SOUTH 00°43'59" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY, THE RADIUS POINT OF WHICH BEARS SOUTH 00°43'59" WEST; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 281.77 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE SOUTH 00°43'59" WEST 58.00 FEET; THENCE NORTH 89°16'01" WEST 0.34 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 0.31 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, THE RADIUS POINT OF WHICH BEARS NORTH 89°04'10" WEST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 140.00 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 0.31 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, THE RADIUS POINT OF WHICH BEARS NORTH 89°04'10" WEST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 170.02 FEET TO THE POINT OF CURVATURE OF A 25.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 39.18 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 89°04'10" WEST 66.00 FEET; THENCE NORTH 00°55'50" EAST 3.60 FEET TO THE POINT OF CURVATURE OF A 25.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 39.36 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 169.95 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 257.46 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET; THENCE NORTH 89°16'01" WEST 363.57 FEET; THENCE NORTH 00°52'13" EAST 552.99 FEET; THENCE SOUTH 89°16'01" EAST 364.16 FEET; THENCE SOUTH 89°04'10" EAST 50.00 FEET; THENCE SOUTH 00°55'50" WEST 205.53 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE SOUTH 89°16'01" EAST 97.45 FEET; THENCE NORTH 00°55'50" EAST 79.90 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 23.61 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 4.95 FEET; THENCE NORTH 00°55'50" EAST 84.69 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 23.61 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 00°43'59" EAST 20.00 FEET; THENCE SOUTH 89°16'01" EAST 0.17 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY 23.51 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE NORTH 00°55'50" EAST 346.38 FEET TO THE POINT OF BEGINNING.

EXHIBIT "A" CONTINUED

TREASURE VALLEY - PHASE 2

BOUNDARY DESCRIPTION:

BEGINNING AT THE NORTHEAST CORNER OF TREASURE VALLEY - PHASE 1, OFFICIAL RECORDS OF WASHINGTON COUNTY, UTAH, SAID POINT LIES NORTH 00°48'35" EAST 1327.21 FEET ALONG THE SECTION LINE, SOUTH 89°16'01" EAST 1855.64 FEET ALONG THE NORTH SIXTEENTH LINE, AND SOUTH 00°43'59" WEST 24.75 FEET FROM THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE LEAVING THE BOUNDARY OF SAID PHASE 1 SOUTH 89°16'01" EAST 740.69 FEET; THENCE SOUTH 01°02'47" WEST 183.98 FEET TO A POINT ON THE ARC OF A 50.00 FOOT RADIUS NON TANGENT CURVE CONCAVE WESTERLY, THE RADIUS POINT OF WHICH LIES SOUTH 35°06'08" WEST; THENCE SOUTHERLY 92.45 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 105°56'20" TO THE POINT OF REVERSE CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 17.45 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°59'41" TO THE POINT OF TANGENCY; THENCE SOUTH 01°02'47" WEST 351.02 FEET; THENCE NORTH 89°16'01" WEST 718.82 FEET TO AN ANGLE POINT ON SAID BOUNDARY OF PHASE 1; THENCE COINCIDENT WITH SAID BOUNDARY IN THE FOLLOWING NINE (9) COURSES: NORTH 00°43'59" EAST 58.00 FEET ALONG A RADIAL LINE TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS NON TANGENT CURVE CONCAVE NORTHEASTERLY, THE RADIUS POINT OF WHICH LIES NORTH 00°43'59" EAST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 00°55'50" EAST 281.77 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 00°43'59" EAST 50.00 FEET; THENCE NORTH 89°16'01" WEST 55.42 FEET; THENCE NORTH 00°55'50" EAST 100.00 FEET; THENCE SOUTH 89°16'01" EAST 38.33 FEET; THENCE NORTH 00°55'50" EAST 100.25 FEET TO SAID NORTHEAST CORNER AND THE POINT OF BEGINNING. CONTAINS 10.769 ACRES.

W-6595-A
W-6595-B

EXHIBIT "A" CONTINUED
Treasure Valley Expansion Property

PARCEL 1:

All of the East One-Half of the Southwest Quarter of the Northwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$) and the West One-Half of the Southeast Quarter of the Northwest Quarter (W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 2, Township 43 South, Range 15 West, Salt Lake Base and Meridian.

PARCEL 2:

The East One-Half of the Southeast Quarter of the Northwest Quarter (E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 2, Township 43 South, Range 15 West, Salt Lake Base and Meridian.

LESS AND EXCEPTING FROM Parcels 1 and 2 the following described property, being all of TREASURE VALLEY - PHASE 1:

BEGINNING AT A POINT WHICH LIES NORTH 00°48'35" EAST 1327.21 FEET ALONG THE SECTION LINE, SOUTH 89°16'01" EAST 1174.52 FEET ALONG THE NORTH SIXTEENTH LINE AND SOUTH 00°43'59" WEST 24.75 FEET FROM THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 89°16'01" EAST 681.12 FEET; THENCE SOUTH 00°55'50" WEST 100.25 FEET; THENCE NORTH 89°16'01" WEST 38.33 FEET; THENCE SOUTH 00°55'50" WEST 100.00 FEET; THENCE SOUTH 89°16'01" EAST 55.42 FEET; THENCE SOUTH 00°43'59" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY, THE RADIUS POINT OF WHICH BEARS SOUTH 00°43'59" WEST; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 281.77 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE SOUTH 00°43'59" WEST 58.00 FEET; THENCE NORTH 89°16'01" WEST 0.34 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 0.31 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, THE RADIUS POINT OF WHICH BEARS NORTH 89°04'10" WEST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 140.00 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 0.31 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET ALONG A RADIAL LINE TO A POINT ON THE ARC OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, THE RADIUS POINT OF WHICH BEARS NORTH 89°04'10" WEST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 170.02 FEET TO THE POINT OF CURVATURE OF A 25.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 39.18 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 89°04'10" WEST 66.00 FEET; THENCE NORTH 00°55'50" EAST 3.60 FEET TO THE POINT OF CURVATURE OF A 25.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 39.36 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 169.95 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE SOUTH 00°55'50" WEST 257.46 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET; THENCE NORTH 89°16'01" WEST 363.57 FEET; THENCE NORTH 00°52'13" EAST 552.99 FEET; THENCE SOUTH 89°16'01" EAST 364.16 FEET; THENCE SOUTH 89°04'10" EAST 50.00 FEET; THENCE SOUTH 00°55'50" WEST 205.53 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS

OF TANGENCY; THENCE SOUTH 00°55'50" WEST 257.46 FEET; THENCE NORTH 89°04'10" WEST 50.00 FEET; THENCE NORTH 89°16'01" WEST 363.57 FEET; THENCE NORTH 00°52'13" EAST 552.99 FEET; THENCE SOUTH 89°16'01" EAST 364.16 FEET; THENCE SOUTH 89°04'10" EAST 50.00 FEET; THENCE SOUTH 00°55'50" WEST 205.53 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE SOUTH 89°16'01" EAST 97.45 FEET; THENCE NORTH 00°55'50" EAST 79.90 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 23.61 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 89°16'01" WEST 4.95 FEET; THENCE NORTH 00°55'50" EAST 84.69 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 23.61 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 00°43'59" EAST 20.00 FEET; THENCE SOUTH 89°16'01" EAST 0.17 FEET TO THE POINT OF CURVATURE OF A 15.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY 23.51 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO THE POINT OF TANGENCY; THENCE NORTH 00°55'50" EAST 346.38 FEET TO THE POINT OF BEGINNING.

AKM

Also less and excepting from Parcel 1 and Parcel 2 the following Phase 2 description:

TREASURE VALLEY - PHASE 2

BOUNDARY DESCRIPTION:

BEGINNING AT THE NORTHEAST CORNER OF TREASURE VALLEY - PHASE 1, OFFICIAL RECORDS OF WASHINGTON COUNTY, UTAH, SAID POINT LIES NORTH 00°48'35" EAST 1327.21 FEET ALONG THE SECTION LINE, SOUTH 89°16'01" EAST 1855.64 FEET ALONG THE NORTH SIXTEENTH LINE, AND SOUTH 00°43'59" WEST 24.75 FEET FROM THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE LEAVING THE BOUNDARY OF SAID PHASE 1 SOUTH 89°18'01" EAST 740.69 FEET; THENCE SOUTH 01°02'47" WEST 183.98 FEET TO A POINT ON THE ARC OF A 50.00 FOOT RADIUS NON TANGENT CURVE CONCAVE WESTERLY, THE RADIUS POINT OF WHICH LIES SOUTH 35°08'08" WEST; THENCE SOUTHERLY 92.45 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 105°56'20" TO THE POINT OF REVERSE CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTEASERLY; THENCE SOUTHWESTERLY 17.45 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°59'41" TO THE POINT OF TANGENCY; THENCE SOUTH 01°02'47" WEST 351.02 FEET; THENCE NORTH 89°16'01" WEST 718.82 FEET TO AN ANGLE POINT ON SAID BOUNDARY OF PHASE 1; THENCE COINCIDENT WITH SAID BOUNDARY IN THE FOLLOWING NINE (9) COURSES: NORTH 00°43'59" EAST 58.00 FEET ALONG A RADIAL LINE TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS NON TANGENT CURVE CONCAVE NORTHEASTERLY, THE RADIUS POINT OF WHICH LIES NORTH 00°43'59" EAST; THENCE NORTHWESTERLY 31.48 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°11'51" TO THE POINT OF TANGENCY; THENCE NORTH 00°55'50" EAST 281.77 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY 31.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°48'09" TO A POINT ON A RADIAL LINE; THENCE ALONG SAID RADIAL LINE NORTH 00°43'59" EAST 50.00 FEET; THENCE NORTH 89°16'01" WEST 55.42 FEET; THENCE NORTH 00°55'50" EAST 100.00 FEET; THENCE SOUTH 89°16'01" EAST 38.33 FEET; THENCE NORTH 00°55'50" EAST 100.25 FEET TO SAID NORTHEAST CORNER AND THE POINT OF BEGINNING. CONTAINS 10.789 ACRES.