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Recorded at the Request of:
Bridle Gate Estates
Homeowner's Association

DOC # 20130000948

Amended Restrictive Covenants
Russell Shirts Washington County Recorder
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By SOUTHERN UTAH TITLE CO

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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
BRIDLE GATE ESTATES
*A Residential Subdivision***

THIS DECLARATION is made and executed this 17 day of Sept 2012, by DH Sunwest, LLC, a Utah limited liability company (hereinafter referred to as "Declarant"), and additionally by the Bridle Gate Estates Homeowner's Association (hereinafter referred to as "Association").

RECITALS:

This Declaration amends, restates, supersedes and voids all declarations and amendments relating to Bridle Gate Estates and recorded prior to this Declaration, as further described and detailed below in Section XIII, 10.

Declarant and the Association are the record owners of certain tracts of real property more particularly described in Article II this Declaration. The Association joins with the Declarant and both fully affirm all statements, covenants, conditions and restrictions set forth in 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, an association known as the BRIDLE GATE ESTATES HOMEOWNER'S ASSOCIATION.

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 that property which may become potential future phases of Bridle Gate Estates, Phase II, III, and IV, or subparts thereof, which real property is located in Washington County, Utah and more particularly described as follows:

See Exhibit "C" 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 Bridle Gate Estates Homeowners Association," which was filed for record in the office of the Utah Division of Corporations and Commercial Code on December 9, 2009.

3. Association shall mean and refer to the BRIDLE GATE ESTATES HOMEOWNER'S ASSOCIATION, the Utah nonprofit corporation which was created by the filing of the Articles, December 9, 2009, and is to operate pursuant to Bylaws of the Association, recently amended and as may hereafter be amended.

4. Bylaws shall mean and refer to the Bylaws of the Association, as adopted and amended by the Board of Directors, as of the date hereof and as amended from time to time hereafter.

5. 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 (excluding public streets and areas designated for public dedication), and shall include:

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

(b) All Common Areas, Limited Common Areas, and Equestrian Area and Recreation Area, 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 Private Streets within the Project.

(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.

6. Declarant shall mean and refer to Sun Chaser, LLC, 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. Declarant shall additionally mean and refer to DH Sunwest, LLC., and additionally, DH Sunwest, LLC., may freely assign any privilege and/or exception of this Declaration DH Properties, LLC and Sunwest Development, LLC.

7. Declaration shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions, as the same may be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof. As stated in Section XIII, 10, below all prior declarations and amendments are hereby superseded and voided herewith, including (a) the Declaration recorded on January 30, 2006 as Document No. 20060000199, (b) the Amendment recorded on October 29, 2001 as Document No. 20090041366, and (c) the Amendment recorded on November 5, 2009 as Document No. 20090042306, and (4) the Amendment to Declaration & Notice of Reinvestment Fee Covenant recorded on December 9, 2010 as Document No. 20100041521.

8. Equestrian Facilities, Equestrian Area or Equestrian Property shall mean and refer to that portion of the Common Area, and any improvements thereto, which is designated on the Official Plat as such and/or which is otherwise improved, designated, and intended for the keeping and boarding of horses and like animals. The Equestrian Area shall additionally include all Recreation Area, unless the Equestrian Committee elects to release such Recreation Area or any part thereof to the Association.

9. Equestrian Member shall mean and refer to an Owner of a lot in Bridle Gate Estates who has properly completed a Use Agreement, has paid the specified Membership Fee and Equestrian Assessments, has otherwise agreed to comply with all Rules and Regulations, and when a stall becomes available is thereby entitled to use the Equestrian Facilities.

10. 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.

11. Living Unit or Unit shall mean and refer to a house, similar structure or portion of a structure located on a lot which is designed and intended for human occupancy.

12. 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, regardless of whether a residence or other improvement has been added to the land.
13. Member shall mean and refer to every person who holds membership in the Association.
14. Mortgage shall mean a first mortgage or a first deed of trust on any Lot.
15. Mortgagee shall mean a mortgagee under a first mortgage on any Lot or a beneficiary under a first deed of trust on any Lot.
16. Notice shall mean any method allowed under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, and constitutes fair and reasonable notice. Notice that The Association provides by a method other than under Title 16, Chapter 6a, of the Utah Revised Nonprofit Corporation Act constitutes fair and reasonable if (i) the method is authorized in this declaration, articles, bylaws or rules, and (ii) considering the circumstances, is fair and reasonable. The Association may provide notice by electronic means, including text messages, emails, or the Association's website. A lot owner may, by written demand, require the Association to provide notice to a lot owner by mail.
17. 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.
18. Plat shall mean and refer to the following duly approved and recorded plats:
 - (a) The plat originally previously filed, entitled "Bridlegate Estates, Phase I," executed and acknowledged by Sunchaser LLC, prepared and certified to by Mark A. Schraut of Bush & Gudgell Engineering; Inc., a duly registered Utah Land Surveyor holding Certificate No. 187849.
 - (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.
19. Private Streets shall mean and refer to each and any of the Project's "private streets" identified as such on the Plat.
20. Project shall mean and refer to Bridle Gate Estates, a residential development, as shown on the Plat and governed by this Declaration.

21. 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.

22. Recreation Area, Recreation Property, Recreation Facilities shall mean and refer to that portion of the Common Area, and any improvements thereto, which is designated on the Official Plat as such. The Recreation Area shall be deemed to be part of the Equestrian Area, unless the Equestrian Committee elects to release such Recreation Area or any part thereof to the Association. In the event Recreation Area is released to the Association, the Association shall then be free to designate, improve, or use such Recreation Area as the Association may see fit.

23. 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 Amended Declaration, or the date on which all three of *the* following exist: (a) ten (10) years have elapsed from the date of this Amended Declaration; (b) Declarant has less than ten (10) Lots for sale 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. The Declarant may, at any time, voluntarily relinquish its administrative control to the Association by written assignment or written acknowledgement clearly stating such intent.

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" encompassing Phase I, and Exhibit "B" encompassing the Equestrian Property, all of which are 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 quasigovernmental 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, 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 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 recreation 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 retention areas, structures and Private Streets 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 Bridle Gate 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 Bridle Gate Estates or its subsequent phases.

(b) Class B. Class B member(s) shall be the Declarant hereunder, and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the Termination Date. Notwithstanding any statement herein to the contrary, Declarant agrees to allow the existing Board members to remain in place for the remainder of their term and shall not use such votes to remove the present Board members, unless and until Declarant has voiced its concerns to the existing Board members and such concerns are not resolved to the satisfaction of Declarant.

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 ten (10) 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 such person; 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. Subject to any limitations or restrictions set forth herein or promulgated pursuant hereto, each Owner shall have an equal, undivided, and nonexclusive right and easement of use and enjoyment in and to the Common Areas and Facilities, and to the Equestrian Facilities as provided herein. 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 Conveyance. 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. _____, BRIDLE GATE 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 Bridle Gate 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 in Phase II to an Owner, it will convey by quit-claim deed to the Association good and marketable title to the Common Areas, including all Equestrian Facilities and Recreation 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;

(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; and

(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, and the Equestrian Assessments where the same are applicable, 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 recreation 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. All of the foregoing is excepting any costs and expenses associated with the Equestrian Facilities, for which the Association shall assess and use Equestrian Facility Fees as set forth in this Declaration below. 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 (excluding for the Equestrian Facilities) 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. Equestrian Assessments. The Board of Directors of the Association, shall have the responsibility and authority to manage and oversee all equestrian matters, but shall delegate the same to the Equestrian Committee and allow it to act autonomously, intervening only as may be necessary and required to accomplish the goals and terms of this Declaration. The Equestrian Committee shall from time to time and in its discretion, set the amount of periodic Assessments for use of Equestrian Facilities at such sum as may be necessary to pay the ordinary and reasonable expenses of the Equestrian Facilities as allowed and permitted by this Declaration. The Equestrian Committee shall further establish and maintain an adequate reserve fund from the collection of Equestrian Assessments for the periodic maintenance, repair, and replacement of the Equestrian Facilities. The Equestrian Committee may estimate the amount of funds necessary to operate and preserve the Equestrian Facilities, and may establish its Equestrian Assessments based on such estimates so as to allow the collection of fees for the payment of expenses when incurred and due, with an annual accounting and reconciliation of funds assessed, collected, and expended. Such accounting shall be made and kept separate than that for other assessments made and collected. Equestrian Assessments shall not be assessed to all Members in general, but only to those Members who properly reserve a portion of the Equestrian Facilities for use, as provided herein. Furthermore, the Equestrian Assessments shall be assessed on a "per stall" or other basis which the Equestrian Committee, in its discretion determines is appropriate.

6. 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-third (1/3rd) 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.

7. Rate of Assessment.

(a) After the occurrence of the Turnover Date as described in the preceding subparagraph, 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.

(b) Notwithstanding anything herein to the contrary, it is the intent of this Declaration that an equal assessment (except with respect to Equestrian Facility Fees) be applied with respect to each Living Unit regardless of the number of Lots on which a Living Unit may be located. Therefore, in the event an Owner purchases more than one Lot, and the Lots are contiguous, and the Owner builds only one Living Unit on said Lots, then said Owner may execute and record against all involved Lots a Declaration of Use, in form acceptable to the Association, declaring and restricting the use of said Lots for only

one Living Unit, and from the time of recording such Declaration of Use, the Association shall assess and treat the Lots set forth in said Declaration of Use as being one Lot for purposes of assessments in this Declaration. The Association shall be the beneficiary of and the party entitled to enforce the covenants and restrictions of said Declaration of Use, and said Declaration of Use shall not be terminated and canceled without the written consent of the Association.

8. 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.

9. 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_

10. 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, including for any Equestrian Facility Fees, 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.

11. Additional Assessments. In addition to the annual, regular assessments and special assessments for capital improvements authorized herein, the Association shall levy such assessments as required by the City of St. George or 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 meters for individual units, and that they are installed and shall be maintained to City specifications.

12. 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. Declarant shall additionally mean and refer to DH Sunwest, LLC., and DH Sunwest, LLC., may freely assign any rights, claims, privilege and/or exception of this Declaration to DH Properties, LLC and Sunwest Development, LLC.

13. Reinvestment Fee. In addition to any other amounts stated herein, each time a Lot transfers, the Buyer shall pay a Reinvestment Fee to the Association at the time of closing or transfer of that Lot, in an amount to be determined by the Association, which shall not exceed one half of one percent (0.5%) of the value of the Lot, and which shall be collected and dedicated to benefiting the property for such purposes as: common planning, facilities, and infrastructure; obligations arising from an environmental covenant; community programming; resort facilities; open space; recreation amenities; charitable purposes; or Association expenses. This provision shall be construed and interpreted in harmony with Utah Code §57-1-46.

14. Association Lien For Assessments and Costs.

(a) The Association has a lien on a lot for fines that the Association imposes against the owner of a lot, and assessments, along with any fees, charges, and costs associated with collecting an unpaid assessment, including: (i) court costs and reasonable attorney fees, (ii) late charges, (iii) interest; and (iv) any other amount that the Association is entitled to recover.

(b) Any unpaid assessment or fine accrues interest at the rate of ten percent (10%) per annum.

15. Enforcement of a Lien.

(a) The Association may enforce a lien by causing a lot to be sold through nonjudicial foreclosure as though the lien were a deed of trust, in the manner as provided in the Utah Code Annotated, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a mortgage.

(b) For purposes of a nonjudicial or judicial foreclosure the Association is considered to be the beneficiary under a trust deed; and the lot owner is considered to be the trustor under a trust deed.

(c) A lot owner's acceptance of the owner's interest in a lot constitutes a simultaneous conveyance of the lot in trust, with power of sale, to the trustee designated for the purpose of securing payment of all amounts due under this

declaration. A power of sale and other powers of a trustee may not be exercised unless the Association appoints a qualified trustee as provided in the Utah Code Annotated.

(d) The Association is not prohibit from bringing an action against a lot owner to recover an amount for which a lien is created or from taking a deed in lieu of foreclosure, if the action is brought or deed taken before the sale or foreclosure of the lot owner's lot.

16. Appointment of Trustee. The trustee appointed hereby shall be _____. The trustee may resign at any time. The Board may elect a successor trustee. The Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to _____, with power of sale, the lot and all improvements to the lot for the purpose of securing payment of assessments under the terms of this declaration.

17. Notice of Nonjudicial Foreclosure – Prohibited if Judicial Foreclosure Demanded.

(a) At least 30 calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice to the owner of the lot that is the intended subject of the nonjudicial foreclosure. The notice shall (i) notify the lot owner that the Association intends to pursue nonjudicial foreclosure with respect to the owner's lot to enforce the Association's lien for an unpaid assessment, (ii) notify the lot owner of the owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure, and (iii) be in substantially the following form:

"NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE

Bridge Gate Estates Homeowner's Association, the Association for the project in which your lot is located, intends to foreclose upon your lot and allocated interest in the common areas using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your lot and to collect the amount of an unpaid assessment against your lot, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that 'I demand a judicial foreclosure proceeding upon my lot,' or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is

_____."

(b) The above notice must be sent to the lot owner by certified mail, return receipt requested, and may be included with other Association correspondence to the lot owner.

(c) The Association may not use a nonjudicial foreclosure to enforce a lien if the lot owner mails the Association a written demand for judicial foreclosure (i) by U.S. mail, certified with a return receipt requested, (ii) to the address stated in the notice, and (iii) within 15 days after the date of the postmark on the envelope of the Association's notice.

18. Cost and Attorney Fees for Enforcement of Lien.

(a) A court entering a judgment or decree in a judicial action shall award the prevailing party its costs and reasonable attorney fees incurred before the judgment or decree and, if the Association is the prevailing party, any costs and reasonable attorney fees that the Association incurs collecting the judgment.

(b) In a nonjudicial foreclosure, the Association may include in the amount due, and may collect, all costs and reasonable attorney fees incurred in collecting the amount due, including the costs of preparing, recording, and foreclosing a lien.

19. Action to Recover Unpaid Assessment. The Association need not pursue a judicial foreclosure or nonjudicial foreclosure to collect an unpaid assessment but may file an action to recover a money judgment for the unpaid assessment without waving its lien.

20. Termination of a Delinquent Owner's Right's – Notice – Informal Hearing.

(a) "Delinquent lot owner" means a lot owner who fails to pay an assessment when due.

(b) The Board may terminate a delinquent lot owner's right (i) to receive a utility service for which the lot owner pays as a common expense, or (ii) access to and use of recreation facilities.

(c) Before terminating a utility service or right of access to and use of recreation facilities, the manager or Board shall give the delinquent lot owner notice. The notice shall state (i) that the Association will terminate the lot owner's utility service or right of access to and use of recreation facilities, or both, if the Association does not receive payment of the assessment within the time provided in this declaration, bylaws, or Association rules, but not less than 14 days, (ii) the amount of the assessment due, including any interest or late payment fee; and (iii) the lot owner's right to request a hearing as provided below.

(d) A delinquent lot owner may submit a written request to the Board for an informal hearing to dispute the assessment. The request shall be submitted within 14 days after the date the delinquent lot owner receives the notice. The Board shall conduct an

informal hearing in accordance with the standards provided in this declaration, bylaws, or Association rules.

(e) If a delinquent lot owner requests a hearing, the Association may not terminate a utility service or right of access to and use of recreation facilities until after the Board (i) conducts the hearing, and (ii) enters a final decision.

(d) If the Association terminates a utility service or a right of access to and use of recreation facilities, the Association shall take immediate action to reinstate the service or right following the lot owner's payment of the assessment, including any interest and late payment fee.

(e) The Association may (i) assess a lot owner for the cost associated with reinstating a utility service that the Association terminated, and (ii) demand that the estimated cost to reinstate the utility service be paid before the service is reinstated, if the estimated cost is included in the notice.

21. Tenant To Pay Association if Owner Fails to Pay Assessment.

(a) As used in this section:

(i) "Amount owing" means the total of (a) any assessment or obligation that is due and owing, and (b) any applicable interest, late fee, and cost of collection.

(ii) "Lease" means an arrangement under which a tenant occupies a lot owner's lot in exchange for the lot owner receiving a consideration or benefit, including a fee, service, gratuity, or emolument.

(iii) "Tenant" means a person, other than the lot owner, who has regular, exclusive occupancy of the lot owner's lot.

(b) Subject to Subsections (c) and (d), the Board may require a tenant under a lease with a lot owner to pay the Association all future lease payments due to the lot owner (i) if the lot owner fails to pay any assessment for a period of more than 60 days after the assessment is due and payable, (ii) beginning with the next monthly or periodic payment due from the tenant, and (iii) until the Association is paid the amount owing.

(c) Before requiring a tenant to pay lease payments to the Association under Subsection (b), the Association's manager or Board shall give the lot owner notice. The notice required shall state (i) the amount of the assessment due, including any interest, late fee, collection cost, and attorney fees, (ii) that any costs of collection, including attorney fees, and other assessments that become due may be added to the total amount due and be paid through the collection of lease payments, and (iii) that the Association intends to

demand payment of future lease payments from the lot owner's tenant if the lot owner does not pay the amount owing within 15 days.

(d) If a lot owner fails to pay the amount owing within 15 days after the Association's manager or Board gives the lot owner notice, the Association's manager or Board may exercise the Association's rights by delivering a written notice to the tenant. The notice shall state that (i) due to the lot owner's failure to pay an assessment within the required time, the Board has notified the lot owner of the Board's intent to collect all lease payments until the amount owing is paid, (ii) the law requires the tenant to make all future lease payments, beginning with the next monthly or other periodic payment, to the Association, until the amount owing is paid, and (iii) the tenant's payment of lease payments to the Association does not constitute a default under the terms of the lease with the lot owner. The manager or Board shall mail a copy of the notice to the lot owner.

(e) A tenant to whom notice is given shall pay to the Association all future lease payments as they become due and owing to the lot owner (i) beginning with the next monthly or other periodic payment after the notice is delivered to the tenant, and (ii) until the Association notifies the tenant that the amount owing is paid. A lot owner (i) shall credit each payment that the tenant makes to the Association under this section against any obligation that the tenant owes to the owner as though the tenant made the payment to the owner, and (ii) may not initiate a suit or other action against a tenant for failure to make a lease payment that the tenant pays to The Association as required under this section.

(f) Within five business days after the amount owing is paid, the Association's manager or Board shall notify the tenant in writing that the tenant is no longer required to pay future lease payments to the Association. The manager or Board shall mail a copy of the notification to the lot owner.

(g) The Association shall deposit money paid to the Association under this section in a separate account and disburse that money to the Association until (i) the amount owing is paid, and (ii) any cost of administration, not to exceed \$25, is paid. The Association shall, within five business days after the amount owing is paid, pay to the lot owner any remaining balance.

22. Statement from Association's Manager or Board of Unpaid Assessments. The Association's manager or Board shall issue a written statement indicating any unpaid assessment with respect to a lot owner's lot upon (i) a written request by the lot owner, and (ii) payment of a reasonable fee not to exceed \$25.

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 (including, without limitation, the Equestrian Facilities and utility lines and other facilities owned or used by the Association) 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 improvements and recreation facilities which are or hereafter are established. 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 recreation 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, including with respect to the Equestrian Facilities, which may be managed separately from the remaining Common Areas. The professional manager(s) so engaged 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.

6. Board Action to Enforce Governing Documents.

(a) The Board shall use its reasonable judgment to determine whether to exercise the association's powers to impose sanctions or pursue legal action for a violation of the governing documents, including (i) whether to compromise a claim made by or against the Board or the Association, and (ii) whether to pursue a claim for an unpaid assessment.

(b) The Association may not be required to take enforcement action if the Board determines, after fair review and acting in good faith and without conflict of interest, that under the particular circumstances (i) the Association's legal position does not justify taking any or further enforcement action, (ii) the covenant, restriction, or rule in the governing documents is likely to be construed as inconsistent with current law, (iii) a technical violation has or may have occurred, and the violation is not material as to a reasonable person or does not justify expending the Association's resources, or (iv) it is not in the Association's best interests to pursue an enforcement action, based upon hardship, expense, or other reasonable criteria.

(c) If the Board decides to forego enforcement, the Association is not prevented from later taking enforcement action. However, the Board may not be arbitrary, capricious, or against public policy in taking or not taking enforcement action.

(d) This section does not govern whether the Association's action in enforcing a provision of the governing documents constitutes a waiver or modification of that provision.

7. Equal Treatment Required

(a) A rule shall treat similarly situated lot owners similarly. However, a rule may vary according to the level and type of service that the Association provides to lot owners; and differ between residential and nonresidential uses.

(b) A rule criterion may not abridge the rights of a lot owner to display religious and holiday signs, symbols, and decorations inside a dwelling on a lot. Notwithstanding the forgoing, the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling or lot.

(c) A rule may not regulate the content of political signs. However, a rule may regulate the time, place, and manner of posting a political sign; and The Association design provision may establish design criteria for political signs.

(d) A rule may not interfere with the freedom of a lot owner to determine the composition of the lot owner's household, but the Association may require that all occupants of a dwelling be members of a single housekeeping unit, and limit the total number of occupants permitted in each residential dwelling on the basis of the residential dwelling's (i) size and facilities, and (ii) fair use of the common areas.

(e) A rule may not interfere with an activity of a lot owner within the confines of a dwelling or lot, to the extent that the activity is in compliance with local laws and ordinances. However, a rule may prohibit an activity within a dwelling on an owner's lot if the activity (i) is not normally associated with a project restricted to residential use, (ii) creates monetary costs for the Association or other lot owners, (iii) creates a danger to the health or safety of occupants of other lots, (iv) generates excessive noise or traffic, (v) creates unsightly conditions visible from outside the dwelling, (vi) creates an unreasonable source of annoyance to persons outside the lot, or (vii) where there are attached dwellings, creates the potential for smoke to enter another lot owner's dwelling, the common areas, or limited common areas.

(f) A rule may not, to the detriment of a lot owner and over the lot owner's written objection to the Board, alter the allocation of financial burdens among the various lots. The Association may, however, (i) change the common areas available to a lot owner, (ii) adopt generally applicable rules for the use of common areas, or (iii) deny use privileges to a lot owner who: (A) is delinquent in paying assessments, (B) abuses the common areas, or (C) violates the governing documents.

(g) The Association may not adopt a rule that (i) alters the method of levying assessments, or (ii) increases the amount of assessments as provided in the declaration.

(h) A rule may not (i) prohibit the transfer of a lot, or (ii) require the consent of the Association or Board to transfer a lot. Notwithstanding the forgoing, a rule may require a minimum lease term.

(i) A rule may not require a lot owner to dispose of personal property that was in or on a lot before the adoption of the rule or design criteria if the personal property was in compliance with all rules and other governing documents previously in force. This exemption applies during the period of the lot owner's ownership of the lot, and does not apply to a subsequent lot owner who takes title to the lot after adoption of the rule.

(j) A rule or action by the Association or action by the Board may not unreasonably impede a declarant's ability to satisfy existing development financing for community improvements and right to develop the project, or other properties in the vicinity of the project.

(k) A rule or Association or Board action may not interfere with the use or operation of an amenity that the Association does not own or control, or the exercise of a right associated with an easement.

(l) A rule may not divest a lot owner of the right to proceed in accordance with a completed application for design review, or to proceed in accordance with another approval process, under the terms of the governing documents in existence at the time the completed application was submitted by the owner for review.

(m) Unless otherwise provided in the declaration, The Association may by rule (i) regulate the use, maintenance, repair, replacement, and modification of common areas, (ii) impose and receive any payment, fee, or charge for: (A) the use, rental, or operation of the common areas, except limited common areas, and (B) a service provided to a lot owner, (iii) impose a charge for a late payment of an assessment, or (iv) provide for the indemnification of its officers and Board consistent with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

(n) A rule shall be reasonable and may not be inconsistent with a provision of this declaration.

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. Vehicles. Boats, trailers, campers, recreation vehicles and similar vehicles owned by the Owner and any residents of the Lot shall be parked only within the Lot of the Owner concerned. When parked within a Lot, all such vehicles must be operational, and must be kept to the side of the home and out of sight behind a screened gate or fence approved by the Architectural Control Committee. All vehicles of guests *or* invitees to a Lot remaining overnight may be parked outside of the screened gate or fence, but must be parked on the Lot and not on the streets of the Project. Except for necessary construction and maintenance, no trailers or vehicles other than horse trailers or vehicles for the use of the Equestrian Facility shall be permitted on any Common Areas. The provision shall additionally require the adherence to all related municipal ordinances.

4. Animals. No animals other than small pets (dogs, cats, etc.) or other small animals expressly allowed for under municipal ordinances, shall be kept or allowed on any Lot or within any part of the Common Areas, except with respect to horses which are kept or boarded upon the Equestrian Facilities, and then only upon areas, trails or paths designated for the use of horses and the like.

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. 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 including Equestrian Facilities, 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. Display of the Flag. The Association may not prohibit a lot owner from displaying a United States flag inside a dwelling or limited common area or on a lot, if the display complies with United States Code, Title 4, Chapter 1, The Flag. The Association may restrict the display of a flag on the common areas.

9. 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.

10. Motorbikes. All motorcycles, trail bikes, three-wheel powered devices, automobiles, and two or four-wheel drive recreation type vehicles are to be operated only by individuals with driver's license, and in harmony with applicable municipal ordinances.

11. 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.

12. Temporary and Other Structures. All improvements, including sheds, green houses, and storage areas shall be subject to the approval, direction and maintenance determined by the Architectural Control Committee. 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 erected on Lots or within the Property shall be new, permanent, on-site construction of good quality workmanship, and materials.

13. 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.

14. 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.

15. 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.

16. 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.

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

18. Exception for Declarant. Notwithstanding the restrictions contained in this Article, 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.

19. Exception for Equestrian Facilities. Notwithstanding the restrictions contained in this Article, the Equestrian Facilities may be managed and operated within the Equestrian Area for the purpose of keeping and boarding horses and the like, and should such management and operation conflict with any of the restrictions set forth herein, the same shall not be abridged by said restrictions.

20. Exception for Designated Recreation Facilities. The Association may from time to time establish portions of the Common Areas as Recreation Areas, provided such Recreation Areas are not claimed by the Equestrian Committee, and provided appropriate measures are taken to address safety, maintenance and other necessary issues.

21. 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, as defined herein to include Phases II, III, IV and the described common areas and equestrian Facilities, 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 Bridle Gate Estates" (the "Design Guidelines"), as the same may be adopted by the Board. The Committee shall have the power to propose Design Guidelines, which may then 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 deter 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, addition, or alteration 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.

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. 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.

6. Amendment of Design Guidelines. The Committee may, from time to time, 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 are subject to approval 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.

7. 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 signing a notice indicating that he has read and understood this Declaration and the Design Guidelines.

(b) The Owner concerned shall deposit with the Committee a Review Fee, as established by the Association, in order to insure compliance with the provisions of this Declaration. A portion of that Review Fee, as designated by the Association 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. The remainder of the Review Fee shall be retained by the Committee to reimburse it for plan approval and enforcement 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.

(c) The Owner concerned submitting such site layout plans, architectural plans, landscaping plans and other plans and materials as required by the Design Guidelines.

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

8. Living Unit Area and Other Restrictions. Living Units shall be no less than 1,800 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 1,600 square feet on the ground or main floor and no less than 800 square feet on the upper floor. Living Units having less than 2,200 square feet of living area shall incorporate an attached third car garage into the Living Unit. Measurement of a Living Unit for compliance with these minimums shall take into account interior living areas only, excluding garage space. The types and colors of materials used in the construction of a Living Unit, including without limitation the roofing material, siding material and windows, the landscaping, the minimum and maximum floor areas and sizes of garages, the height of Living Units, the location on a Lot of a Living Unit, and the type and location of fences, shall all be governed by and shall meet the requirements set forth in the Design Guidelines.

9. 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 approved by the Committee.

(b) Landscaping. The front yard of each Lot shall be fully landscaped prior to issuance of a Certificate of Occupancy (CO) for the Living Unit by the City of St. George.

10. Street Trees. In order to create an aesthetic and green subdivision, owners are encouraged to plant trees. A minimum of two acceptable trees shall be planted in the front yard of each home constructed. A description of the trees, locations and types shall be included with the plans submitted to the Architectural Control Committee. Acceptable varieties of trees shall be designated by the Design Guidelines. 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.

11. 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.

12. 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 in accordance with this Article.

13. 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.

14. 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.

15. Option Right of Declarant. In the event an Owner of a Lot does not commence construction of a Living Unit thereon within two years from the date the Owner acquired title to the Lot, then the Declarant shall have an option to repurchase the Lot from the Owner for a purchase price equal to the purchase price paid by the Owner for the Lot. The Declarant may exercise this option by giving written notice to the Owner at any time after the termination of said two year period and before the Owner commences construction of a Living Unit, and closing shall occur within thirty days after such notice is given. The Declarant shall have the right to specifically enforce this provision in court in the event the Owner refuses to honor the option herein granted. Upon any such purchase, the Declarant shall immediately make all normal and

reasonable efforts to resell the Lot, subject to the same restrictions as set forth herein for the original sale of a Lot by the Declarant.

16. 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 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 the 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: "Bridle Gate 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. 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 one Million Dollars (\$1,000,000.00) per occurrence for personal or bodily injury, and property damage that results from the operation, maintenance or use of the common Areas and Facilities. 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, and 3 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 4 and of the foregoing Sections 1, 2, and 3 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 such 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. Common Areas and Equestrian Property. Notwithstanding the forgoing, Declarant shall, upon receipt of proper resolutions with the recording of this Declaration, convey the Common Areas, including the Equestrian Facility and Recreation Property, to The Bridle Gate Estates Homeowner's Association, as described in Exhibit B, and in the Amended Plat.

3. 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.

4. 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 quasigovernmental 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.

5. 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.

6. 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 therefore. Without limiting the scope of the immediately foregoing sentence, no Owner shall oppose such development in public meetings, by petition, or by legal actions.

XII. EQUESTRIAN FACILITIES

1. Conveyance & Preservation.

(a) Notice and Acceptance of Externalities. By taking title to a Lot, every Owner will be deemed to be aware of and agreed to, and will be deemed to have explained and made known to said Owner's spouse, children, other relatives, visitors, invitees, guests and business associates who come into the Project to visit or at the invitation of said Owner (collectively the "Informed Persons"), the facts (a) that the Project is intended to include equestrian facilities upon the common area for the keeping and boarding of horses and like animals; (b) that said equestrian facilities have the potential to create externalities which may affect neighboring properties, including Lots within the Project; and (c) that the Association shall take what measures it deems reasonable to eliminate or minimize such externalities to the fullest extent possible, but that the complete elimination of such externalities may be either impossible, unlikely or difficult, costly, or for whatever other reason may not be fully eliminated by the Association. Therefore, every Owner and every Informed Person shall be deemed, by virtue of coming onto the Project, to have made the voluntary decision to accept and assume all of the externalities which may exist upon the Project as a result of the Equestrian Facilities, and to have released Declarant and the Association from liability for the presence of such externalities or any resulting harm. The "externalities" referred to

herein may include, but may not be limited to, the likelihood of animals escaping from the Equestrian Facilities and causing harm or injury upon private property or to individuals, the presence of animal waste upon the Common Areas or other areas around the Project which allow access by horses, odors related to the presence of animals and animal waste, and/or the presence of increased numbers of insects or other pests attracted to the presence of animals.

Nothing contained in this provision is intended to absolve the Declarant or Association from the duty to abide by all applicable laws, statutes, and zoning and building ordinances, including when applicable, any ordinance of the City of St. George requiring the Declarant or the Association to implement preventative or other measures, unless the same is waived through official action of said municipality.

(b) Release and Indemnification. Every Owner, by taking title to a Lot, shall be deemed (a) to have released and forever discharged, and to have agreed to indemnify and hold harmless, the Association and the Declarant from any and all claims, demands, losses, damages, injuries or causes of action, which are in any way connected with or result from the Equestrian Facilities or the presence of animals, including any such claims, demands or causes of action which allege negligent acts or omissions of the Association or the Declarant; (b) to have released the Association and the Declarant from any duty that either may have to protect the Owner from these risks, which risks Owner by taking title to a Lot, has acknowledged he or she does not want eliminated because of the detrimental impact on the aesthetics and beauty of the Project that would result from eliminating such risks; and (c) to have indemnified and held harmless the Association and the Declarant from any and all claims or causes of action which are brought by or on behalf of the Informed Persons with respect to any matters similar to those from which the Owner has released and indemnified the Association and the Declarant pursuant to the previous provisions of clauses (a) and (b) of this paragraph 2. The releases and indemnifications contained in this paragraph 2 shall include an indemnification by the Owner of the Association and the Declarant from any and all attorneys' fees and costs incurred by either of them in enforcing their rights under the provisions of this Article XII, as well as an indemnification specifically by the Owner of a particular animal should such animal escape or move from boarding improvements which are part of the Equestrian Facilities and cause harm or injury on the Common Areas, the Project or on any other private property or person. In the case of the latter indemnification, the Owner of each animal kept or boarded upon the Equestrian Facilities specifically shall remain the party solely responsible for the control and keeping of such animal.

(c) Equestrian Property Conveyance. Upon the terms and conditions stated herein, Developer shall cause a quit claim deed to be executed conveying to the Association the Equestrian Property and Recreation Property all improvements, in their "as is" condition without any warranty or representation, whatsoever, and subject to the reservations and easements stated herein. The property to be transferred from Declarant to the Association is more particularly described as set forth in Exhibit B, which is herein referred to as the "Equestrian Property" and/or "Recreation Property."

i. Reservation of Easement. The Equestrian Property and Recreation Property shall be burdened by an easement for the transfer of all flood, irrigation and drainage waters and all power, cable, and other utilities of Bridle Gate Estates, the entire subdivision, including those phases previously developed and those phases yet to be developed. The Association shall cooperate in all respects with the Declarant to see that all such issues and needs are appropriately addressed and resolved, and if Declarant so desires, directed through the Equestrian Property, which is in its entirety subject to an easement for such purpose. The Equestrian Property shall be the servient tenement, and the entire Bridle Gate Estates Subdivision property, including all past and future phases, shall be the dominant tenement of this easement.

ii. Equestrian Facilities. The facilities existing on the Equestrian Property at the time of this Declaration includes a stable with 24 horse stalls, a hay shed, an arena, and a round pen, twenty temporary panels, and a John Deer Gator, all of which are set on 7.39 acres of property, which property and improvements are herein referred to as the Equestrian Facilities.

(d) No Declarant Representations or Warranties. In connection with this Agreement and the Equestrian Property, the Declarant makes no representation or warranty, whatsoever, neither the legality of any permitted use of the property, the zoning, restrictions or other effects of law or ordinance, the title, ownership or existing or potentially outstanding boundary disputes. This Agreement shall not under any circumstances be construed as such.

(e) The Association shall accept full ownership of the Equestrian Property. The Association shall complete the procedure to annex the Equestrian Property into Bridal Gates Estates Subdivision to be held by the Association as common area of Bridal Gate Estates Subdivision. The Association shall accept all liability in any way related to the property and amenities. The Association shall hold harmless and indemnify the Developer, its employees, agents, heirs, shareholders, successors, assigns, and etc. from any and all claims, demands and liabilities.

(f) Assurance of Facilities. The equestrian facilities shall be kept and used as such, and shall not be sold, leased, encumbered, transferred away or otherwise abandoned, for so long as Equestrian Assessments are collected sufficient to cover the support, maintenance and other necessary expenses of the Equestrian Facilities. So long as these conditions are present the Equestrian Facilities shall remain and be operated as such. In the event such conditions terminate, and are not cured by the Equestrian Members after written notice to the Equestrian Members within twelve months after 75% of the lots in Phases I, II, III, and IV are sold, the Association may consider whether to obtain approval of the Association Members and the approval of necessary municipal and other authority sufficient to amend this Declaration.

(g) Additional Equestrian Improvements. The Equestrian Property shall house no more horses at any given time, than can be properly and safely managed and

approved by the Association in writing. The Association, in its discretion, may construct additional and similar facilities, as the funds become available and as demand may support. Equestrian funds must first be arranged for, earmarked, or set aside to cover all such improvements before construction may begin.

2. Equestrian Governance and Enforcement.

(a) Equestrian Facility Governance. The Association is responsible for and authorized to conduct and shall oversee all aspects of the Equestrian Facilities. The Association, however, shall delegate to and allow the Equestrian Committee to act autonomously, with respect to such powers, including the duties to establish, modify or manage Equestrian Facility membership, budgets, assessments, improvements, expenditures, enforcement efforts, contracts, Rules, Regulations, or to otherwise make decisions or take actions, including the implementation of all provisions and requirements set forth in this Declaration. The Association shall intervene only as may be necessary and required in the implementation of the goals and terms of this Declaration. The Association shall appoint one (1) member of the Association Board of Directors to serve as a liaison between the Board of Directors and the Equestrian Committee to assure open communication.

(b) Equestrian Committee. The Association shall establish, by vote of the Equestrian Members, an Equestrian Committee made up of at least three (3) but not more than five (5) Equestrian Members. Under the direction and authority of the Association, the Equestrian Committee shall be charged with the duty to manage the operation and financial administration of the Equestrian Facility. The Equestrian Committee shall meet regularly and consult with all available Equestrian Members, who shall be expected to actively participate in the administration, governance and management, by way of consultation and recommendation to the Association. The Equestrian Committee shall regularly report back to the Association at regular Association Board Meetings and keep the Association informed of the financial situation and other aspects of the Equestrian Facility. The Association, in its sole discretion, shall retain all right and authority to revoke, at any time, any delegation or deferral of authority to the Equestrian Committee. Although documents, including those such as the Equestrian Facility Use Agreements or Rules and Regulations, may refer to the Equestrian Committee and its authority, such represents only the Association delegation of duty, and shall not, to any extent, be construed as the relinquishment of authority.

(c) Enforcement. The Association shall, at its own expense, see that the terms and conditions of this Declaration, the Use Agreement, and all promulgated Rules & Regulations are enforced, that the Association Members are fulfilling all responsibilities, and that the Association Members and the public are not conducting any activities prohibited thereby.

3. Equestrian Finances.

(a) Finances of the Equestrian Facilities. The Equestrian Facilities are intended to be financially self-sustaining, based upon the collection of Membership Fees and monthly Equestrian Assessments from Equestrian Members, who use and benefit from the Equestrian Facilities. Except as otherwise provided, it is intended that such funds shall be generated and remain with the Equestrian Facility, sufficient to maintain and sustain the Equestrian Facilities in a good and reasonable manner, bearing positively upon the remainder of the subdivision. Failure of the Association to charge and collect fees or to maintain appropriate reserves shall not release the Association of its responsibility and liability for the related obligations. The Membership Fees and Equestrian Assessments shall at all times be kept in separate accounts apart from other Association funds.

(b) Membership Fee/Reservation Fee. Each Owner desiring to use the Equestrian Facilities or to reserve a priority right to use the Equestrian Facilities shall pay a Membership Fee, in the amount from time to time designated by the Equestrian Committee, which payment shall accompany the completed Equestrian Facility Use Agreement. Upon an Owner's admission as an Equestrian Member and initial use of the Equestrian Facilities, the Membership fee shall become altogether nonrefundable. In the event all existing stalls are occupied, and the Owner desires to be put on a waiting list until a stall becomes available or additional stalls are constructed, the Owner shall pay a "Reservation Fee," which shall convert to and become a non-refundable "Membership Fee" only once a stall becomes available or construction of a new stall is begun.

(c) Refund of Reservation Fee. Each Owner who pays a Reservation Fee and who is waiting for a horse stall to be constructed or made available, shall have a right if the construction of such facilities are not started or if a horse stall is not made available within a period of two (2) years after payment, to receive a refund of such Reservation Fee, excluding any interest or other claim. Upon the commencement of construction of additional horse stall(s) or upon other equestrian housing facilities becoming available to an Owner, the Reservation Fee shall be classified as a Membership Fee and become nonrefundable, and this provision shall thereby be rendered totally void and of no legal or equitable effect with respect to any Owner who has paid the Reservation Fee.

(d) Multiple Levels of Membership. The Equestrian Committee may create more than one level of Equestrian Membership, if the same is found by the Equestrian Committee to be fair and reasonable. For instance, and not by way of limitation, although an Equestrian Membership is to remain with the specific Equestrian Member, for so long as the Equestrian Member is a lot owner within Bridle Gate Estates, the Equestrian Committee may make a higher level membership transferable from the Equestrian Member with the sale/purchase of the Equestrian Member's respective lot.

(e) Equestrian Assessments. Equestrian Assessments shall be established and charged, sufficient to meet the financial needs of the Equestrian Facilities, and in exchange for the use of the Equestrian Facilities and the privileges associated therewith, including the use of a stall, storing feed, or using feed made available within the facilities, waste removal services, and other such appropriate benefits provided to the Members.

Each Member shall pay the Equestrian Assessment for each horse boarded in the Equestrian Facility.

(f) Equestrian Reserve Account. The Membership Fees collected shall be placed in a reserve account and, except as otherwise stated herein, shall be retained for the sole benefit of the Equestrian Property including maintaining, repairing, replacing, improving the amenities, expanding the amenities, and other such items as reasonably required or as otherwise approved by the Equestrian Committee.

(g) Recreation Area Improvements. As the funds from the Equestrian Reserve Account become available through the collection of Equestrian Membership fees, the same shall first be used for a one time clean up, weeding, grading and constructing of appropriate fencing around equestrian turnout areas. The construction of the permanent perimeter fencing around the 11.647 acres of Equestrian and/or Recreation Areas as described on the Amended Plat, shall be as directed by and at the complete discretion of the Declarant and shall be paid by the Declarant. The several activities--clean up, weeding, grading, --shall each be conducted and invoiced for only once, though the separate activities may be separately conducted and invoiced on separate dates and times. Thereafter, neither new membership purchases, new phase annexation, nor any other event shall give Declarant the right to invoice or charge the Equestrian Reserve Account for such activities, pursuant to this provision. Notwithstanding the forgoing, any and all improvements Declarant makes to the Equestrian Area, as required by the city or as approved by the Equestrian Committee or Association, shall be invoiced to and paid for by the Equestrian Committee or Association. Any improvements to the Common Areas, which benefit the Association generally, as opposed to the Equestrian Members, shall be paid for and maintained by the Association.

(h) Additional Improvements. If the Equestrian Committee determines that the Equestrian Reserve Account has funds to meet monthly Equestrian expenses for a sufficient future period of time, then the Equestrian Committee may choose to construct additional Equestrian improvements.

(i) Liability Insurance. In addition to the insurance the Association shall obtain and maintain, each individual Equestrian Members shall obtain and maintain primary insurance sufficient to cover their own horse(s) and any potential damage they may cause to the Equestrian Facilities or to any person or property, within or without the Property, and such policy shall name the Association as an additional insured, and provide 30 day advance notice to the Association prior to any cancelation or lapse in insurance.

4. Equestrian Membership.

(a) Execution of Equestrian Facilities Use Agreement. In addition to and notwithstanding the provisions of this Article as set forth above, each and every Owner that desires to use the Equestrian Facilities for the boarding or keeping of an animal shall be required to execute a Use Agreement (which may take the form of a stall rental

agreement or other form as adopted by the Equestrian Committee) which shall supplement this Declaration in binding such Owner to certain terms and provisions respecting the use and management of the Equestrian Facilities. The Equestrian Use Agreement shall require the payment of a Membership Fee, Agreement to Equestrian Assessments, proof of required insurance, and other requirements as established by the Equestrian Committee. Until a Use Agreement is completed, executed, and accompanied by such items, and until the Owner is properly certified and approved, and space is available within the Equestrian Facility for the Owner's horse, that owner shall not have the right to the use of the Equestrian Facilities. Copies of the Equestrian Use Agreement and Rules and Regulations shall be made available to all Owners and prospective buyers.

(b) Restriction on Use Specific to Equestrian Facilities. The following restrictions shall be binding upon any person who enters upon or uses the Equestrian Facilities. The following Rules shall be supplemented by the Association as set forth elsewhere herein.

- i. Stalls may not be rented or leased to anyone other than an Owner or Owner's tenant, unless specifically approved by the Association in advance.
- ii. No more than one (1) animal shall be kept in any stall, except that a mare and her foal or colt may be kept in the same stall until the foal is six (6) months of age.
- iii. All horses or other like animals must be vetted a minimum of two times per year for disease control and prevention. The treatments must include deworming, inoculations, routine care at acceptable veterinary standards, and other procedures necessary for the protection of the residents of the Project, the Owner's animals and the animals of other Owners.
- iv. Stalls may not be used for storage of equipment or other items, but only for confining and sheltering permitted animals. Space may be provided to users of the Equestrian Facilities for storage of equipment or other items, at the discretion of the Equestrian Committee.
- v. No studs shall be kept at the Equestrian Facilities.
- vi. Upon sale or transfer of ownership of a Lot (and the membership appurtenant to the Lot), all horses and other animals of the like shall be removed immediately from the equestrian facility.
- vii. The Equestrian Committee may, under the authority of the Association and this Declaration, take measures to restrict access to the Equestrian Facilities by any person or persons, including Members, who have not paid the required Membership Fee and Equestrian Assessments for the right to use the same. The levy of any obligation against a Lot shall be done by the Association.

(c) Rules and Regulations. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, the Equestrian Committee, shall have the right, in furtherance of their 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 Equestrian Facilities as they deem reasonable and prudent to control and maintain the same. All such rules and regulation shall be binding upon the Equestrian Members, and their tenants, and the Owners' and tenants' families, guests, and invitees.

(d) Member Liabilities. Damages to the Equestrian Facility caused by a Member or Member's Horse shall be immediately resolved by the Member or assessed to the Equestrian Member by the Association. A Member shall additionally be liable for any and all damage or injury caused by the member or the Member's Horse to the any other person, property, within Bridle Gate Estates, and otherwise.

(e) Integration and Hierarchy. It is intended that this Declaration, the Use Agreement, and the Rules and Regulations, each with their respective amendments, shall join together and form a single, integration governing the Equestrian Facilities. Any contradiction between or among the documents shall be resolved and governed, first by the terms and provisions of this Declaration and any amendments thereto, second by the Use Agreement and any amendments thereto, and third by the Rules and Regulations and any amendments thereto.

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. Declarant Enforcement. Declarant may but shall not be responsible for the enforcement of this Declaration or promulgated Rules & Regulations. However, the Declarant shall be an express beneficiary of this Declaration and all promulgated Rules and Regulations, and as such, shall have the right and ability hereunder to enforce any term or condition of the same and cure any potential default at the expense of the Association, provided Declarant first presents the concern to the Association and the Association fails to resolve the concern to Developer's satisfaction.

3. 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.

4. 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.

5. 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 a 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 there under 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.

6. 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 6:

(i) Any person seeking indemnification from the Association under paragraph (a) of this Section 6 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 6, 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.

7. 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.

8. 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.

9. 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.

10. All Prior Declarations and Amendments. As of the recording of this Amended and Restated Declaration with the Washington County Recorder, this Declaration shall be the sole Declaration bearing upon, binding, and governing the Property, and all prior declarations and amendments recorded before the recording of this Declaration shall all be and hereby are replaced and declared ineffective, waived and altogether voided, including but not limited to the Declaration recorded on January 30, 2006 as Document No. 20060000199, the Amendment recorded on October 29, 2001 as Document No. 20090041366, and the Amendment recorded on November 5, 2009 as Document No. 20090042306, and the Amendment to Declaration & Notice of Reinvestment Fee Covenant recorded on December 9, 2010 as Document No. 20100041521. Notwithstanding this provision, the Property shall remain bound and governed by the Development Agreement, recorded on January 30, 2006 as Document No. 20060000197, and the Supplemental Development Agreement recorded herewith.

11. 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.

12. Member Approval. The Members of the Bridle Gate Estates Homeowner's Association have properly and duly adopted this Declaration, and have done so upon receipt of proper notice, advanced presentation and discussion, and upon the affirmative vote of in excess of a majority of all Members of the Bridle Gate Estates Homeowner's Association. Further the Members have authorized the Association, via its president, to execute and record this Declaration in order to give public notice of their intent to be governed thereby.

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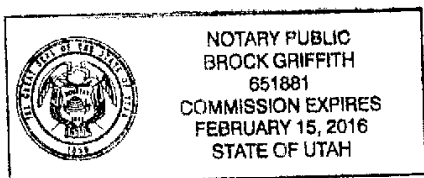
EXECUTED by Declarant this 17 day of September, 2012.

DECLARANT: DH SUNWEST, LLC


BY: RODNEY STEURER
ITS: MANAGER

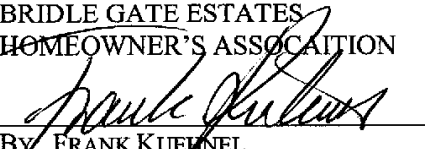
STATE OF UTAH)
) s.s.:
County of Washington)

On this 17 day of Sept., 2012 personally appeared before me Rodney Steurer being personally known to me (or satisfactorily proved to me), and who being by me duly sworn did say that he is the manager of DH Sunwest, LLC, a Utah limited liability company, and that he executed the foregoing Amended and Restated Covenants, Conditions & Restrictions on behalf said limited liability company being authorized and empowered to do so by the operating agreement of said Company or resolution of its managers, and he acknowledged before me that such Company executed the same for the uses and purposes stated therein, and that the information therein is true and correct to the best of his knowledge.



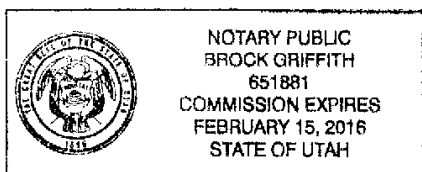

NOTARY PUBLIC

BRIDLE GATE ESTATES
HOMEOWNER'S ASSOCIATION


BY: FRANK KUEHNEL
ITS: PRESIDENT

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

On this 17 day of September 2012, personally appeared before me Frank Kuehnel, who is personally known to me (or satisfactorily proved to me), and who being by me duly sworn did say that he is the President of Bridle Gate Estates Homeowners Association, a Utah corporation, and that he executed the foregoing Restated and Amended Covenants, Conditions & Restrictions on behalf said corporation by authority of a resolution of its Board of Directors, and he acknowledged before me that the corporation executed the same for the uses and purposes stated therein, and that the information therein is true and correct to the best of his knowledge.




NOTARY PUBLIC

CC&R's
Bridle Gate Equestrian Estates
Page 47 of 51

EXHIBIT "A"
PROPERTY DESCRIPTION
BRIDLE GATE ESTATES, PHASE I – LEGAL DESCRIPTION

BEGINNING AT A POINT LOCATED NORTH 00°53'04" EAST, 699.32 FEET ALONG THE CENTER OF SECTION LINE FROM THE CENTER ONE-QUARTER SECTION CORNER OF SECTION 10, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE & MERIDIAN; THENCE SOUTH 89°02'59" EAST, 27.18 FEET, SAID POINT BEING THE POINT OF BEGINNING; SAID POINT ALSO BEING LOCATED ON THE EAST RIGHT-OF-WAY LINE OF 3000 EAST STREET, THENCE ALONG SAID RIGHT-OF-WAY LINE, NORTH 01°14'41" EAST, 1033.22 FEET TO A POINT ON A 2005.00 FEET RADIUS CURVE TO THE LEFT, THENCE ALONG THE ARC OF SAID CURVE 104.52 FEET, THROUGH A CENTRAL ANGLE OF 2°59'12"; THENCE LEAVING SAID RIGHT-OF-WAY, SOUTH 89°02'59" EAST, 137.65 FEET; THENCE SOUTH 89°39'17" EAST, 50.00 FEET; THENCE SOUTH 89°00'56" EAST, 423.38 FEET; THENCE SOUTH 00°59'04" WEST, 170.00 FEET; THENCE, NORTH 89°00'56" WEST, 25.38 FEET; THENCE, SOUTH 00°59'04" WEST, 759.60 FEET; THENCE, NORTH 89°00'56" EAST, 31.80 FEET; THENCE, SOUTH 01°18'44" EAST, 185.00 FEET; THENCE, SOUTH 88°41'16" WEST, 627.78 FEET TO THE POINT OF BEGINNING.

CONTAINS 15.39 ACRES.

EXHIBIT "B"
PROPERTY DESCRIPTION
EQUESTRIAN AREA- LEGAL DESCRIPTION

BEGINNING AT A POINT ON THE WESTERLY LINE OF BLOCK 2 OF THE HORATIO PICKETT'S ENTRY RECORDED IN SURVEY MAP BOOK 1, PAGE 1, OF SAID OFFICIAL RECORDS, SAID POINT LIES SOUTH 00°53'46" WEST 520.41 ALONG THE CENTER SECTION LINE AND NORTH 90°00'00" EAST 24.50 FEET FROM THE NORTH QUARTER CORNER OF SECTION 10, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG THE BOUNDARY OF SAID BLOCK 2 IN THE FOLLOWING TWO (2) COURSES: NORTH 00°53'46" EAST 495.51 FEET; THENCE SOUTH 89°03'57" EAST 255.08 FEET TO A POINT ON THE ARC OF A NON-TANGENT 1460.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY, THE RADIUS POINT OF WHICH LIES SOUTH 06°45'24" WEST; THENCE EASTERLY 32.67 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 1°16'55" TO THE POINT OF REVERSE CURVATURE OF A 1540.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE EASTERLY 191.01 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 7°06'24" TO THE POINT OF TANGENCY; THENCE SOUTH 89°03'57" EAST 774.11 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY 31.42 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'30" TO THE POINT OF TANGENCY; THENCE SOUTH 00°57'34" WEST 194.12 FEET; THENCE NORTH 89°02'22" WEST 116.10 FEET; THENCE SOUTH 65°52'25" WEST 545.76 FEET; THENCE SOUTH 80°06'16" WEST 187.20 FEET; THENCE NORTH 89°00'56" WEST 477.41 FEET TO A POINT ON SAID WESTERLY LINE AND THE POINT OF BEGINNING. CONTAINS 11.647 ACRES

EXHIBIT "C"
PROPERTY DESCRIPTION
ADDITIONAL PROPERTY - LEGAL DESCRIPTION

Potential property for Bridle Gate Estates Phases II

BEGINNING AT THE SOUTHEAST CORNER OF BRIDLE GATE ESTATES PHASE 1, OFFICIAL RECORDS OF WASHINGTON COUNTY, UTAH, SAID POINT LIES SOUTH 88°41'34" EAST 665.78 FEET ALONG THE CENTER SECTION LINE AND NORTH 00°00'00" EAST 728.35 FEET FROM THE CENTER QUARTER CORNER OF SECTION 10, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE COINCIDENT WITH THE BOUNDARY OF SAID PHASE 1 IN THE FOLLOWING FIVE (5) COURSES: NORTH 01°18'44" WEST 185.00 FEET; THENCE SOUTH 88°41'16" WEST 31.80 FEET; THENCE NORTH 00°59'04" EAST 759.60 FEET; THENCE SOUTH 89°00'56" EAST 25.38 FEET; THENCE NORTH 00°59'04" EAST 170.00 FEET TO THE NORTHEAST CORNER OF SAID PHASE 1; THENCE LEAVING SAID BOUNDARY SOUTH 89°00'56" EAST 10.70 FEET; THENCE NORTH 83°05'54" EAST 248.27 FEET; THENCE SOUTH 00°59'04" WEST 667.76 FEET; THENCE SOUTH 89°00'56" EAST 116.00 FEET; THENCE NORTH 00°59'04" EAST 61.23 FEET; THENCE SOUTH 89°00'56" EAST 270.56 FEET; THENCE SOUTH 00°57'25" WEST 49.335 FEET; THENCE SOUTH 33°23'04" WEST 394.33 FEET TO THE POINT OF CURVATURE OF A 328.60 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY 317.17 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55°18'12" TO THE POINT OF TANGENCY; THENCE SOUTH 88°41'16" WEST 153.95 FEET TO SAID SOUTHEAST CORNER AND THE POINT OF BEGINNING.

CONTAINS 9.780 ACRES.

Potential Property for Bridle Gate Estates Phases III and IV

BEGINNING AT THE NORTHEAST SIXTEENTH CORNER, SAID POINT LIES NORTH 88°41'34" WEST 1323.80 FEET ALONG THE CENTER SECTION LINE AND NORTH 00°57'34" EAST 1335.54 FEET ALONG THE EAST SIXTEENTH LINE FROM THE EAST QUARTER CORNER OF SECTION 10, TOWNSHIP 43 SOUTH, RANGE 15 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 88°41'34" EAST 46.74 FEET ALONG SAID EAST SIXTEENTH LINE; THENCE LEAVING SAID EAST SIXTEENTH LINE SOUTH 33°23'04" WEST 77.34 THENCE NORTH 00°57'25" WEST 49.34 FEET; THENCE NORTH 89°00'56" WEST 270.56 FEET; THENCE SOUTH 00°59'04" WEST 61.23 FEET; THENCE NORTH 89°00'56" WEST 116.00 FEET; THENCE NORTH 00°59'04" EAST 667.76 FEET; THENCE SOUTH 83°05'54" WEST 248.27 FEET TO A POINT ON THE PROJECTED NORTHERLY LINE OF BRIDLE GATE ESTATES-PHASE 1, OFFICIAL RECORDS OF WASHINGTON COUNTY, UTAH; THENCE ALONG SAID PROJECTED LINE AND COINCIDENT WITH THE BOUNDARY OF SAID PHASE 1 IN THE FOLLOWING THREE (3) COURSES:

NORTH 89°00'56" WEST 434.09 FEET; THENCE NORTH 89°39'17" WEST 50.00 FEET; THENCE NORTH 89°02'59" WEST 137.64 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF 3000 WEST STREET, SAID POINT BEING ON THE ARC OF A 2005.00 FOOT RADIUS CURVE CONCAVE WESTERLY, THE RADIUS POINT OF WHICH LIES SOUTH 88°17'03" WEST; THENCE NORTHERLY 75.68 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 2°09'46" TO A POINT ON A NON-TANGENT LINE; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 00°57'01" EAST 229.75 FEET; THENCE SOUTH 89°00'56" EAST 476.19 FEET; THENCE NORTH 80°06'16" EAST 187.20 FEET; THENCE NORTH 65°52'25" EAST 525.76 FEET; THENCE SOUTH 89°02'22" EAST 116.10 FEET; THENCE NORTH 00°57'34" EAST 194.12 FEET TO THE POINT OF CURVATURE OF A 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY 31.42 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'30" TO THE POINT OF TANGENCY; THENCE NORTH 89°03'57" WEST 774.11 FEET TO THE POINT OF CURVATURE OF A 1540.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE WESTERLY 191.01 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 7°16'55" TO THE POINT OF REVERSE CURVATURE OF A 1460.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE WESTERLY 32.67 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 1°16'55" TO A POINT ON A NON-TANGENT LINE, SAID LINE BEING THE NORTHERLY LINE OF BLOCK 2 OF THE HORATIO PICKETT'S ENTRY RECORDED IN SURVEY MAP BOOK 1, PAGE 1, OF SAID OFFICIAL RECORDS; AND RUNNING THENCE ALONG THE BOUNDARY OF SAID BLOCK 2 IN THE FOLLOWING THREE (3) COURSES: SOUTH 89°03'57" EAST 1022.61 FEET; THENCE SOUTH 00°57'34" WEST 1310.96 FEET TO A POINT ON THE NORTH SIXTEENTH LINE OF SAID SECTION; THENCE ALONG SAID NORTH SIXTEENTH LINE SOUTH 88°52'46" EAST 24.50 FEET TO SAID NORTHEAST SIXTEENTH CORNER AND THE POINT OF BEGINNING.

CONTAINS 17.240 ACRES