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Restrictive Page 1 of 38
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AFTER RECORDING, PLEASE RETURN TO:

Salisbury Developers, Inc.
494 West 1300 North
Springville, UT 84663

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF SUN VALLEY ESTATES
A Residential Subdivision

THIS DECLARATION is made and executed this 6 day of December, 2012, by Salisbury Developers, Inc. a Utah corporation (hereinafter referred to as "Declarant").

RECITALS:

Declarant is the record owner of that certain tract of real property more particularly described in Article II this Declaration.

Various improvements have been or will be made to the Property described in Article II of this Declaration so as to enable its use as a residential development containing certain Lots and Common Areas. Declarant desires to provide for the preservation of the values and amenities in said development and for the maintenance of the Common Areas. To this end and for the benefit of the Property and the Owners thereof, Declarant desires to subject the Property described in Article II of this Declaration to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

Declarant deems it desirable, for the efficient preservation of the values and amenities in the Project, to create an entity which possesses the power to maintain and administer the Common Areas, to collect and disburse the assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of this Declaration. For such purposes, Declarant has, in conjunction with recordation of this Declaration, caused to be incorporated under the laws of the State of Utah, as a nonprofit corporation, the SUN VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.

As more fully set forth in Article XI hereof, Declarant reserves the right to expand the Project to include certain additional real property and improvements thereto.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby declares that the Property described in Article II of this Declaration is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth.

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), the following terms shall have the meanings indicated:

1. Additional Land shall mean and refer to the following described real property located in Washington County, Utah:

See Exhibit "B" attached hereto and incorporated herein by this reference.

2. Articles or Articles of Incorporation shall mean and refer to the instrument entitled "Articles of Incorporation of the SUN VALLEY ESTATES Homeowners Association, Inc.," which was filed for record in the office of the Utah Division of Corporations and Commercial Code on or about the date that this Declaration was filed with the office of the County Recorder of Washington County, Utah.

3. Association shall mean and refer to the SUN VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC., the Utah nonprofit corporation which is created by the filing of the Articles.

4. Common Areas or Common Areas and Facilities shall mean and refer to all portions of the Property owned by the Association for the common use and enjoyment of the Owners, and shall include:

(a) All portions of the Property not specifically included within the individual Lots.

(b) All Common Areas and Limited Common Areas designated as such on the Plat.

(c) All installations, equipment, and improvements now or hereafter located on, over, or under the Common Areas and connected with or related to the furnishing of Project utility services such as water, sewage disposal, electricity, natural gas, and telephone, and which are not owned by or dedicated to a governmental or quasi-governmental authority or public or private utility company and which are not reserved by Declarant.

(d) The parks and trails located within the Project. Equestrian trails and pedestrian trails located adjacent to, and running within the public access corridor contiguous with Little Valley Road, and within the linear public access corridor located contiguous with the northerly property boundary, are excluded herein.

(e) All buildings, structures and other improvements located on any of the Common Areas described in Sections 4(a), 4(b), 4(c) or 4(d) above and owned by the Association.

5. Declarant shall mean and refer to Salisbury Developers, Inc., and/or any successors to said limited liability company which, either by operation of law or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relationship to the Project and/or the Additional Land as did its predecessor.
6. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as the same may be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article XI hereof concerning supplements to this Declaration which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).
7. Limited Common Areas and Facilities or Limited Common Areas shall mean and refer to those Common Areas designated in the Declaration or in the Plat as reserved for the use of a certain Lot or Lots or certain Living Units to the exclusion of other Lots or other Living Units.
8. Living Unit or Unit shall mean and refer to a house, similar structure or portion of structure located on a lot which is designed and intended for human occupancy.
9. Lot shall mean and refer to any of the separately numbered and individually described parcels of land shown on the Plat and intended for private use and ownership.
10. Member shall mean and refer to every person who holds membership in the Association.
11. Mortgage shall mean a first mortgage or a first deed of trust on any Lot.
12. Mortgagee shall mean a mortgagee under a first mortgage on any Lot or a beneficiary under a first deed of trust on any Lot.
13. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Washington County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, 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.
14. Plat shall mean and refer to the following duly approved and recorded plats:
 - (a) The plat filed concurrently herewith, entitled "SUN VALLEY ESTATES, Phase 11," executed and acknowledged by Declarant, prepared and certified to by Roger Bundy of R & B Surveying; Inc., a duly registered Utah Land Surveyor holding Certificate No. 7654.
 - (b) Any plat(s), including without limitation a subdivision plat or a record of survey map respecting all or any portions of the Additional Land, but only after the

recordation of such plat(s) and only if and after the recordation in accordance with Article XI hereof of supplement(s) to the Declaration adding the real property covered by such plat(s) to the Project and subjecting such real property to the Declaration.

15. Private Streets shall mean and refer to each and any of the Project's "private streets" identified as such on the Plat.

16. Project shall mean and refer to SUN VALLEY ESTATES, a residential development, as shown on the Plat and governed by this Declaration.

17. Property shall mean and refer to the tract of real property described in Article II of this Declaration, together with each and every portion of the Additional Land which is added (from and after the time such portion is added) to the Project in accordance with law and the provisions of this Declaration.

18. Termination Date shall mean and refer to the date on which certain rights of Declarant and/or its successors and assigns expire, as more specifically set forth herein. The Termination Date shall be the earlier to occur of the date which is twenty (20) years from the date of this Declaration, or the date on which all of the following have already occurred: (a) Declarant has conveyed the last of its Lots in the Project to third party persons or entities not acquiring the same for the purpose of development; and (b) the Architectural Review Committee (as provided for in Article XIII below) has given final approval to plans for construction of a residence on the last Lot to be improved in the Project; and (c) no plat is then submitted and pending before the City of St. George for approval of additional phases of the Project involving the Additional Land. Declarant may at any time advance the Termination Date to an earlier date, in its sole discretion, by recording an instrument to that effect, but shall have no obligation to do so.

II. PROPERTY DESCRIPTION

The Property which is initially to be held, transferred, sold, conveyed, and occupied subject to the provisions of this Declaration consists of the following-described real property situated in Washington County, State of Utah:

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

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

EXCLUDING all presently existing or to be constructed or installed utility lines and related facilities which are now or hereafter owned by any governmental or quasi-governmental authority or by any public or private utility company.

ALL OF THE FOREGOING IS ALSO 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 easements and rights-of-way of record, otherwise existing, or enforceable in law or equity; and any easements, rights-of-way, encroachments, shortages in area, or discrepancies shown on or revealed by the Plat, or otherwise existing or discoverable from an inspection of the above-described parcel of real property.

RESERVING UNTO DECLARANT, (i) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising Common Areas (including, without limitations, Pedestrian Access Easements) and all portions of each Lot located either within fifteen (15) feet of the front or rear or within ten (10) feet of either side of such Lot as may be necessary or convenient for Declarant (in a reasonable manner not inconsistent with this Declaration) to construct and improve the Common Areas with such roads, structures, facilities, and other improvements (including recreational improvements and utilities) designed for the use and enjoyment of all the Members as Declarant may determine in its sole discretion to be appropriate; and (ii) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising Common Areas (including, without limitation, Private Streets) and all portions of each Lot located either within fifteen (15) feet of

the front or rear or within ten (10) feet of either side of such Lot, with no limits as to the extent of the burden which may be imposed thereon, as may be necessary or convenient to enable Declarant to develop and use any or all of the Additional Land (as determined in Declarant's sole discretion and regardless of whether or not the portion(s) of the Additional Land being so developed have been or will be added to the Project) and to provide for such needs of and services to the Additional Land as may be determined by Declarant in its sole discretion. The easements and rights set forth in the foregoing item (ii) shall include (without limitation) the right to hook into and use any utility line, pipe, conduit, Private Street, walkway or other facility serving the Project and to utilize and/or enlarge all storm water runoff detention areas, stormwater conveyance facilities, structures and park facilities located in the Project. Declarant shall have the right to assign, convey and/or transfer all or any portion of the easements and rights herein reserved to Washington County, any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project, or any part of the Additional Land (whether or not such part has been or will be added to the Project).

III. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every Owner shall be a Member of the Association. No evidence of Membership in the Association shall be necessary other than evidence of ownership of a Lot. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains.

2. Voting Rights. The Association shall have two classes of voting membership:

(a) *Class A*. Class A members shall be all owners of Lots located in Sun Valley Estates or its subsequent phases, with the initial exception of the Declarant under the Declaration and as set forth therein, and shall be entitled to one (1) vote per Lot owned. The vote for such Lot shall be exercised as the owners determine, but in no event shall more or less than one Class A vote be cast with respect to any Lot in Sun Valley Estates or its subsequent phases.

(b) *Class B*. The Class B member(s) shall be the Declarant hereunder, and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the Termination Date.

Although each of the multiple Owners of a single Lot shall be a Member, in no event shall more than one (1) vote exist or be cast with respect to a single Class A Lot, or more than five (5) votes exist or be cast with respect to a single Class B Lot. Which of the multiple Owners of a single Lot shall cast the vote(s) appertaining to that Lot is determined under Section 3 below.

3. Multiple Ownership Interests. In the event there is more than one Owner of a particular Lot, the vote relating 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 an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

4. Lists of Owners and Eligible Mortgagees. The Association shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Lot which is owned by Owner; and (ii) the name of each person or entity who is a Mortgagee, the address of such person or entity, and the Lot which is encumbered by the Mortgage held by such person or entity, but only where the Mortgagee notifies the Association of its name and address and requests notification of any matter affecting the Lot on which it has a lien. In the event of any transfer of a fee or undivided fee interest in a Lot, either the transferor or transferee shall furnish the Association with evidence establishing that the transfer has occurred and that the deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Washington County, Utah. The Association may for all purposes act and rely on the information concerning Owners and Lot ownership which is thus acquired by it, or at its option, the Association may act and rely on current ownership information respecting any Lot or Lots which is obtained from the office of the County Recorder

of Washington County, Utah. The address of an Owner shall be deemed to be the address of the Lot owned by such person unless the Association is otherwise advised by the Owner.

5. Quorum Requirements. Unless specifically provided otherwise in this Declaration, the Members attending, by proxy or in person, any duly called meeting of the Members of the Association shall constitute a quorum for transacting Association business.

6. Governing Documents. The Association shall be governed by and shall carry on its activities and business in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association.

IV. PROPERTY RIGHTS IN COMMON AREAS

1. Easement of Enjoyment; Each Owner shall have an equal, undivided, and nonexclusive right and easement of use and enjoyment in and to the Common Areas and Facilities. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Owner may delegate the right and easement of use and enjoyment described in this Section to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such Owner's Lot. Without limiting the generality of the foregoing, any school bus or other vehicle servicing any public or private school system may use the Private Streets for the purpose of transporting any occupant of any Living Unit.

2. Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

Lot No. _____, SUN VALLEY ESTATES, Phase _____, as said Lot is identified in the Plat recorded in Washington County, Utah on _____, as Entry No. _____, and in the "Declaration of Covenants, Conditions and Restrictions of SUN VALLEY ESTATES" recorded in Washington County, Utah on _____, as Entry No. _____, in Book _____, beginning at Page _____, as amended and supplemented; TOGETHER WITH an equal, undivided, and nonexclusive right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Plat and said Declaration of Covenants, Conditions and Restrictions, as both of said Plat and said Declaration may have been amended or supplemented from time to time; AND SUBJECT TO such perpetual easements and rights of use, enjoyment, and ingress and egress on, over, under, through and across the Lot as described and provided for in said Plat and Declaration of Covenants, Conditions and Restrictions, as both of said Plat and said Declaration may have been amended or supplemented from time to time.

Whether or not the description employed in any such instrument is in the above-specified form, however, this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot. The right and easement of use and enjoyment to the Common Areas and Facilities shall not be separated from the Lot to which they appertain and even though not specifically mentioned in the instrument of transfer, such nonexclusive right and easement of use and enjoyment to the Common Areas shall automatically accompany the transfer of the Lot to which they relate.

3. Transfer of Title. Declarant agrees that, at or prior to the time Declarant first conveys a Lot to an Owner, it will convey by quit-claim deed to the Association good and

marketable title to the Common Areas, free and clear of all monetary liens and encumbrances (other than the lien of current general taxes and the lien of any current assessments, charges, or taxes imposed by governmental or quasi-governmental authorities).

4. Limitation on Easement. A Member's nonexclusive right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to suspend a Member's voting rights and right to the use of the Common Areas (except the Private Streets shown on the Plat for access to his Lot) for any period during which an assessment of the Association pertaining to such Member's Lot remains unpaid, or for a period not exceeding sixty (60) days for any infraction of the provisions of this Declaration or of any rule or regulation promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of the Association (without the consent of Owners, Members, Mortgagees, or any other persons or entities) to grant permits, licenses, and easements over, across, through and under the Common Areas to any governmental or quasi-governmental authority, to any public or private utility company, or to any other person or entity for the purpose of installing, maintaining, or providing utilities and related facilities or roads or for such other purposes reasonably necessary or useful for the proper maintenance or operation of the Project; and

(d) The right of Washington County, St. George City, and any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project or any part of the Additional Land (whether or not such part has been or will be added to the Project) to access, and rights of ingress and egress over, across, through, or under, the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental, municipal, or utility service to the Project or the Additional Land.

(e) The right of St. George City to levy taxes and issue bonds.

5. Access to Lots. Each Owner's nonexclusive right and easement of use and enjoyment in and to the Common Areas shall include (without limitation) the right of ingress and egress to such Owner's Lot, which right shall be irrevocable, perpetual, and appurtenant to such Lot.

V. ASSESSMENTS

1. Personal Obligation and Lien for Assessments. Each Owner shall, by acquiring or in any way becoming vested with an interest in a Lot, be deemed to covenant and agree to pay to the Association the annual and the special assessments described in this Article, together with the hereinafter provided for interest and costs of collection. All such amounts shall be, constitute, and remain: (i) a charge and continuing lien upon the Lot with respect to which such assessment is made; and (ii) the personal obligation of each person who is an Owner of such Lot at the time the assessment falls due. No Owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights concerning the Common Areas or by abandonment of his Lot.

2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of maintaining, repairing and securing the Common Areas and promoting the recreation, health, safety, and welfare of residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the Common Areas; assessments to the Association for the use of any pool, spa, clubhouse, and/or other recreational facilities which the Association may contract with other third parties to use; legal, accounting, and other professional and service fees; maintenance, repair, operation, management and supervision of the Common Areas and Facilities; major repair or replacement of improvements within the Common Areas and Facilities; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or the Articles of Incorporation. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Areas and Facilities.

3. Regular Assessments. The Board of Directors of the Association may from time to time and in its discretion set the amount of regular monthly assessments at such sum as may be necessary to pay the ordinary and reasonable expenses of the Association as allowed and permitted by this Declaration. The Association may estimate the amount of funds necessary to perform its functions as described herein, and may establish its assessments based on such estimates so as to allow the collection of assessments for the payment of expenses when incurred and due, with an annual accounting and reconciliation of funds assessed, collected, and expended.

4. Special Assessments. From and after the date set for commencement of monthly assessments under Section 7 of this Article V, the Association may levy special assessments for the purpose of defraying, in whole or in part: (i) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (ii) the cost of any construction, reconstruction, repair, or replacement of an improvement, building, structure, personal property, or fixture upon the Common Areas. Any such special assessment must be assented to by a majority of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose, date, time, and place of the meeting shall be sent to all Members at least ten (10) days but not more than fifty (50) days prior to the meeting date.

5. Quorum Requirements. The quorum required for any action authorized by Section 4 of this Article V shall be as follows: At the first meeting called, the presence of Members or of proxies entitled to cast at least one-half (1/2) of all the votes of Members shall constitute a quorum. If a quorum is not present at the first meeting or any adjournment thereof, another meeting may be called (subject to the notice requirements set forth in Section 4 above) at which meeting a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting.

6. Rate of Assessment.

(a) For all Lots the regular monthly assessment shall be no greater than \$125.00 per Lot, until the sooner to occur of (i) three (3) years from the date this Declaration as recorded with the Washington County Recorder, or (ii) the Termination Date.

(b) After the occurrence of the Termination Date, both monthly and special assessments shall be fixed at a uniform and equal rate for all Lots, regardless of Lot size, at a rate necessary to pay the expenses of the Project as described in Article V, paragraph 2 above.

7. Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence as to all Lots on the first day of the second month following conveyance of the Common Areas to the Association. At least fifteen (15) days prior to such commencement date and at least fifteen (15) days prior to the effective date of any change in amount of the monthly assessment, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned. The monthly assessments shall commence on Lots located on a portion of the Additional Land added to the Project on the first day of the second month following conveyance of the Common Areas in such portion to the Association.

8. Certificate Regarding Payment. Upon the request of any Owner, prospective purchaser, or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons (other than the Owner of the Lot concerned) who in good faith and for value rely thereon.

9. Effect of Nonpayment—Remedies. Regardless of the terms of any agreement to the contrary, the liability of the Owners of a Lot for the payment of any assessment relating to such Lot, shall be joint and several, and any remedy for the collection of such assessment may be enforced against any or all Owners of the Lot concerned; provided, however, that the personal obligation of an Owner to pay assessments shall not pass to his successors in title unless assumed by them. If any assessment is not paid within thirty (30) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum (or, in the event such rate at any time exceeds the maximum legal limit, interest shall accrue at such maximum legal rate), or at such lesser rate of interest as the Board of Directors may establish from time to time, and the Association may

bring an action either against any or all Owners who are personally liable therefor or to foreclose the lien against the Lot; provided, however, that the Association shall give the Owner(s) concerned twenty (20) days advance written notice of its intent to pursue one or more of its remedies hereunder. Any relief obtained by the Association (whether or not through judicial action) shall include reasonable attorneys' fees, court costs, and each and every other expense incurred by the Association in enforcing its rights. After institution of a foreclosure action by the Association against any Lot, the Association shall, without regard to the value of such Lot or the extent of the Owner's equity therein, be entitled to the appointment of a receiver to collect any income or rentals which may be produced by such Lot.

10. Additional Assessments. In addition to the annual assessments and special assessments for capital improvements authorized herein, the Association shall levy such assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to the streets or other common or limited common areas from the activities of the City of St. George in maintaining, repairing or replacing utility lines and facilities thereon, it being acknowledged that the ownership of utility lines, underground or otherwise is in the City up to and including the portion for individual units, and that they are installed and shall be maintained to City specifications.

11. Exception for Declarant. Notwithstanding any other provisions hereof to the contrary, Declarant shall pay no assessments (annual, special, additional or otherwise) unless a home owned by Declarant is constructed on a Lot and occupied as a residence.

VI. OPERATION AND MAINTENANCE

1. Maintenance by Owners. Each Lot and Living Unit shall be maintained by the Owner thereof in a clean and orderly condition and in such condition as does not detract from the appearance of the Property and as does not affect adversely the value or use of any other Lot, Living Unit, or the Common Areas. The Association shall have no obligation regarding maintenance or care which is required to be accomplished by the Owners. Each Owner, and not the Association, shall be responsible to pay for utility services (including, without limitation, both hookup and installation fees and periodic charges) which are separately charged, billed, and/or metered to his Lot by governmental or quasi-governmental authorities or by public or private utility companies. In addition, each Owner shall pay the Association reasonable hookup and use fees for utility services if any provided to his Lot by the Association. Should any Owner fail to meet his or her responsibility to maintain his or her Lot or Living Unit as set forth hereunder, the Association shall have the right, in its sole discretion, to enter upon and maintain or repair the exterior of such Lot or Living Unit, and the Owner thereof shall be responsible for reimbursement to the Association for all costs of the same, without limitation, and such costs as well as the costs of collection thereof shall be collectible by the Association in the same manner as any regular assessment otherwise provided for hereunder.

2. Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary or desirable to make them appropriately usable in conjunction with the Lots and Living Units and to keep them clean, functional, attractive, and generally in good condition and repair. Included in such obligation to maintain and operate the Common Areas are the obligation to provide or cause to be provided, where necessary, garbage collection services, to maintain street and other signs and lights located on the Common Areas, to maintain the Private Streets, and to provide re-vegetation of the Common Areas. The Association shall have the absolute right and authority to regulate the reasonable use, operations, maintenance and repair of the Common Areas and all facilities, structures, and improvements located on the Common Areas, including without limitation, any and all park areas, tennis courts, swimming pools, clubhouse facilities and other recreational facilities and amenities. The Association, through its Board of Directors, shall promulgate, publish and distribute such written rules and regulations (the "Rules and Regulations") governing the use of the Common Areas and Facilities, including by way of illustration such matters as the hours swimming pools, tennis courts and other recreational facilities may be used by the Owners, their guests and invitees. The Board of Directors of the Association may amend and modify these Rules and Regulations in accordance with its regular meeting and voting procedures and the requirements as set forth in the Articles of Incorporation and this Declaration.

3. Professional Management. The Association may carry out through a professional manager those of its functions which are properly the subject of delegation, which may be managed separately from the remaining Common Areas as set forth in Article XII below. Any professional manager shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be

performed by the Association itself.

4. Association Access to Lots. The Association shall have an irrevocable right of access to each Lot to make emergency repairs and to do other work reasonably necessary or useful for the proper maintenance or operation of the Project.

5. Rules and Regulations. The Association, by action of its Board of Directors, shall have the right, in furtherance of its rights and duties set out in Article III of this Declaration, the Articles and Bylaws, and other law, to enact and adopt such rules and regulations governing the use of and access to the Common Areas as it deems reasonable and prudent to meet its obligations hereunder. In addition, the Board may enact fines or penalties for the violation of the provisions of this Declaration by Owners or their tenants, or Owners' or tenants' guests or invitees, and shall assess the same in the manner and time which the Board in its discretion sees fit. Any fines or penalties so enacted and assessed by the Board from time to time against an Owner shall be subject to the same enforcement, and shall be collectible by the same means, as set forth for all other assessments in general, as provided herein.

VII. USE AND BUILDING RESTRICTIONS

1. Use of Common Areas. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions contained herein and in the Rules and Regulations. No automobile or other vehicle shall be parked at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts.

2. Use of Lots and Living Units. All Lots and Living Units are restricted to use as single-family residential housing; provided, however, that a portion of a Living Unit may be used to conduct a business or profession if: (1) such use is approved by all appropriate governmental and quasi-governmental bodies having jurisdiction over such matters; (2) such use is approved by the Architectural Review Committee (as said Committee is provided for hereafter); and (3) such use is of a type traditionally conducted in a single-family residence. Under no circumstances shall a Living Unit be used for other than a single-family residence, except as otherwise provided in this Declaration. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to detract from the appearance or value of any other Lot, Living Unit, or the Common Areas, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas. No aluminum foil, newspapers, or any other similar materials may be used to cover the windows in any Living Unit or other structure. A Lot, or any part thereof, may not be used as a road or thoroughfare to gain access, ingress, or egress to any other property, except where an Owner owns two or more contiguous Lots and is constructing only one Living Unit on the combined Lots.

3. Recreational and Other Vehicles. No large trucks and commercial vehicles belonging to Owners or other residents of the Lot shall be parked within or adjacent to the Lot, except temporary parking, not to exceed twenty-four (24) hours. No motor vehicle of any kind shall be repaired, constructed or reconstructed upon any Lot driveway or front of a dwelling, private or public street, except that these restrictions shall not apply to emergency repair to vehicles. Boats and motor homes, or recreational vehicles, other than regularly used passenger cars and light trucks which may be parked upon driveway areas, must be kept on concrete on the side or in rear yards behind the front yard setback, and obscured from view with a decorative fence.

4. Animals. No animals other than small pets (dogs, cats, etc.) shall be kept or allowed on any Lot or within any part of the Common Areas. No more than two (2) dogs and/or cats shall be kept upon any Lot. Whenever a permitted animal is allowed to leave a Lot it shall be either on a leash or in a cage. No animals of any kind shall be raised, bred or kept for any commercial purpose on any part of the Property. The Association may include in the Rules and Regulations reasonable rules concerning damages to the Common Areas by animals and the liability of individual Owners for such damage, and/or limiting or prohibiting entry by animals upon Common Area.

5. Nuisances. 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

any part of the Property unsanitary or unsightly or which would be offensive or detrimental to any other part of the Property or to the occupants thereof. No noise or other nuisance shall be permitted to exist or operate upon any part of the Property so as to be offensive or detrimental to any other part of the Property or to the occupants thereof.

6. Unsightly Articles. No unsightly articles shall be permitted to remain on a Lot so as to be visible from any other Lot or the Common Areas. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container, and any such container shall be kept within an enclosed structure or appropriately screened from view. No metals, bulk materials, scrap, refuse, or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or when appropriately screened from view.

7. Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Review Committee, except such signs as may be erected by Declarant for permanent identification of the Project or used by Declarant in connection with the development and sale of Lots and the Additional Land, or such as may be erected for management and improvement of the Common Area, and except such signs of customary and reasonable dimensions as may be displayed on a Lot advertising a Lot or Living Unit for sale or lease. Display of any "for sale" or "for lease" sign more than two (2) feet by one and one-half (1 1/2) feet shall require the prior written approval of the Architectural Review Committee. A residential identification sign for a Lot is permitted but should not exceed two (2) square feet in surface area.

8. No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue or fire pit unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

9. Motorbikes. All motorcycles, trail bikes, three-wheel powered devices, automobiles, and two or four-wheel drive recreational type vehicles are to be operated only by individuals with driver's licenses and only on established streets and parking areas and are specifically prohibited from all other portions of the Common Areas, and are to be used on said streets only for ingress, egress, and access purposes and not for recreational purposes anywhere within the Project.

10. Weed Control. Each Lot Owner shall, to the extent reasonably feasible, control the growth and proliferation of noxious weeds and other flammable materials on his Lot so as to minimize fire and other hazards to surrounding Lots, Living Units, the Common Areas, and surrounding properties, and shall otherwise comply with any applicable ordinances, laws, rules, or regulations pertaining to the removal and/or control of noxious weeds. Noxious weeds shall mean and refer to those plants which are injurious to crops, livestock, land, or the public health.

11. Temporary and Other Structures. Except for such trailers as may be allowed during construction pursuant to the Design Guidelines, structures of a temporary nature, trailers,

basement houses, mobile homes, modular homes, prefabricated housing, tents, or shacks shall not be used at, any time as a residence, either temporarily or permanently, nor shall said structures be permitted on the Property at any time. No old or secondhand structures shall be moved onto any Lot, it being the intention hereof that all Living Units and other buildings erected on Lots or within the Property shall be new, permanent, on-site construction of good quality workmanship and materials.

12. Drainage. No Owner may interfere with the established drainage pattern over any part of the Project unless adequate provision is made for proper drainage and is approved in advance by the Architectural Review Committee. Established drainage shall mean and refer to the drainage which exists at the time the overall grading and development of the Project by Declarant is completed or which is shown on any plans of Declarant or plans approved by the Architectural Review Committee and/or Washington County.

13. Stoves and Fireplaces. No wood or coal burning stoves, but only natural gas stoves, shall be allowed in any Living Unit. Wood, coal or natural gas burning fireplaces are acceptable.

14. Native Materials. Trees, plants, rocks and other materials native to the area of the Project shall not be removed from any Lot except as may be deemed necessary by the Architectural Review Committee for the construction of a Living Unit, other authorized structure, or necessary site development and landscaping, all in conformity with the Design Guidelines, as hereinafter defined.

15. Storage Tanks and Utility Lines. All fuel tanks, water tanks, or similar storage facilities shall either be constructed as an integral part of a Living Unit or shall be installed or constructed underground. All utility services, including but not limited to, phone lines, power lines, and water and sewer lines shall be located underground. .

16. No Further Subdividing. No Lot or Common Areas may be further subdivided.

17. Exception for Declarant. Notwithstanding the restrictions contained in this Article VIII, until the Termination Date as defined herein, Declarant shall have the right to use any Lot or Living Unit owned by Declarant, and any part of the Common Areas (including facilities or rooms in any clubhouse or other structure constructed on the Common Areas that are constructed for such intended use) reasonably necessary or appropriate, in furtherance of any marketing or sales effort relating to the Lots owned by Declarant.

18. Supplemental Use Restrictions upon Expansion. In any supplement to this Declaration which is recorded in conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right in its sole discretion to specify use restrictions and standards applicable to such portion. In Declarant's sole discretion, the restrictions and standards so specified may be different than or in addition to the restrictions and standards set forth in the foregoing Sections of this Article.

VIII. ARCHITECTURAL REVIEW

1. Architectural Review Committee. For a period of time beginning with the date of this Declaration and terminating on the Termination Date defined herein, Declarant shall have the right to appoint, and shall appoint (and after the foregoing Termination Date, the Board of Directors of the Association shall appoint) a three- (3-) member Architectural Review Committee (the "Committee"), the function of which shall be to insure that all Living Units and other improvements within the Lots harmonize with existing surroundings and structures and comply with the requirements set forth in this Article VIII (as said requirements may be supplemented in supplement(s) to this Declaration recorded in conjunction with the addition to the Project of portion(s) of the Additional Land) and the requirements set forth in that certain document entitled "Design Guidelines for SUN VALLEY ESTATES" (the "Design Guidelines"), as the same may be adopted by the Board. The Committee shall have the power to propose Design Guidelines, which shall be adopted by vote of the Board. From the date of adoption thereof, the Committee shall have the responsibility and obligation to administer said Design Guidelines on behalf of and for the benefit of the Association and all of the Owners in the Project. The Committee shall have the right to grant variances or exceptions to the Design Guidelines with respect to individual Owners, where to enforce the Design Guidelines as written would impose an unreasonable and unnecessary hardship on the Owner, and provided the variance granted does not substantially or materially detract from the Project and the ambiance and character of the Project as contemplated by the Design Guidelines and this Declaration. Any decision of the Committee with respect to a variance or exception may be appealed to the Board, and the Board may override or sustain the decision of the Committee. An individual may be a member of both the Committee and the Board. The Committee need not be composed of Owners. If such a Committee is not so appointed, the Board shall constitute the Committee and itself shall perform the duties required of the Committee. Each member of the Committee shall serve until he or she resigns or until the Declarant or the Board, as appropriate, replaces him or her with a new member. The number of members serving upon the Committee may be expanded at any time by vote of the Board.

2. Standards for Approval. In deciding whether to approve or disapprove plans and specifications, or any other matter, submitted to it, the Committee shall use its best judgment to insure that all improvements and construction on Lots within the Property conform to and harmonize with existing surroundings and structures and comply with the requirements of this Article VIII (as said requirements may be supplemented in supplement(s) to this Declaration recorded in conjunction with the addition to the Project of portions of the Additional Land), and the Design Guidelines.

3. Submission to Committee. No Living Unit, accessory or addition to a Living Unit, other structure or building, or fence shall be constructed or maintained, and no grading or removal of natural vegetation shall occur, on a Lot unless approved in advance by the Committee. In addition, each Owner desiring to construct any Living Unit or any other structure or making any other improvement on any Lot or otherwise anywhere in the Project as a minimum shall make all of the submissions to the Committee as required by the Design Guidelines, as the same may be amended from time to time. Declarant shall have the right, upon request, to receive copies of all plans and documents submitted to the Committee for the purpose

of its own independent review.

4. Meetings. The Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members shall constitute an act by the Committee unless the unanimous decision of, its members is otherwise required by the Declaration or the Design Guidelines. The Committee shall keep and maintain a record of all actions from time to time taken by the Committee at such meetings.

5. Developer's Veto. The Declarant, and its successors and assigns, shall hold a "Developer's Veto" over the approval of any plans and specifications submitted to the Committee, as described in this section. The Declarant may conduct its own independent review of such plans and specifications, and if unsatisfied with the same may give notice to the Owner that submitted the same that the plans and specifications are not acceptable and indicating the specific reasons why the same are not acceptable. Following receipt of such notice, the Owner submitting said plans shall not have the right to proceed with improvements, regardless of the decision of the Committee, unless the Declarant is fully satisfied as to its objections. The exercise of the Developer's Veto shall be in the Declarant's sole discretion. However, for any given set of plans and specifications submitted to the Committee, the failure of Declarant to give written notice of its veto as set forth above before a decision of the Committee which grants final approval of said plans and specifications shall constitute a waiver of the Developer's Veto with respect to said plans and specifications. The right of Declarant to exercise the Developer's Veto in general shall expire on the Termination Date as set forth herein.

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

7. Amendment of Design Guidelines. The Committee may, from time to time and in its sole discretion, promulgate, adopt, amend, and repeal by unanimous vote amendments to the Design Guidelines, which, among other things, interpret, supplement, implement or delete other provisions of the Design Guidelines. All such amendments by the Committee shall be approved by majority vote of the Board of Directors. In addition, the Board of Directors may, from time to time and of its own volition without request, recommendation or approval of the Committee, promulgate, adopt, amend and repeal, by majority vote of all members of the Board, amendments to the Design Guidelines. All such amendments, as they may from time to time be adopted, shall be appended to and made a part of the Design Guidelines and shall thereupon have the same force and effect as if they were set forth in and were a part of the Design Guidelines. Each Owner is responsible for obtaining from the Committee a copy of the most recently revised Design Guidelines.

8. Approval Procedure. Any plans and specifications submitted to the Committee shall be approved or disapproved by it in writing within thirty (30) days after compliance with the requirements of paragraphs (a) through (d) of this Section. In the event the Committee fails to take any action (which action may include notice of reasonable extension of time for the

Committee to complete its review) within such period, it shall be deemed to have approved the material submitted. Approval is conditioned upon compliance with the following procedures:

(a) The Owner concerned, as well as the General Contractor if different than the Owner, signing a notice indicating that he has read and understood this Declaration and the Design Guidelines.

(b) The Owner concerned depositing with the Committee a Five Hundred Dollar (\$500.00) security deposit to insure compliance with the provisions of this Declaration. Five Hundred Dollars (\$500.00) of such deposit shall be refundable if all provisions of this Declaration are complied with through the completion of the Living Unit or other structure or building concerned. A portion or all of said deposit shall be retained by the Committee to reimburse it for plan approval costs. The amount of said security deposit and the amount to be retained by the Committee may be increased by the Board of Directors of the Association without a vote of the Members and without amending this Declaration, as may be reasonable in light of the cost of the Committee performing its duties. The factors to consider in establishing the amount of said deposit shall include, but may not be limited to: (i) the administrative costs to the Committee and the Association related to the plan review process; (ii) the anticipated costs of inspection and enforcement of compliance with Committee approvals; and (iii) compensation of and/or reimbursement to Committee members as approved by the Board.

(c) The Owner concerned submitting such site layout plans, architectural plans, landscaping plans and other plans and materials as required by the Design Guidelines, but not less than the following, each indicating such measurements and notations as required for the Committee to review compliance with the Design Guidelines and this Declaration:

(i) A comprehensive building plan;

(ii) A site plan, showing placement of the Living Unit and other improvements in relation to the Lot boundaries;

(iii) A landscape plan for at least the front yard area. If no plan for the rear yard area is submitted at this time, then the same must be submitted for separate approval before work is begun on the rear yard area; and

(iv) A front elevation for the Living Unit and any accessory structures to be constructed, as well as elevations for any other side of the Living Unit or structures which substantially faces any street.

(d) Any subsequent changes, improvements, or alterations in such plans must be submitted to the Committee for written approval.

9. Living Unit Area. Living Units shall be no less than 1,200 square feet if a rambler or ranch-style dwelling with a single above-ground floor. If a Living Unit has two

floors above ground, it shall be no less than 900 square feet on the ground or main floor and no less than 600 square feet on the upper floor. Measurement of a Living Unit for compliance with these minimums shall take into account interior living areas only, excluding garage space.

10. Living Unit Construction. In order to promote a harmonious community development and protect the character of the Project, the following construction guidelines shall be complied with:

(a) Time of Construction. Construction of a Living Unit shall be completed within one (1) year of the time such construction is commenced. If construction is not timely completed as required, the Owner shall pay to the Association a penalty in the amount of \$5,000.00, which may be assessed and collected by the Association in the same manner as the assessments otherwise provided for herein. The same penalty shall be assessed each month thereafter for as long as construction of the Living Unit remains incomplete. The issuance of a certificate of occupancy (CO) for the Living Unit by the City of St. George shall constitute completion with respect to this paragraph.

11. Street Trees. In order to create an aesthetic of tree-lined streets within the Property, the landscaping for each individual Lot shall include trees along the street-sides of such Lot, within the landscape strip located between the back-of-curb and the sidewalk, in compliance with this paragraph. For each Lot, two (2) trees shall be required for each side of a lot which fronts a roadway in the interior of the Property. This means that for a regular lot, two (2) trees must be planted along the street side of the lot; for a corner lot, two (2) trees must be planted along each street side of the lot for a total of four (4) trees planted along the street sides of the lot. Trees shall actually be planted approximately equidistant from one another and from those on adjoining lots, and shall be planted no further back than five (3) feet from the back of curb. Trees planted in this manner shall be only of a type and variety permitted and approved by the Architectural Control Committee. Final plans for planting of such street trees shall be subject to review by the Architectural Control Committee. Each Lot Owner shall be responsible to water and properly maintain, and replace if necessary, each tree planted in compliance with this paragraph, including the landscape strip located adjacent to the immediate frontage of his/her lot, and the Architectural Control Committee may create standards for tree maintenance that will, once adopted by the Board of the Association, be binding upon each of the Owners.

12. Garages. Both attached and detached garages will be permitted subject to the City of St. George planning and zoning requirements as they pertain to the size and location of detached utility structures.

13. Exterior Building Materials. The types and colors of materials used in the construction of a Living Unit shall all be governed by and shall meet the requirements set forth in this Declaration and in the Design Guidelines. Specific requirements are set forth as follows, and may be supplemented in the Design Guidelines:

(a) Exterior surfaces. The exterior surfaces of a Living Unit shall consist of stucco, stone and/or brick materials, all in natural earth tones. Only elastomeric stucco shall be used in construction. LP SmartSide and Cement Fiberboard are permitted. No

vinyl or other siding is permitted. Samples of all exterior building materials accurate for color and type shall be submitted to the Committee for approval in conjunction with all other items required to be submitted.

(b) *Roofs.* Only tile roofs shall be permitted, in natural earth tones complementing other exterior surface materials. Samples of all roofing materials accurate for color and type shall be submitted to the Committee for approval in conjunction with all other items required to be submitted.

(c) *Landscape.* Artificial grass may only be used on a Lot if a representative sample is specifically approved by the Committee in advance, in its sole discretion.

(d) *Yard Walls and Gates.* All yard walls shall be of block, Geneva Brown in color, and of a height sufficient to give privacy in the rear yard of each lot. Wall design and color shall be consistent throughout the Project. Gates may be constructed of metal in color similar to that of the walls.

14. Supplemental Standards upon Expansion. In any supplement to this Declaration which is recorded in conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right in its sole discretion to specify building restrictions and standards applicable to such portion. In Declarant's sole discretion, the restrictions and standards so specified may be different than or in addition to the restrictions and standards set forth in the foregoing Sections of this Article; provided, however, that the quality of construction in any such portion of the Additional Land shall be at least equivalent to the quality of construction in the first portion of the Project.

15. Exception for Declarant. Declarant shall be exempt from the provisions, restrictions, and requirements of this Article, as the same may be amended, supplemented, or replaced.

16. No Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval or disapproval by it with respect to any request made pursuant to this Article VIII.

17. Governmental Approval. No Living Unit, accessory or addition to a Living Unit, other structure or building shall be constructed or maintained, and no grading or removal of natural vegetation or change in natural or approved drainage patterns shall occur, on a Lot until any required permit or required approval therefor is obtained from the City of St. George or Washington County, as appropriate (or any successor municipality) following submission to the appropriate governmental entity of such information as it may reasonably require. The granting of a permit or approval by any governmental entity with respect to any matter shall not bind or otherwise affect the power of the Committee to refuse to approve any such matter.

18. Lease. Any lease or rental agreement for any Living Unit shall be in writing and specifically subject to the provisions, restrictions, and requirements of this Declaration, the Design Guidelines, the Plat, and the Articles. The Board may at any time require that copies of

leases for any property in the Project be submitted for filing in the office of the Association.
The Association shall not create or enforce any other restriction relating to the term of a lease or rental agreement of any Lot in the Project.

IX. ASSOCIATION INSURANCE

1. Hazard Insurance. The Association shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(a) A policy of property insurance shall be maintained covering all of the Common Areas and Facilities (except land, foundation, excavation, and other items normally excluded from coverage) including fixtures and building service equipment, to the extent they are part of the Common Areas, as well as common personal property and supplies owned by the Association. As a minimum, such policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of the Common Areas of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. Such policy shall contain such deductible amount as the Board of Directors shall determine from time to time. Funds to cover the deductible amount may be included in the reserve fund required to be maintained by the Association pursuant to Section 2 of Article V of this Declaration.

(b) The name of the insured under each policy required to be maintained by the foregoing paragraph (a) shall be set forth therein substantially as follows: "SUN VALLEY ESTATES Homeowners Association, a Utah nonprofit corporation." Evidence of insurance shall be issued to an Owner or Mortgagee upon reasonable request.

(c) Each policy required to be maintained by the foregoing paragraph (a) shall contain a provision providing that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

2. Fidelity Bonds. The Association may maintain in force and pay the premiums for blanket fidelity bonds for all officers, directors, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds may be, at the Association's election, required for the management agent's officers, directors, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required shall be based upon best business judgment. Any bonds required shall meet the following requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees,"

or similar terms or expressions; (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, directors, employees, and agents) shall be paid by the Association as a common expense; and (4) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

3. Liability Insurance. The Association shall maintain in force and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts deemed appropriate by the Board of Directors. Nevertheless, such coverage shall not be less than Two Million Dollars (\$2,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection under such other risks as are customarily covered with respect to projects similar to the Project in construction, locations, and use, including but not limited to, host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. Such policy shall, by its terms, provide for "severability of interest" or shall contain a specific endorsement to preclude the insurer's denial of an Owner's claim because of the negligent acts of the association or any Member thereof, and shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association.

4. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections 1, 2, 3 and 4 shall be in accordance with and consistent with local and State of Utah insurance law and shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where; (i) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders or members; or (ii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds. The provisions of this Section 5 and of the foregoing Sections 1, 2, 3 and 4 shall not be construed to limit the power or authority of the Association or any Owner to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or such Owner may deem appropriate from time to time.

X. DESTRUCTION OR CONDEMNATION OF COMMON AREAS

1. Definitions. The provisions of this Article X shall apply with respect to the destruction or condemnation of all or any part of the Common Areas. As used in this Article, each of the following terms shall have the meaning indicated:

(a) *Destruction.* "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Common Areas or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. "Partial Destruction" shall mean any other damage or destruction to the Common Areas or any part thereof.

(b) *Condemnation.* "Substantial Condemnation" shall exist whenever a complete taking of the Common Areas has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(c) *Restoration.* "Restoration," in the case of any damage or destruction, shall mean restoration of the Common Areas in accordance with the Declaration, the Plat, and the original plans and specifications for the Common Areas to a condition the same or substantially the same as the condition in which the Common Areas existed prior to the damage or destruction concerned; in the case of condemnation, shall mean restoration of the remaining portion of the Common Areas to an attractive, sound, and desirable condition.

(d) *Restored Value.* "Restored Value" shall mean the value of the Common Areas (excluding raw land value) after Restoration.

(e) *Estimated Costs of Restoration.* "Estimated Costs of Restoration" shall mean the estimated costs of Restoration.

(f) *Available Funds.* "Available Funds" shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Association, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Lot for the condemnation or taking of the Lot in which they are interested.

2. Determination by Board of Trustee. Upon the occurrence of any damage or destruction to the Common Areas or any part thereof, or upon a complete or partial taking of the Common Areas under eminent domain or by grant or conveyance in lieu thereof, the Board of Directors of the Association shall make a determination as to whether the excess of Estimated

Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. In making such determination the Board of Directors may retain and rely upon one or more qualified appraisers or other professionals.

3. Restoration of Common Areas. Restoration of the Common Areas shall be undertaken by the Association promptly without a vote, of the Owners in the event of Partial Destruction or Partial Condemnation, and shall also be undertaken in the event of Substantial Destruction or Substantial Condemnation unless the failure to make Restoration is consented to by Members collectively holding at least sixty-seven percent (67%) of the total votes of the Association. Within thirty (30) days after the Board of Directors has determined that Substantial Destruction or Substantial Condemnation exists, the Association shall send to each Owner a written description of the destruction or condemnation involved, and shall notice a meeting of the Members in accordance with the applicable provisions of this Declaration and the Articles to determine the preferences of the Members regarding Restoration. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Association exceed the actual cost of Restoration when Restoration is undertaken, the excess shall be paid to the Association and used to offset assessments required. In the event the actual cost of Restoration exceeds Available Funds, all of the Lots shall be equally assessed for the deficiency. Regardless of the extent of destruction and the costs of Restoration, such Restoration will be accomplished if required by Washington County, as for example, in the case of destruction of a detention pond or storm sewer.

4. Lack of Restoration. Unless Restoration is accomplished in accordance with the foregoing Section 3, the Association shall take such action as is necessary to make the remaining Common Areas safe for the occupants and Owners of the Project and defray the costs thereof from Available Funds. In the event such Funds are insufficient for such purposes, the Owners of all Lots shall be equally assessed for the deficiency. Any remaining Available Funds shall be paid to the Association and used to offset the assessments required by Article V hereof.

5. Authority of Association to Represent Owners in Condemnation or to Restore. The Association, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities. The award in any condemnation proceeding, the proceeds of any settlement related thereto, and the proceeds of any insurance on the Common Areas shall be payable to the Association for the use and benefit of its Members. The Association, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore the Common Areas whenever Restoration is undertaken as provided in Section 3 of this Article or when the Common Areas are made safe as provided in Section 4 of this Article. Such authority shall include the right and power to enter into any contracts, deeds, or other instruments which may be necessary or appropriate.

XI. EXPANSION OF PROJECT

1. Right to Expand. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof. Notwithstanding any provisions of this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Lot Owner, Mortgagee, or the Association) and shall be limited only as specifically provided in this Declaration. Any given portion of the additional Land shall be deemed added to the Project and, subject to the terms of this Article XI, to the jurisdiction of the Association at such time as a duly approved subdivision plat and a supplement to this Declaration containing the information required by Section 3 of this Article XI have been recorded with respect to the portion of the Additional Land concerned. After the recordation of such supplement and plat, title to each Lot thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Common Areas shall be vested in and held by Declarant, and none of the other Lot Owners or the Association shall have any claim or title to or interest in such Lot, such Lot's appurtenant nonexclusive right and easement of use and enjoyment to the Common Areas, and such Lot's appurtenant exclusive right and easement of use and enjoyment to Limited Common Areas, if any, associated with such Lot. In addition, after the recordation of a supplement to this Declaration and a new plat for the Additional Land being added, each Lot thereby created within the portion of the Additional Land concerned, as with all other Lots previously existing, shall have an equal, undivided, nonexclusive and appurtenant right and easement of use and enjoyment of the Common Areas and Facilities of the Project, as supplemented.

2. Rights and Statements Respecting Additional Land. Declarant hereby furnishes the following information and statements respecting the Additional Land and Declarant's right and option concerning expansion of the Project by the addition thereto of the Additional Land or a portion or portions thereof:

(a) All of the Additional Land need not be added to the Project if any part of such Additional Land is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the limits herein prescribed) and from time to time.

(b) There are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the Project.

(c) There are no limitations or requirements (other than zoning and subdivision restrictions as they may exist or be modified from time to time) relative to the layout, design, size, location, density, permitted uses, legal structure, or other characteristics of the-Lots, Living Units, Common Areas, and Limited Common Areas to be created on any portion of the Additional Land added to the Project.

(d) Any Living Unit or structure erected on a portion of the Additional Land added to the Project will be constructed in a good and workmanlike manner.

(e) In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to reserve, in the instruments through which the addition is accomplished, rights-of-way and/or easements for purposes of enabling access to, furnishing utilities to, and facilitating or enabling development of, such of the Additional Land as has then not been added to the Project.

3. Procedure for Expansion. The supplements to this Declaration by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Declarant; shall be in recordable form; shall be filed for record in the office of the County Recorder of Washington County, Utah, on or before twenty (20) years from the date that this Declaration is recorded; and shall contain the following information for that portion of the Additional Land which is being added to the Project:

(a) Data sufficient to identify this Declaration and the plat respecting that portion of the Additional Land being added to the Project.

(b) The legal description to identify this Declaration and the plat respecting that portion of the Additional Land being added to the Project.

(c) Any amendments, supplements or replacements to the standards and restrictions set forth in Article VII of this Declaration.

(d) A statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in this Declaration, as said Declaration may be amended or supplemented in accordance with the immediately foregoing Paragraph (c).

(e) A statement that Declarant agrees to convey by Quit Claim Deed to the Association, at or prior to the time it first conveys to an Owner a Lot located on the portion of the Additional Land being added to Project, good and marketable title to all Common Areas situated in that portion of the Additional Land being added to the Project, free and clear of all monetary liens and encumbrances (other than the lien of current general taxes and the lien of any current assessments, charges, or taxes imposed by governmental or quasi-governmental authorities).

(f) Such rights-of-way and/or easements as are being reserved by Declarant pursuant to Paragraph (e) of the immediately foregoing Section 2.

(g) A description of any Limited Common Areas being created within the portion of the Additional Land concerned and a statement as to whether the Association or the Owner of the Lot concerned is to maintain such Limited Common Areas.

(h) Such other matters as Declarant may deem to be necessary, desirable or

appropriate.

Upon the recordation of any supplement contemplated above, it shall automatically supplement this Declaration and any supplements previously recorded. At any point in time, the Declaration for the Project shall consist of this Declaration, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

4. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the addition to the Project of any or all of the Additional Land; (ii) the creation or construction of any Lot or other improvement; (iii) the carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken; or (iv) the taking of any particular action with respect to any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Project. Further, if and when all or any part of the Additional Land is developed without adding the same to the Project before a lot therein is sold, or is made a part of any other subdivision, residential development, that is not made a part of the Project, then such part of the Additional Land shall automatically cease to be Additional Land under this Declaration.

5. Owners' Obligation Concerning Expansion of Project or Development of the Additional Land. Each Owner, by acquiring his interest in the Project, agrees not to inhibit or oppose Declarant's future development of each portion of the Additional Land (whether or not added to the Project) and the obtaining of necessary approvals therefor. Without limiting the scope of the immediately foregoing sentence, no Owner shall oppose such development in public meetings, by petition, or by legal actions.

XIII. MISCELLANEOUS

1. Enforcement. The Declarant, the Association, and any aggrieved Owner shall have a right of action, either at law or in equity, against the Declarant, the Association, or any Owner for any failure by such person or entity to comply with this Declaration, the Plat, the Articles, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration, the Plat, or the Articles. Failure by the Declarant, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Unanimous Written Consent in Lieu of Vote. In any case in which the Declaration requires for authorization or approval of a transaction or matter the assent or affirmative vote of a stated percentage of the votes of the Association, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from every Member entitled to cast a vote. The following additional provisions shall govern any application of this Section 4:

(a) All necessary consents must be obtained prior to the expiration of one hundred eighty (180) days after the first consent is given by any Member.

(b) Any change in ownership of a Lot which occurs after consent has been obtained from the Member having an interest therein shall not be considered or taken into account for any purpose.

3. Amendment. Except as provided in and/or subject to the terms (a) through (d) below, a majority of the votes of all Members shall be required and shall be sufficient to amend this Declaration, the Plat, or the Articles. No quorum requirements exist; rather, there need only be in attendance, in person or by proxy, sufficient Members to obtain the approval and vote of a majority of all Members of the Association. Written notice setting forth the purpose of such meeting and the substance of the proposed amendment shall be sent to all Members at least ten (10) but not more than fifty (50) days prior to the meeting date. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument the Association shall certify that the vote required by this Section for amendment has occurred, and, if approval of a specified percentage of Mortgagees is required for such amendment, that such approval has been obtained. The foregoing right of amendment shall, however, be subject to the following:

(a) Until the Termination Date defined herein, Declarant shall have the right unilaterally to amend and supplement this Declaration for whatever reason, and may after the Termination Date unilaterally amend and supplement this Declaration in conjunction with its addition to the Project of any portion of the Additional Land, the latter in the manner and to the extent, but only in the manner and to the extent, provided for in Article XI of this Declaration.

(b) The vote of at least seventy-five percent (75%) of the total votes in the Association and the consent of Mortgagees holding Mortgages on at least seventy-five

percent (75%) of the Lots which are then subject to Mortgages shall be required for any amendment which would terminate the legal status of the Project as a residential development.

(c) The vote and consent requirements set forth in the foregoing paragraphs of this Section shall not be applicable to additions or amendments to this Declaration, the Plat, or the Articles which implement a decision concerning whether or not Restoration of the Common Areas should be undertaken or concerning the nature of such Restoration in accordance with the provisions of Sections 1 through 5 of Article X hereof in the event of Partial or Substantial Destruction or Condemnation, or which relate to the addition to the Project of any portion of the Additional Land and comply with Sections 1 through 3 of Article XI hereof.

(d) In addition, the granting by the Association of any permit, license, or easement for utility or similar purposes in Paragraph (c) of Section 4 of the Article IV hereof shall not require an addition or amendment to this Declaration, the Plat, or the Articles and shall not be restricted in any way by the provisions and requirements of this Section 5.

4. Mortgagee Protection. The lien or claim against a Lot for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to any Mortgage recorded on or before the date such assessments or charges become due. In the event that the State of Utah should enact the Uniform Planned Community Act or any other statute applicable to residential developments with a provision that would allow such assessments or charges, including special assessments, to have a limited priority over a Mortgage recorded before such assessments or charges became due, or in the event that the State of Utah should enact any law which would allow a lien for unpaid assessments or charges to survive foreclosure or exercise of an power of sale, all such assessments and charges, including special assessments, shall after the date of such enactment be made due and payable to the Association on a monthly basis and the lien for any fees, late charges, fines or interest that may be levied by the Association in connection with such unpaid assessments or charges shall be deemed subordinate to the Mortgage on the Lot upon which such assessments or charges are levied.

The lien or claim against a Lot for such unpaid assessments or charges shall not be affected by any sale or a foreclosure of the Mortgage affecting such Lot or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments or charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Lots as common expenses of the Association. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Lot from liability for, nor such Lot from the lien of, any assessments or charges becoming due thereafter.

The Association shall make available to Lot Owners, to Mortgagees, and to holders, insurers, or guarantors of any Mortgage, current copies of this Declaration, the Design Guidelines, the Plat, the Articles, any rules and regulations concerning the Project, and the books

and records and financial statements of the Association. "Available," as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

5. Indemnification.

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee or officer of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he believed to be in and not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, shall not, of itself, create a presumption that the person had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that said person is or was a Trustee or officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he believed to be in and not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue, been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

(c) The following provisions shall govern and apply to the right of indemnification set forth in this Section 5:

(i) Any person seeking indemnification from the Association under paragraph (a) of this Section 5 as a result of being made a party to or being threatened to be made a party to any action, suit, or proceeding shall, within a reasonable time and before taking any significant or material action with respect to such action, suit, or proceeding, notify the Association in writing with respect thereto and provide to the Association the opportunity to reasonably participate in such person's defense thereto and any settlement thereof. Failure to comply with the requirements of this subparagraph (i) shall bar any claim of such person for

indemnification by the Association.

(ii) To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in paragraph (a) or (b) of this paragraph 5, or in defense of any claim, issue, or other matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under paragraph (a) or (b) shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in paragraph (a) or (b). Such determination shall be made either by the Board of Directors of the Association by the affirmative vote of at least a majority of the disinterested Directors, or by the Members by the affirmative vote of at least a majority of the total votes of the Association at any meeting duly called for such purpose.

(iii) Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in paragraphs (a) and (b) may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a determination by the Board of Directors of the Association by the affirmative vote of at least a majority of the disinterested Directors and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by paragraphs (a) and (b).

(iv) The indemnifications provided for by paragraphs (a) and (b) shall not be deemed exclusive of any other rights to which those persons indemnified may be entitled under any agreements, by a vote of disinterested Members or Directors, or otherwise, as to action in such persons official capacity. The indemnification authorized by paragraphs (a) and (b) shall apply to all present and future Directors and officers of the Association and shall continue as to such persons who cease to be Directors or officers of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

(v) The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee or officer of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

6. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment.

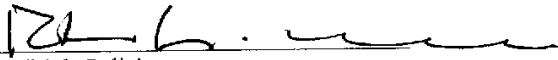
7. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

8. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Lot or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Lot or Living Unit shall comply with, and all interests in all Lots and in the Common Areas shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

9. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment to the Plat shall take effect upon its being filed for record in the Office of the County Recorder of Washington County, Utah.

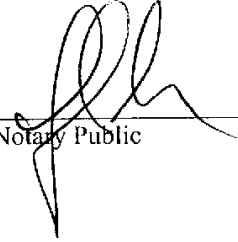
EXECUTED by Declarant this 36 day of ^{December 2012}~~November, 2006~~.

DECLARANT: SALISBURY
DEVELOPERS, INC.

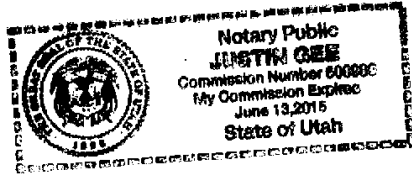

By: Rick Salisbury
Its: Manager

STATE OF UTAH)
 : ss.
County of Washington.)

On the 6 day of December, 2012, before me personally appeared Rick Salisbury, whose identity is personally known or proved to me on the basis of satisfactory evidence to be the signer of the foregoing and the Manager of Salisbury Developers, Inc., and who acknowledged that he executed this Declaration in accordance with powers granted him in the governing documents of said entity.



Notary Public



LEGAL DESCRIPTION
SUN VALLEY ESTATES PHASE 11

BEGINNING AT A POINT SOUTH 01°09'55" WEST, 1439.38 FEET ALONG THE SECTION LINE AND SOUTH 88°50'05" EAST, 2262.77 FEET FROM THE NORTHWEST CORNER OF SECTION 15, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, RUNNING THENCE SOUTH 88°45'49" EAST, 328.38 FEET; THENCE SOUTH 88°51'01" EAST, 50.60 FEET TO A POINT ON THE NORTH-SOUTH CENTER SECTION LINE OF SAID SECTION 15; THENCE SOUTH 01°08'59" WEST, 366.61 FEET ALONG SAID SECTION LINE TO A POINT ON A 800.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS NORTH 80°58'34" WEST); THENCE SOUTHWESTERLY 255.20 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18°16'39"; THENCE NORTH 62°41'56" WEST, 51.00 FEET; THENCE NORTH 88°50'04" WEST, 372.12 FEET TO A POINT ON THE EASTERLY BOUNDARY OF SUN VALLEY ESTATES PHASE 10, AS RECORDED AT THE WASHINGTON COUNTY RECORDER'S OFFICE; THENCE ALONG SAID BOUNDARY THE FOLLOWING TEN (10) COURSES: NORTH 01°09'56" EAST, 115.00 FEET; THENCE NORTH 01°00'41" EAST, 50.00 FEET; THENCE NORTH 01°09'56" EAST, 134.93 FEET; THENCE NORTH 87°13'19" EAST, 100.24 FEET; THENCE SOUTH 89°42'54" EAST, 6.59 FEET; THENCE NORTH 00°23'18" WEST, 110.09 FEET TO A POINT ON A 1470.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 00°23'18" EAST); THENCE NORTHEASTERLY 30.07 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01°10'19"; THENCE NORTH 00°47'00" EAST, 60.00 FEET TO A POINT ON A 20.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS NORTH 00°47'00" EAST); THENCE NORTHWESTERLY 31.57 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°27'11"; THENCE NORTH 01°14'11" EAST, 90.05 FEET TO THE POINT OF BEGINNING.

CONTAINS: 5.77 ACRES