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For: FRIENDS OF TUHAYE LLC

WHEN RECORDED, RETURN TO:

Friends of Tuhaye, LLC
c/o Park City Developers, LLC, Manager
Attention: Rod Staten
136 Heber Avenue, Suite 204
Park City, UT 84060

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENTS**

FOR

**CHRISTOPHER COMMUNITIES
AT TUHAYE**

(a Utah Expandable Residential Planned Community)
WASATCH COUNTY, UTAH

TABLE OF CONTENTS

Definitions..... 3

Owners' Property Rights..... 10

 1.1 Owners' Easements of Enjoyment..... 10

 1.2 Easements for Parking 12

 1.3 Easements for Vehicular and Pedestrian Traffic 12

 1.4 Easement Right of Declarant Incident to Construction and/or Marketing and

Sales Activities 12

 1.5 Easements for Public Service Use 12

 1.6 Easements for Water, Sewage, Utility and Irrigation Purposes..... 13

 1.7 Landscaping and Maintenance Easement 14

 1.8 Reciprocal Easements for Single Family Attached Residences 14

 1.9 Additional Reservation of Easements 14

 1.10 Waiver of Use 15

 1.11 Easement Data 15

 1.12 Owners' Right of Ingress and Egress..... 15

 1.13 No Transfer of Interest in Common Areas 15

 1.14 Taxes 15

Christopher Communities at Tuhaye Homeowners Association 15

 1.15 Organization of Association 15

 1.16 Duties, Powers and Rights 16

 1.17 Membership 16

 1.18 Transfer of Membership 16

 1.19 Board of Directors..... 17

 1.20 Declarant's Control of the Board..... 18

 1.21 Control of Board by Owners..... 18

 1.22 Election of Directors 18

 1.23 Board Meetings..... 19

 1.24 Attendance by Owners at Board Meetings; Executive Sessions 20

 1.25 Vacancies on Board 21

Voting Rights..... 21

 1.26 Owners' Voting Rights 21

 1.27 Transfer of Voting Rights 22

 1.28 Meetings of the Membership 22

 1.29 Meeting Notices; Agendas; Minutes..... 22

 1.30 Record Date 23

 1.31 Proxies..... 23

 1.32 Quorums..... 24

 1.33 Actions 24

 1.34 Adjourned Meetings and Notice Thereof 24

 1.35 Membership in Master Association 25

 1.36 Voting Rights in Master Association..... 25

Functions of Association..... 25

 1.37 Powers and Duties..... 25

 1.38 Rules and Regulations..... 28

 1.39 Additional Express Limitations on Powers of Association 29

 1.40 Manager 30

1.41	Inspection of Books and Records	31
1.42	Continuing Rights of Declarant	32
1.43	Compliance with Applicable Laws	32
Assessments; Budgets; Reserves; Capital Contributions.....		32
1.44	Personal Obligation of Assessments	32
1.45	Association Funds	32
1.46	Reserve Funds; Reserve Studies	33
1.47	Budget	34
1.48	Limitations on Annual Assessment Increases.....	34
1.49	Capital Contributions to Association	35
1.50	Transfer Fees.....	35
1.51	Assessment Commencement Date.....	35
1.52	Capital Assessments.....	36
1.53	Uniform Rate of Assessment	36
1.54	Exempt Property	36
1.55	Specific Assessments	36
1.56	Master Association Assessments	37
1.57	Subsidies and/or Advances by Declarant.....	37
Effect of Nonpayment of Assessments: Remedies of the Association		38
1.58	Nonpayment of Assessments	38
1.59	Notice of Delinquent Installement.....	38
1.60	Notice of Default and Election to Sell	38
1.61	Foreclosure Sale.....	39
1.62	Cure of Default	39
1.63	Cumulative Remedies	39
1.64	Mortgagee Protection.....	39
1.65	Priority of Assessment Lien.....	39
1.66	Master Declaration.....	40
Architectural and Landscaping Control		40
1.67	Design Criteria	40
1.68	Design Review	40
1.69	ARC	40
1.70	Construction and/or Alteration	41
1.71	General Procedures	41
1.72	Application to ARC and Master	41
1.73	Meetings of the ARC	41
1.74	No Waiver of Future Approvals	41
1.75	Non-Liability for Approval of Plans.....	41
1.76	Declarant Exemption	42
1.77	Master Declaration.....	42
Maintenance and Repair Obligations.....		42
1.78	Maintenance Obligations of Owners	42
1.79	Maintenance Obligation of Association	43
1.80	Damage by Owners to Common Areas	43
1.81	Damage and Destruction Affecting Dwelling and Duty to Rebuild.....	44
1.82	Declarant Installed Landscaping.....	44
1.83	Modification of Improvements	45
1.84	Standard of Performance.....	45

Use Restrictions	46
1.85 Single Family Residence.....	46
1.86 No Further Subdivision.....	46
1.87 Insurance Rates	47
1.88 Animal Restrictions	47
1.89 Nuisances	48
1.90 Exterior Maintenance and Repair Owner's Obligations.....	49
1.91 Drainage.....	49
1.92 Water Supply and Sewage Systems.....	50
1.93 No Hazardous Activities.....	50
1.94 No Unsightly Articles	50
1.95 No Temporary Structures.....	50
1.96 Alterations.....	50
1.97 Signs.....	51
1.98 Improvements	51
1.99 Decks/Porches.....	51
1.100 Antennas and Satellite Dishes.....	51
1.101 Parking and Vehicular Restrictions	52
1.102 Traffic Restriction.....	53
1.103 View Restrictions.....	53
1.104 Prohibited Direct Vehicle Access	53
1.105 No Waiver.....	54
1.106 Declarant Exemption	54
1.107 Master Declaration.....	54
Damage to or Condemnation of Common Areas.....	54
1.108 Damage or Destruction	54
1.109 Condemnation.....	55
1.110 Condemnation Involving a Residence	55
Insurance.....	55
1.111 Casualty Insurance.....	55
1.112 Liability and Other Insurance	56
1.113 Fidelity Insurance.....	57
1.114 Other Insurance Provisions	57
1.115 9.7..... Other Insurance	57
1.116 Insurance Obligations of Owners.....	57
1.117 Waiver of Subrogation.....	58
1.118 Notice of Expiration Requirements	58
Mortgagee Protection Clause.....	59
Declarant's Reserved Rights.....	61
1.119 Declarant's Reserved Rights.....	61
1.120 Exemption of Declarant	62
1.121 Limitations on Amendments.....	63
1.122 Master Declaration.....	63
Expansion.....	63
1.123 Declarant's Option to Expand.....	63
1.124 Supplemental Declaration and Supplemental Plat.....	65
1.125 Expansion of Additional Land.....	65

1.126	Contraction of Additional Land.....	65
Golf Course.....		66
1.127	Golf Course Disclosures and Disclaimers	66
1.128	View Impairment	67
Additional Disclosures, Disclaimers and Releases		67
1.129	Additional Disclosures, Disclaimers and Releases Regarding Golf Course.....	67
1.130	Additional Disclosures, Disclaimers, and Releases of Certain Matters.....	69
1.131	Releases.....	73
General Provisions		73
1.132	Enforcement.....	73
1.133	Severability	75
1.134	Term.....	76
1.135	Interpretation.....	76
1.136	Amendment by Declarant	76
1.137	Amendment by Owners	76
1.138	No Public Right or Dedication.....	78
1.139	Constructive Notice and Acceptance	78
1.140	Notices	78
1.141	Priorities and Inconsistencies.....	78
1.142	Master Declaration.....	78
1.143	Limited Liability	79
1.144	Indemnity	79
1.145	Business of Declarant	80
1.146	Covenants of Declarant to Master Declarant	80
1.147	Written Consent	80
Declarant's Right to Cure		80
1.148	Intent to Restore.....	80
1.149	Declarant's Right to Cure	81
1.150	Notice to Declarant	81
1.151	Right to Enter, Inspect and Cure.....	81
1.152	Legal Action.....	81
1.153	No Additional Obligations or Waiver of Rights	82
1.154	Arbitration.....	83

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COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENTS**

FOR

**CHRISTOPHER COMMUNITIES
AT TUHAYE**

(a Utah Expandable Residential Planned Community)
WASATCH COUNTY, UTAH

THIS DECLARATION ("Declaration") is made as of this ____ day of _____, 2005, by FRIENDS OF TUHAYE, LLC, a Delaware limited liability company ("Declarant"). All capitalized terms used herein shall have the respective definitions as set forth herein.

WHEREAS:

A. Declarant owns certain real property in Wasatch County, Utah, as more particularly described in Exhibit "A" attached hereto ("Original Property"); and

B. Declarant intends that, upon Recordation of this Declaration, the Original Property shall be a planned community with single family attached and detached residences ("Community"); and

C. The name of this residential Community shall be CHRISTOPHER COMMUNITIES AT TUHAYE,¹ and the name of the Utah nonprofit corporation organized in connection therewith shall be CHRISTOPHER COMMUNITIES AT TUHAYE HOMEOWNERS ASSOCIATION, INC. ("Association"); and

D. Declarant further reserves the right from time to time to add all or any portion(s) of certain other real property generally described in Exhibit "B" attached hereto (the "Additional Land") to the Community, up to a total maximum not to exceed three hundred fifty (350) aggregate Residences; and

¹ This Development known as "Christopher Communities at Tuhaye," is a **RESIDENTIAL COMMUNITY ONLY**. The golf course and related improvements and facilities (the "Golf Course") (which are also part of the Talisker Club) are a private membership club and are **NOT A PART** of this Development, the Association or the Master Association. Neither ownership of a Lot in the Development nor Membership in the Association or the Master Association will entitle any Owner or occupant to any use or ownership interest in the Golf Course or its related facilities. Further, there is no assurance that the Golf Course will always be owned by its present owner or will always be used as a golf course, and is subject to change in the sole and absolute discretion of the owner and/or operator of the Golf Course. It is possible that the Golf Course may be conveyed to other owner(s), and its use may be changed to a use other than a golf course. REFER TO DETAILED DISCLAIMERS SET FORTH IN ARTICLES 16 AND 17 BELOW.

E. This Declaration is intended to set forth a dynamic and flexible plan of governance of the Community, for the overall development, administration, maintenance and preservation of a residential Community in which the Owners enjoy a quality life style as "good neighbors;" and

F. Declarant intends to develop and convey all of the Original Property, and any Additional Land which may be annexed thereto ("Annexed Property"), pursuant to a general plan and subject to certain protective covenants, restrictions, rights, reservations, easements, equitable servitudes, liens and charges as more fully set forth herein; and

G. In addition to this Declaration, the Development, as hereinafter defined, is subject to the Master Declaration (as defined herein); and

H. The Master Declaration provides that Supplemental Declarations may be recorded covering a portion of the Property (defined in the Master Declaration) and that PUD Home Associations (defined in the Master Declaration) (hereinafter "Sub-Associations") may be established for the purpose of managing and administering said portions of the Property; and

I. Declarant desires that the Development constitute a Sub-Association, subject to the covenants, conditions and restrictions and reservations of easements set forth in this Declaration (which shall be a "Supplemental Declaration" under the Master Declaration) in addition to those set forth in the Master Declaration, and that a Sub-Association be established for the purpose of assessing, managing and administering the Community, including without limitation the Original Property and any Additional Land subsequently annexed into the Community; and

J. Declarant has deemed it desirable, for the efficient preservation of the value and amenities of the Original Property and any Additional Land which may subsequently be annexed into the Community, to organize the Association, to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Areas and Limited Common Areas (each as defined herein), administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created. Declarant will cause, or has caused, the Association to be formed for the purpose of exercising such functions;

NOW, THEREFORE, Declarant hereby declares that all of the Original Property, and, from the date(s) of respective annexation, all Annexed Property (collectively, "Development") shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, in addition to those set forth in the Master Declaration, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness, and desirability of the Development, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Development or any portion thereof. The protective covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Development and shall be binding upon all Persons

having or acquiring any right, title or interest in the Development, or any part thereof, their heirs, executors and assigns; shall inure to the benefit of every portion of the Development and any interest therein; and shall inure to the benefit of and be binding upon, and may be enforced by, Declarant, the Association, each Owner and their respective heirs, executors and administrators, and successive owners and assigns. All Residences within this Community shall be used, improved and limited exclusively to single Family residential use. The Development is hereby divided into Residences including Single Family Attached Residence and Single Family Detached Residences together with an appurtenant interest in the Common Areas to be owned by the Association as set forth herein.

ARTICLE 1. DEFINITIONS.

1.1 "Additional Land" shall mean the real property generally described in Exhibit "B," attached hereto and incorporated by this reference herein, all or any portion of which real property may from time to time be made subject to this Declaration pursuant to the provisions of Article 15 hereof. At no time shall any of the Additional Land be deemed to be a part of the Community or a part of the Development until such portion of the Additional Land has been duly annexed hereto pursuant to Article 15 hereof and until a supplemental declaration and an amended plat annexing such Additional Land or portion thereof have been duly Recorded.

1.2 "Annexed Property" shall mean any and all portion(s) of the Additional Land from time to time added to the Development covered by this Declaration, by Recordation of a Supplemental Declaration and a supplemental Plat pursuant to Article 15 hereof.

1.3 "ARC" shall mean the Christopher Communities Architectural Review Committee created pursuant to Article 8 hereof.

1.4 "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association filed in the office of the Utah Division of Corporations and Commercial Code as such Articles may be amended from time to time.

1.5 "Assessment" shall refer to any of the Assessments, or any installment thereof.

1.6 "Assessments" shall refer collectively to Annual Assessments, and any applicable Capital Assessments, Special Assessments, Specific Assessments or other assessments or levies against each Owner and his Residence as provided for herein. Assessments under this Declaration shall be supplemental to and cumulative with Master Association assessments under the Master Declaration.

1.7 "Assessment, Annual" shall mean the annual or supplemental charge against each Owner and his Residence, representing a portion of the Common Expenses, which are to be paid by each Owner to the Association in the manner, and at the times, and proportions provided herein.

1.8 "Assessment, Capital" shall mean a charge against each Owner and his Residence, representing a portion of the costs to the Association for installation, construction, or reconstruction, or any Improvements on any portion of the Common Areas, or Limited Common Areas which the Association may from time to time authorize, pursuant to the provisions of this Declaration. Such charge shall be levied among all Owners and their Residences in the same proportion as Annual Assessments except as otherwise provided herein.

1.9 "Assessment, Special" shall mean a charge against an Owner and his Residence, representing a portion of the costs to the Association for installation, construction, or reconstruction of any Improvements on any portion of the Common Areas, or Limited Common Areas and the repair and maintenance of the exterior of the Single Family Attached Residences which the Association may from time to time authorize, pursuant to the provisions of this Declaration. Such charge shall be levied among all, a portion of, or one of the Owners and their Residences.

1.10 "Assessment Commencement Date" shall mean that date, pursuant to Section 6.8 hereof, duly established by the Board, on which Annual Assessments shall commence.

1.11 "Association" or "Christopher Community Association" shall mean CHRISTOPHER COMMUNITIES AT TUHAYE HOMEOWNERS ASSOCIATION, INC., a Utah nonprofit corporation, its successors and assigns. The Association shall be a "Sub-Association" as such term is defined in the Master Declaration as a PUD Home Association.

1.12 "Association Funds" shall mean the accounts created for receipts and disbursements of the Association pursuant to Article 6 hereof.

1.13 "Beneficiary" shall mean a Mortgagee under a Mortgage or a beneficiary under a Deed of Trust as the case may be, and the assignees of such mortgagee or beneficiary.

1.14 "Board" or "Board of Directors" shall mean the Board of Directors and management committee as described under Utah law of the Association.

1.15 "Budget" shall mean a written, itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration, prepared and approved pursuant to the provisions of this Declaration.

1.16 "Bylaws" shall mean the Bylaws of the Association which have or will be adopted by the Board, as such Bylaws may be amended from time to time.

1.17 "Christopher Community" shall refer to this Development.

1.18 "City" shall mean the city, if any, in which the Development is or may in the future be located.

1.19 "Close of Escrow" shall mean the date on which a deed is Recorded conveying a Residence from Declarant to a Purchaser.

1.20 "Common Areas" includes the following areas and Improvements thereon, if any: designated Development open areas, natural open areas and certain drainage and sewer easement areas delineated as Common Areas on the Plat, man-made streams and/or lakes, Limited Common Areas and shall mean all real property or interests therein (and any personal property) owned or leased in the Development by the Association, but shall exclude Residences. Notwithstanding the foregoing, Common Areas shall also include any other real or personal property conveyed to the Association in fee or by easement or which the Association holds possessory rights for the primary benefit, common use and enjoyment of the Owners and maintenance by the Association.

1.21 "Common Expenses" shall mean expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves, including the actual and estimated costs of: maintenance, insurance, management, operation, repair and replacement of the Common Areas, Limited Common Areas, Declarant Installed Landscaping and landscaping of traffic circles; periodic maintenance of the exterior surfaces of the Single Family Attached Residences as described in Section 9.2; unpaid Special Assessments, Specific Assessments and/or Capital Assessments; the costs of any commonly metered utilities and other commonly metered charges for the Development; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to Managers, accountants, attorneys and employees; costs of all utilities, gardening, trash pickup and disposal, snow removal (if determined by the Board), and other services benefiting the Owners, Common Areas, Limited Common Areas, Declarant Installed Landscaping or driveways (if determined by the Board); costs of fire, casualty and liability insurance, workers' compensation insurance, and any other insurance covering the Common Areas, Limited Common Areas or Development or deemed prudent and necessary by the Board; costs of insuring or bonding the Board, Officers, any Managers, or any other Person handling the funds of the Association; any statutorily required fees; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Areas, Limited Common Areas or Development, or portions thereof; costs of any other item or items incurred by the Association for any reason whatsoever in connection with the Association is responsible pursuant to this Declaration or pursuant to applicable law. Any Common Expenses incurred which benefit fewer than all of the Owners shall be assessed proportionately to the benefiting Owners. Any costs or expenses described in this Section which benefit the Limited Common Areas and driveways may be deemed Common Expenses as determined by the Board in its sole discretion (without a vote of the Owners).

1.22 "Community" shall mean a planned community, as defined under Utah law and shall refer to this Development.

1.23 "County" shall mean Wasatch County, Utah.

1.24 “Declarant” shall mean FRIENDS OF TUHAYE, LLC, a Delaware limited liability company, its successors and any Person in which it shall have assigned by rights hereunder by an express written and Recorded assignment (but specifically excluding Purchaser as defined herein).

1.25 “Declarant Control Period” shall have the meaning set forth in Section 3.6 below.

1.26 “Declarant Installed Landscaping” shall mean the landscaping installed and maintained by Declarant as described in Section 9.5 excluding the Owner Landscaping Area described in Section 9.6.

1.27 “Declarant Rights Period” shall mean the period of time during which Declarant owns any property subject to this Declaration, or any property in, or has any power to expand or annex, the Additional Land or any portion thereof (during which time, Declarant has reserved certain rights as set forth in this Declaration).

1.28 “Declaration” shall mean this instrument as it may be amended from time to time.

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

1.30 “Design Criteria” shall mean the TUHAYE COMMUNITY DESIGN GUIDE CRITERIA, promulgated by Master Declarant, as the same may be duly amended or supplemented from time to time, which by this reference are fully incorporated herein.

1.31 “Development” shall mean all of the Original Property described in Exhibit “A,” attached hereto, together with such portions of the Additional Land, described in Exhibit “B” hereto, as hereafter may be expanded or annexed from time to time thereto pursuant to Article 15 of this Declaration.

1.32 “Development-Wide Standards” shall mean the standard of design, maintenance, use, and other activity, prevailing generally throughout the Development. Such standards shall be established initially by Declarant pursuant to the Governing Documents, and more specifically set forth in the Tuhaye Community Design Guide, as supplemented from time to time.

1.33 “Director” shall mean a duly appointed or elected and current member of the Board of Directors.

1.34 “Dwelling” shall mean a single family attached or detached residential building located on a Lot designed and intended for use and occupancy as a residence by a single Family.

1.35 “Eligible Holder” shall mean each Beneficiary, insurer and/or guarantor of a first Mortgage encumbering a Residence, which has filed with the Board a written request for notification as to relevant specified matters.

1.36 "Family" shall mean (a) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (b) a group of natural persons not all so related, but who maintain a common household in a Dwelling, or (c) an individual living alone, all as subject to and in compliance with all applicable federal and Utah laws and local health codes and other applicable County and City ordinances.

1.37 "Fiscal Year" shall mean the twelve (12) month fiscal accounting and reporting period of the Association selected from time to time by the Board.

1.38 "Golf Course" shall mean certain real property and Improvements thereon, generally recognized and operated as a golf course (including, without limitation, golf course and playing elements, club house, practice facilities, private cottages, maintenance or storage facilities, driving ranges, lakes, water hazards, trees, bunkers, berms, fairways, greens, and/or other related elements, facilities, features, or components) (which are also part of the Talisker Club) located adjacent to and/or nearby, but not a part of the Development. The Golf Course and the Talisker Club are or will be privately owned, solely and separately, from both the Master Association and the Association. Specific Disclosures and Disclaimers are set forth in Article 16 below.

1.39 "Governing Documents" shall mean the Declaration, Bylaws, Plat, Rules and Regulations. Any inconsistency among the Governing Documents shall be governed pursuant to Section 18.10.

1.40 "Identifying Number" shall mean the number or letter which identifies a Residence on the Plat.

1.41 "Improvement" shall mean any structure or appurtenance thereto of every type and kind, whether above or below the land surface, placed in the Development, including but not limited to Dwellings and other buildings, walkways, sprinkler pipes, garages, swimming pools, spas and other recreational facilities, roads, driveways, parking areas, landscape, man-made lakes and streams, street lights, curbs, gutters, walls, trails, designated Development open spaces, fences, screening walls, retaining walls, stairs, decks, landscaping hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water-softener fixtures or equipment.

1.42 "Limited Common Areas" shall mean those portions of the Common Areas over which exclusive easements are reserved for the benefit of one or more but fewer than all of the Owners, including without limitation, portions of any driveway physically existing on Common Area which services a Residence, and any other such Limited Common Areas shown on the Plat.

1.43 "Lot" shall mean the real property portion of (a) a "Unit" as depicted on the Plat for one (1) Single Family Attached Residence and/or (b) a Single Family Detached Residence as depicted on the Plat. The boundaries of each Lot or a "Unit" in the building envelope shall be the property lines shown on the Plat.

1.44 "Manager" shall mean the Person, if any, whether an employee or independent contractor, appointed by the Association and delegated the authority to implement certain duties, powers or functions of the Association as further provided in this Declaration and in the Bylaws.

1.45 "Master ARC" shall mean the Master Association architectural and landscaping review committee.

1.46 "Master Association" shall mean TUHAYE HOME OWNERS ASSOCIATION, a Utah nonprofit corporation, its successors or assigns. The rights and duties of the Master Association are as set forth in the Master Declaration.

1.47 "Master Association Documents" shall mean the Master Declaration, the Master Articles of Incorporation and Bylaws, and the Master Association Rules.

1.48 "Master Declarant" shall mean TUHAYE LLC, a Utah corporation, its successors, and any Person to which it shall have assigned any rights under the Master Declaration by an express written and Recorded assignment (but specifically excluding Purchasers).

1.49 "Master Declaration" shall mean the Master Declaration of Covenants, Conditions and Restrictions for TUHAYE, A PLANNED COMMUNITY, recorded by Master Declarant, in the Office of the County Recorder of Wasatch County, Utah, on June 4, 2003, as Instrument No. 258750 in Book 0628, as the same from time to time may have been or may be amended and/or restated.

1.50 "Member," "Membership," "Member" shall mean any Person holding a membership in the Association, as provided in this Declaration. "Membership" shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations, including liability for Assessments, contained in this Declaration and the Articles and Bylaws.

1.51 "Mortgage," "Mortgagee," "Mortgagor." "Mortgage" shall mean any unreleased mortgage or deed of trust or other similar instrument of Record, given voluntarily by an Owner, encumbering his Residence to secure the performance of an obligation or the payment of a debt, which will be released and reconveyed upon the completion of such performance or payment of such debt. The term "Deed of Trust" or "Trust Deed" when used herein shall be synonymous with the term "Mortgage." "Mortgage" shall not include any judgment lien, mechanic's lien, tax lien, or other similar involuntary lien on or encumbrance of a Residence. The term "Mortgagee" shall mean a Person to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust. "Mortgagor" shall mean a Person who mortgages his Residence to another (i.e., the maker of a Mortgage), and shall include the trustor of a Deed of Trust. "Trustor" shall be synonymous with the term "Mortgagor," and "Beneficiary" shall be synonymous with "Mortgagee."

1.52 "Notice and Hearing" shall mean written notice and a hearing before the Board, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at Owner's expense, in the manner further provided in the Bylaws.

1.53 "Officer" shall mean a duly elected or appointed and current officer of the Association.

1.54 "Original Property" shall mean that real property described on Exhibit "A," attached hereto and incorporated by this reference herein, which shall be the initial real property made subject to the Declaration, immediately upon the Recordation of this Declaration.

1.55 "Owner" shall mean the Person or Persons, including Declarant, holding fee simple interest of Record to any Residence and shall have a membership interest in the Association. The term "Owner" shall include sellers under executory contracts of sale, but shall exclude Mortgagees.

1.56 "Owner Landscaping Area" shall mean the landscaping area around a Dwelling on each Lot as described in Section 9.6 excluding any Declarant Installed Landscaping.

1.57 "Person" shall mean a natural individual, a corporation, or any other entity with the legal right to hold title to real property.

1.58 "Plat" shall mean the final plat or record of survey map(s) of CHRISTOPHER COMMUNITIES AT TUHAYE, Recorded in the Office of the County Recorder, Wasatch County, Utah, as said plat or record of survey map(s) from time to time may be amended or supplemented of Record by Declarant (including, but not limited to, any map which may, in the future, be Recorded with respect to the Additional Land).

1.59 "Purchaser" shall mean any Person, other than Declarant, who by means of a voluntary transfer becomes the Owner of a Residence.

1.60 "Record," "Recorded," "Filed" or "Recordation" shall mean, with respect to any document, the recordation of such document in the official records of the County Recorder of Wasatch County, Utah.

1.61 "Residence" shall mean a Single Family Attached Residence and/or a Single Family Detached Residence.

1.62 "Residences That May Be Created" shall mean the total "not to exceed" maximum number of aggregate Residences within the Original Property and the Additional Land (which Declarant has reserved the right in its sole discretion to create) (i.e., 350 Residences).

1.63 "Resident" shall mean any Owner, tenant, or other person, who is physically residing in a Residence.

1.64 "Rules and Regulations" mean the rules and regulations, if any, adopted by the Association pursuant to this Declaration and the Bylaws, as such Rules and Regulations from time to time may be amended.

1.65 "Single Family Attached Residence" shall mean that residential portion of this Community for attached homes to be separately owned by each Owner and shall include a Lot and all Improvements thereon. The boundaries of a Single Family Attached Residence shall be the lines shown on the Plat as a "Unit" within a building envelope along with their Identifying Number or letter and to the center of any adjoining wall.

1.66 "Single Family Detached Residence" shall mean that residential portion of this Community for detached homes to be separately owned by each Owner (as shown and separately identified as such on the Plat), and shall include a Lot and all Improvements thereon.

1.67 "Talisker Club" shall mean an organization comprised of entities to be created and intended to own and operate various amenities including the Golf Course, as defined herein.

ARTICLE 2. OWNERS' PROPERTY RIGHTS.

2.1 Owners' Easements of Enjoyment. Each Owner shall have a nonexclusive right and easement of ingress and egress and of use and enjoyment in, to and over the Common Areas, which easement shall be appurtenant to and shall pass with title to the Owner's Residence, subject to the following:

(a) the right of the Association to reasonably limit the number of guests and tenants an Owner or his tenant may authorize to use the Common Areas;

(b) the right of the Association to establish uniform Rules and Regulations pertaining to the use of the Common Areas;

(c) the right of the Association in accordance with the Articles, Bylaws and Declaration, with the vote of at least sixty-seven percent (67%) of the voting power of the Association and a majority of the voting power of the Board, to borrow money for the purpose of improving or adding to the Common Areas, and in aid thereof, and further subject to the Mortgagee protection provisions of Article 13 of this Declaration, to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such Mortgagee shall be subordinated to the rights of the Owners;

(d) subject to any and all expressly applicable provisions of the Declaration, and subject further to the voting and approval requirements set forth in subsection 2.1(c) above and the provisions of Articles 13 and 14 of this Declaration, the right of the Association to dedicate, release, alienate, transfer or grant easements, licenses, permits and rights of way in all or any portion of the Common Areas to any public agency, authority, utility or other Person for

such purposes and subject to such conditions as may be agreed to by the Master Association and the Members;

(e) subject to the provisions of Article 14 hereof, the right of Declarant and its sales agents, representatives and prospective Purchasers, to the nonexclusive use of the Common Areas, without cost, for access, ingress, egress, use and enjoyment, in order to show and dispose of the Development and/or any other development(s), until the last Close of Escrow for the marketing and/or sale of a Residence in the Development or such other development(s); provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;

(f) the other easements, and rights and reservations of Declarant as set forth in Article 14 and elsewhere in this Declaration;

(g) the right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Areas in accordance with the original design, finish or standard of construction of such Improvement, or the general Improvements within the Development, as the case may be; and if not materially in accordance with such original design, finish or standard of construction only with the vote or written consent of the Owners holding at least sixty-seven percent (67%) of the voting power of the Association, and the vote or written consent of a majority of the voting power of the Board, and the approval of Eligible Holders;

(h) the right of the Association, acting through the Board, to replace destroyed trees or other vegetation and to plant, maintain and replace trees, shrubs and other ground cover upon any portion of the Common Areas, interior of traffic circles and upon Declarant Installed Landscaping and the right, but not the obligation, of the Association to take such actions upon any portion of a Lot surrounding a Dwelling or other structure, pursuant to Section 2.7 hereof;

(i) the right of the Association, acting through the Board, to place and maintain upon the Common Areas such signs as the Board reasonably may deem appropriate for the identification, use and/or regulation of the Development;

(j) the right of the Association, acting through the Board, to reasonably restrict access to and use of portions of the Common Areas;

(k) the right of the Association, acting through the Board, to reasonably suspend voting rights and to impose fines as Specific Assessments, and to reasonably suspend the right of an Owner or Resident to use Common Areas, for nonpayment of any Annual, Capital, Special Assessment or Specific Assessment levied by the Association against the Owner's Residence, or if an Owner or Resident is otherwise in breach of obligations imposed under the Governing Documents;

(l) the obligations and covenants of Owners as set forth in Article 9 and elsewhere in this Declaration;

(m) the use restrictions set forth in Article 10 and elsewhere in this Declaration;

(n) the easements reserved in Article 2, inclusive, Article 14 and Article 15, and/or any other provision of this Declaration;

(o) the rights of one or more other Owners to use and enjoy Limited Common Areas and Owner Landscaping Areas without interference; and

(p) the rights of any other easement holders.

2.2 Easements for Parking. Subject to the parking and vehicular restrictions set forth in Section 10.17 below, the Association, through the Board, is hereby empowered to establish "parking" and/or "no parking" areas within the Common Areas, and to establish Rules and Regulations governing such matters, as well as to reasonably enforce such parking rules and limitations by all means lawful for such enforcement on public streets, including the removal of any violating vehicle, by those so empowered, at the expense of the Owner of the violating vehicle. If any temporary guest or recreational parking is permitted within the Common Areas, such parking shall be permitted only within any spaces and areas clearly marked for such purposes. Declarant shall be exempt from this Section 2.2 and this Section 2.2 shall not be amended without the written consent of the Declarant.

2.3 Easements for Vehicular and Pedestrian Traffic. In addition to the general easements for use of the Common Areas reserved herein, there shall be reserved to Declarant and all future Owners, and each of their respective agents, employees, guests, invitees and successors, nonexclusive, appurtenant easements for vehicular and pedestrian traffic over the streets, traffic circles, and any walkways, within the Common Areas, subject to parking provisions set forth in Section 2.2, above, and the use restrictions set forth in Article 10 hereof.

2.4 Easement Right of Declarant Incident to Construction and/or Marketing and Sales Activities. An easement is reserved by and granted to Declarant, its successors and assigns, and their respective officers, managers, employees, agents, contractors, sales representatives, prospective purchasers of Residences, guests and invitees, for access, ingress, and egress over, in, upon, under, and across the Development, including Common Areas and (including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's use, development, marketing or sales related to the Development, or any portion thereof); provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to interfere unreasonably with the occupancy, use, enjoyment, or access by any Owner, his Family, guests, or invitees, to or of that Owner's Lot. The easement created pursuant to this Section 2.4 is subject to the time limit set forth in Article 14 hereof.

2.5 Easements for Public Service Use. In addition to the foregoing easements over the Common Areas, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Development, easements for: (a) placement of any fire hydrants on

portions of certain Lots and/or Common Areas, and other purposes regularly or normally related thereto; and (b) City, County, state, and federal public services, including but not limited to, the right of postal, law enforcement, and fire protection services and their respective employees and agents, to enter upon any part of the Common Areas or any Lot for the purpose of carrying out their official duties.

2.6 Easements for Water, Sewage, Utility and Irrigation Purposes. In addition to the foregoing easements, there shall be and Declarant hereby reserves and covenants for itself, the Association and all future Owners within the Development, easements for public and private utility purposes (including but not limited to, the right of any public or private utility or mutual water and/or sewage district, of ingress or egress over the Development for purposes of reading and maintaining meters, and using and maintaining any fire hydrants located on the Development). There is hereby created a blanket easement in favor of Declarant and the Association upon, across, over, and under all Residences, Lots, the Common Areas, streets, traffic circles, Owner Landscaping Area and the Declarant Installed Landscaping for the installation, replacement, repair, and maintenance of utilities (including, but not limited to, water, sewer, gas, telephone, electricity, and master and cable television systems, if any), provided that said easement shall not extend beyond, across, over, or under any structure located on any Residence. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances in the Development and to install, repair, and maintain water, sewer and gas pipes, electric, telephone and television wires, circuits, conduits and meters. Notwithstanding anything to the contrary contained in this Section, no sewer, electric, water or gas lines or other utilities or service lines may be installed or relocated within the Development during the Declarant Rights Period, except as approved by Declarant. This easement shall in no way affect any other Recorded easements in the Development. There is also hereby reserved to Declarant during the Declarant Rights Period the non-exclusive right and power to grant such specific easements as may be necessary in the sole discretion of Declarant in connection with the orderly development of any property in the Development. Any damage to a Residence resulting from the exercise of the easements described in this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Residence, nor shall it unreasonably interfere with the use of any Residence and, except in an emergency, entry onto any Residence shall be made only after reasonable notice to the Owner or occupant thereof. Declarant further reserves and covenants for itself and the Association, and their respective agents, employees and contractors, easements over the Common Areas, streets, traffic circles, Declarant Installed Landscaping, Owner Landscaping Area, Lots and all Residences, for the control, installation, maintenance, repair and replacement of water and/or sewage lines and systems for watering or irrigation of any landscaping on, and/or sewage disposal from or related to, Common Areas and Declarant Installed Landscaping. In the event that any utility exceeds the scope of this or any other easement reserved in this Declaration, and causes damage to property, the Owner of such property shall pursue any resultant claim against the offending utility, and not against Declarant or the Association.

2.7 Landscaping and Maintenance Easement. In addition to the foregoing easements, there shall be and Declarant hereby reserves and covenants for itself, the Association and each of their respective agents and employees, and their successors and assigns, an easement for access, ingress and egress for repair, maintenance, snow removal (if so determined by the Board), installation, removal, and any other necessary purpose, upon any portion of Common Areas and upon any portion of a Lot, including but not limited to exterior surfaces of the roof and exterior portions of the Single Family Attached Residences, Limited Common Areas, driveways, and Declarant Installed Landscaping as set forth in Section 9.5. No owner shall have a right to remove, replace, or add to any of the Declarant Installed Landscaping without the prior written consent of Declarant or the Board, whichever is applicable.

2.8 Reciprocal Easements for Single Family Attached Residences. Each Owner of a Single Family Attached Residence shall have an exclusive easement in, over and across any adjoining wall for the purposes of maintenance, repair, and replacement of any portion of the adjoining wall, electrical, plumbing, heating and other utility fixture within or under the adjoining wall.

2.9 Additional Reservation of Easements. Declarant hereby expressly reserves for the benefit of each Owner and his Residence, reciprocal, nonexclusive easements over the adjoining Residence(s), for the control, maintenance and repair of the utilities serving such Owner's Residence. Declarant further expressly reserves, for the benefit of all of the real property in the Development, and for the benefit of all of the Residences, the Association and the Owners, reciprocal, nonexclusive easements over all Residences, streets, traffic circles, and Common Areas for the control, installation, maintenance and repair of utility services and drainage facilities serving any portion of the Development for drainage of water resulting from the normal use thereof or of adjoining Residences, or Common Areas, and for any required customer service and/or maintenance and repair of any Dwelling or other Improvement, wherever located in the Development. In the event that any utility exceeds the scope of any easement pertaining to the Development, and thereby causes bodily injury or damage to property, the injured or damaged Owner or Resident shall pursue any and all resultant claims against the offending utility, and not against Declarant or the Association. In the event of any minor encroachment upon the Common Areas or Residence(s), as a result of initial construction or as a result of reconstruction, repair, shifting, settlement or movement of any portion of the Development, a valid easement for minor encroachments and for the maintenance of the same shall exist so long as the minor encroachments exist. Declarant, and each Owner of a Residence, on which there is constructed an Improvement along or adjacent to the property line, shall have an easement appurtenant to such property; over such property line, to and over the adjacent Residence and/or adjacent Common Areas, for the purposes of accommodating any natural movement or settling of such Improvement, any encroachment of such Improvement due to minor engineering or construction variances, and any encroachment of eaves, roof overhangs, patio walls and architectural features comprising parts of the original construction of such Improvement. Declarant further reserves (a) a nonexclusive easement, on or over the Development, and all portions thereof (including Common Areas, Declarant Installed Landscaping, Owner Landscaping Area, Lots and Residences), for the benefit of Declarant and its agents and/or contractors, for any required

warranty repairs; and (b) a nonexclusive easement on and over the Development and all portions thereof (including Common Areas, streets, traffic circles, Declarant Installed Landscaping, Owner Landscaping Area, Lots, and Residences), for the benefit of the Association, and its agents, contractors, and/or any other party, for the maintenance and/or repair of any and all landscaping and/or other Improvements located on the Common Areas and/or Residences.

2.10 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Residence or other property owned by said Owner from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas or any facilities thereon by abandonment of his Residence or any other property in the Development.

2.11 Easement Data. The Recording data for all easements and licenses reserved pursuant to the terms of this Declaration is the same as the Recording data for this Declaration. The Recording data for any easements and licenses created by the Plat is the same as the Recording data for the Plat.

2.12 Owners' Right of Ingress and Egress. Each Owner shall have an unrestricted right of ingress and egress to his Residence reasonably over and across the streets, traffic circles and Common Areas, which right shall be appurtenant to the Residence, and shall pass with any transfer of title to the Residence.

2.13 No Transfer of Interest in Common Areas. No Owner shall be entitled to sell, lease, encumber, or otherwise convey (whether voluntarily or involuntarily) his interest in any of the Common Areas except in conjunction with conveyance of his Residence. No transfer of Common Areas or any interest therein, shall deprive any Residence of its rights of access. Any attempted or purported transaction in violation of this provision shall be void and of no effect.

2.14 Taxes. Each Owner shall execute such instruments and take such action as may be reasonably specified by the Association to obtain separate real estate tax assessment of each Residence. If any taxes or assessments of any Owner may, in the opinion of the Association, become a lien on the Common Areas, or any part thereof, they may be paid by the Association as a Common Expense or paid by the Association and levied against such Owner as a Specific Assessment.

ARTICLE 3. CHRISTOPHER COMMUNITIES AT TUHAYE HOMEOWNERS ASSOCIATION.

3.1 Organization of Association. The Association is or shall be incorporated under the name of CHRISTOPHER COMMUNITIES AT TUHAYE HOMEOWNERS ASSOCIATION, INC., a Utah nonprofit corporation, or similar name, as a nonprofit corporation. Upon dissolution of the Association, the assets of the Association shall be disposed of as set forth in the Governing Documents and in compliance with applicable Utah law.

3.2 Duties, Powers and Rights. Duties, powers and rights of the Association are those set forth in this Declaration, the Articles and Bylaws, together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Utah may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, including any applicable powers set forth in applicable law, subject to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents, or in any applicable law. The Association shall make available for inspection at its office by any prospective purchaser of a Residence any Owner, and the Beneficiaries, insurers and guarantors of the first Mortgage on any Residence, during regular business hours and upon reasonable advance notice, current copies of the Governing Documents, and all other books, records, and financial statements of the Association.

3.3 Membership. Each Owner, upon purchasing a Residence, shall automatically become a Member and shall remain a Member until such time as his ownership of the Residence ceases, at which time his membership in the Association shall automatically cease. Memberships shall not be assignable, except to the Person to which the Residence has been transferred, and each Membership shall be appurtenant to and may not be separated from the fee ownership of such Residence. Ownership of such Residence shall be the sole qualification for Membership, and shall be subject to the Governing Documents.

3.4 Transfer of Membership. The Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Residence, and then only to the Purchaser or Mortgagee of such Residence. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. An Owner who has sold his Residence to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser said Owner's Membership rights. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Residence until fee title to the Residence sold is transferred, including any approved but not yet levied Assessments which accrue or are incurred prior to the Close of Escrow for the Residence. If any Owner should fail or refuse to transfer his Membership to the purchaser of such Residence upon transfer of fee title thereto, the Board shall have the right to record the transfer upon the books of the Association, subject to Section 4.2. Until satisfactory evidence of such transfer (which may, but need not necessarily be, a copy of the Recorded deed of transfer) first has been presented to the reasonable satisfaction of the Board, the purchaser shall not be entitled to vote at meetings of the Association, unless the purchaser shall have valid proxy from the seller of said Residence, pursuant to Section 4.6 hereof. The Association may levy a reasonable transfer fee against a new Owner and his Residence (which fee shall be added to the Annual Assessment chargeable to such new Owner) to reimburse the Association for the administrative cost of transferring the Membership to the new Owner on the records of the Association. The new Owner shall, if requested by the Board or Manager, timely attend an orientation to the Community and the Development, conducted by

an Association Officer or Manager, and will be required to pay any costs necessary to obtain entry gate keys and/or remote controls, if not obtained from the prior Owner at Close of Escrow.

3.5 Board of Directors.

(a) The affairs of the Association shall be managed by a Board of not less than three (3), nor more than five (5) Directors, all of whom (other than Directors appointed by Declarant pursuant to Section 3.6 hereof) must be Members of the Association. In accordance with the provisions of Section 3.6 hereof, upon the formation of the Association, Declarant shall appoint the Board, which shall initially consist of three (3) Directors, none of whom are required to be Residence Owners or Members of the Association. The number of Directors may be increased to five (5) by Declarant (during the Declarant Control Period), and otherwise may be changed by amendment of the Bylaws, provided that there shall not be less than any minimum number of Directors nor more than any maximum number of Directors from time to time required by applicable Utah law. The Board may act in all instances on behalf of the Association, except as otherwise may be provided in the Governing Documents or any applicable law. The Directors, in the performance of their duties, are fiduciaries, and are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business-judgment rule. Notwithstanding the foregoing, the Board may not act on behalf of the Association to amend the Declaration, to terminate the Community, or to elect Directors or determine their qualifications, powers and duties or terms of office, provided that the Board may fill vacancies in the Board for the unexpired portion of any term. The Owners, by a vote of at least sixty-seven percent (67%) of the voting power of a quorum of the Association present and entitled to vote at any duly called and noticed meeting of the Owners in person or by proxy, may remove any Director with or without cause, other than a Director appointed by Declarant. During the Declarant Control Period, only Declarant may remove a Director. If a Director is sued for liability for actions undertaken in his role as a Director, the Association shall indemnify him for his losses or claims, and shall undertake all costs of defense, unless and until it is proven that the Director acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the costs of defense, and may recover, from the Director who so acted, costs already expended. Directors are not personally liable to the victims of crimes occurring within the Development. Punitive damages may not be recovered against Declarant or the Association, subject to applicable Utah law. An officer, employee, agent or director of a corporate Owner, a trustee or designated beneficiary of a trust that owns a Residence, a partner of a partnership that owns a Residence, or a fiduciary of an estate that owns a Residence, may be an Officer or Director. In every event where the person serving or offering to serve as an Officer or Director is a record Owner, he shall file proof of authority in the records of the Association. No Director shall be entitled to delegate his or her vote on the Board, as a Director, to any other Director or any other person and any such attempted delegation of a Director's vote shall be void. Each Director shall serve in office until the appointment (or election, as applicable) of his successor.

(b) Directors shall serve a term of three (3) years. Provided, however, the terms of the Directors shall be staggered, allowing for the rotation of a new Director onto the

Board each year. In order to accommodate the foregoing, the first Board shall consist of one Director who shall have a one-year term; one Director who shall have a two-year term, and one Director who shall have a three-year term. Accordingly, as the original Board rotates, the successor Directors shall serve a full three-year term. The initial Directors, as identified in the Articles, or their duly elected replacements, shall serve until the first meeting of the Association; thereafter, all Directors shall be elected and removed according to the Bylaws and this Declaration. Notwithstanding any provision to the contrary contained herein or elsewhere in the Governing Documents, Declarant shall have the sole power and authority during the Declarant Control Period to appoint and remove the members of the Board of Directors at Declarant's sole discretion. Following the Declarant Control Period, elections for Directors (whose terms are expiring) must be held at the Annual Meeting.

(c) A quorum is deemed present throughout any Board meeting if a majority of the Directors entitled to vote are present at the beginning of the meeting. The vote of a majority of the quorum actually present at any meeting shall constitute the vote of the Board unless expressly provided to the contrary in the Bylaws, this Declaration or any future amendment thereto or hereto.

3.6 Declarant's Control of the Board. Notwithstanding any provision to the contrary contained in this Declaration or the other Governing Documents, there is hereby established a period of Declarant control of the Association, during which period Declarant or persons designated by Declarant shall have the authority to appoint and remove the Association officers and members of the Board of Directors (the "Declarant Control Period"). The Declarant Control Period shall commence on the date of the recording of this Declaration and shall terminate the earlier of one hundred twenty (120) days after the conveyance of title by Declarant to the last Residence That May Be Created by the Declarant or the giving of written notice of termination of the Declarant Control Period by Declarant to the Association.

3.7 Control of Board by Owners. During Declarant Control Period, Declarant, in its sole discretion, may appoint an Owner as a Member of the Board of Directors. Subject to and following the Declarant Control Period, the Owners shall elect a Board of Directors who shall all be Owners, and each Director shall, within thirty (30) days of his appointment or election, certify in writing that he is an Owner and has read and reasonably understands the Governing Documents to the best of his or her ability. The Board shall elect the Officers, all of whom (after the Declarant Control Period) must be Owners and Directors.

3.8 Election of Directors. Subject to the provisions of Section 3.6 and 3.7 above and Section 3.11 below, not less than thirty (30) days before the preparation of a ballot for the election of Directors, which shall normally be concluded at an Annual Meeting, the Association Secretary or other designated Officer shall cause notice to be given to each Owner of his eligibility to serve as a Director. Each Owner who is qualified to serve as a Director may have his name placed on the ballot along with the names of the nominees selected by the Board or a nominating committee established by the Board. The Association Secretary or other designated Officer shall cause to be sent prepaid by United States mail to the mailing address of each

Residence within the Community or to any other mailing address designated in writing by the Residence Owner, a secret ballot and a return envelope. Nominations for election to the Board of Directors may also be made from the floor at any meeting of the Association duly called and noticed for the purpose of electing Directors. Election of Directors must be conducted by secret written ballot, with the vote publicly counted at the meeting at which the election is held, during the progress of such meeting. If the Board chooses to appoint a nominating committee, such nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Owners in the Association. If the Board chooses to appoint a nominating committee, the committee shall be appointed at least ninety (90) days prior to each annual meeting of the Association's Owners, to serve until the close of such annual meeting, and shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Directors who are Residence Owners and who are delinquent in the payment of Assessments are not eligible to be elected or appointed to serve on the Board of Directors. Any attempt to elect such a delinquent Owner to such office shall be void *ab initio*. In the event that any Owner who is a Director of the Association becomes delinquent during his or her term of service, such Owner shall automatically be removed from such office and the vacancy filled pursuant to the terms hereof as if the Director had resigned. If such removed Owner regains good standing after being removed, he or she shall not be reinstated in his or her former position, but shall be eligible to be elected again at the next duly held election.

3.9 Board Meetings.

(a) A regular Board meeting must be held at least once every 90 days and one such meeting must be held within sixty (60) days of the annual meeting of the Association, and shall be held within the Development (or at such other place as may be convenient to all Board members, including by teleconference). Notice of the regular meetings shall be given or sent to each Director, personally or by mail, e-mail, telephone or facsimile, at least ten (10) days prior to the day named for the meeting.

(b) A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) Directors other than the President. Notice for special meetings shall be provided to all Directors and posted within the Development in the manner prescribed for notice of regular meetings. At the discretion of the Board, special meetings may be conducted by teleconference, provided the teleconference has been duly noticed as provided in this Section 3.9. Notwithstanding the foregoing, in an emergency Directors may take action on an item of business without complying with the notice requirements when any occurrence or combination of occurrences: (1) could not have been reasonably foreseen; (2) affects the health, welfare and safety of the Owners; (3) requires the immediate attention of, and possible action by, the Board; and (4) makes it impracticable to comply with regular notice requirements.

(c) During the Declarant Control Period, the Board may, in its sole discretion, provide notice of a meeting of the Board and an agenda. Any such notice shall be posted at a

prominent place(s) within the Development and/or mailed to all Owners. After the Declarant Control Period, notices of meetings of the Board must be provided to all Owners by posting in a prominent place(s) in the Development or mailing to all Owners. The notice shall include an agenda or the date and locations where copies of the agenda may be obtained by Owners. The notice must include notification of the right of an Owner to: (1) have a copy of the minutes or a summary of the meeting distributed to him upon request (and, if required by the Board, upon payment to the Association of the cost of making the distribution), and (2) speak to the Association or Board (if such right exists), unless the Board is meeting in Executive Session.

(d) The notice of the Board meeting must state the time and place of the meeting and include a copy of the agenda for the meeting.

(e) The agenda of the Board meeting must comply with the provisions of the Governing Documents and applicable law. In an emergency, the Board may take action on an item which is not listed on the agenda as an item on which action may be taken.

(f) At least once every 90 days, the Board shall review at one of its meetings: (1) a current reconciliation of the Operating Fund (as defined in Section 6.2 hereof); (2) a current reconciliation of the Reserve Fund (as defined in Section 6.3 hereof); (3) the actual revenues and expenses for the Reserve Fund, compared to the Reserve Budget for the current year, (4) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; (5) an income and expense statement, prepared on at least a quarterly basis, for the Operating Fund and any Reserve Fund; and (6) the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

(g) The minutes of a Board meeting must be made available to Owners in accordance with the Governing Documents and applicable law.

3.10 Attendance by Owners at Board Meetings; Executive Sessions. Following the Declarant Control Period, Owners may attend any meeting of the Board (except for Executive Sessions) and may speak at such meeting, at the discretion of the Board. The Board may establish reasonable procedures and reasonable limitations on the time an Owner may speak at such meeting. An Owner may request that an item be put on the Agenda by making a written request to the Board at least ten (10) days in advance of the meeting. Owners may not attend or speak at an Executive Session, unless the Board specifically so permits. An "Executive Session" is an executive session of the Board (which may be a portion of a Board meeting), designated as such by the Board in advance for the sole purpose of:

(a) consulting with an attorney for the Association on matters relating to proposed or pending litigation, if the contents of the discussion would otherwise be governed by attorney-client privilege; or

(b) discussing Association personnel matters of a sensitive nature; or

(c) discussing any violation ("Alleged Violation") of the Governing Documents (including without limitation, the failure to pay an Assessment) alleged to have been committed by an Owner ("Involved Owner") (provided that the Involved Owner shall be entitled to request in writing that such hearing be conducted by the Board in open meeting, and provided further that the Involved Owner may attend such hearing and testify concerning the Alleged Violation, but may be excluded by the Board from any other portion of such hearing including, without limitation, the Board's deliberation).

No other matter may be discussed in Executive Session. Any matter discussed in Executive Session must be generally described in the minutes of the Board meeting, provided that the Board shall maintain detailed minutes of the discussion of any Alleged Violation, and upon request, shall provide a copy of said detailed minutes to the Involved Owner or his designated representative.

3.11 Vacancies on Board. Vacancies on the Board caused by any reason other than the removal of a Director by the voting in of a replacement by the Owners shall be filled by vote of the majority of the remaining Directors, and each person so elected shall be a Director for the remainder of the term of the Director he replaces, or until a successor is elected at a special meeting of the Owners called for that purpose.

ARTICLE 4. VOTING RIGHTS.

4.1 Owners' Voting Rights. Subject to the following provisions of this Article 4 and the classes of voting set forth in the Bylaws, each Owner shall be entitled to cast one vote for each Residence owned by such Owner in the Development. The foregoing is in addition to each Owner's right to vote in the Master Association pursuant to Section 4.11 hereof. In the event that more than one Person holds fee title to a Residence ("co-owners") all such co-owners shall be one Member, and may attend any meeting of the Association, but only one such co-owner shall be entitled to exercise the votes to which the Residence is entitled. Such co-owners may from time to time designate in writing one of their number to vote. Fractional votes shall not be allowed. Where no voting co-owner is designated, or if such designation has been revoked, the votes for such Residence shall be exercised as the majority of the co-owners of the Residence mutually agree. No votes shall be cast for any Residence where the co-owners present in person or by proxy owning the majority interests in such Residence cannot agree to said votes or other action. The nonvoting co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly Owned Residence and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns. Notwithstanding the foregoing, the voting rights of an Owner shall be automatically suspended during any time period that any Assessment(s) levied against such Owner are delinquent. Any votes cast by such delinquent Owner shall be deemed void *ab initio* and the votes attributable to such Residence shall not be transferred, assigned or exercised by proxy. An Owner shall be deemed delinquent in the

payment of an Assessment if any Assessment is not paid in full within thirty (30) days of its due date.

4.2 Transfer of Voting Rights. The right to vote may not be severed or separated from any Residence and any sale, transfer or conveyance of fee interest in any Residence to a new Owner shall operate to transfer the appurtenant Membership and voting rights without the requirement of any express reference thereto. Each Owner shall within ten (10) days of any sale, transfer or conveyance of a fee interest in the Owner's Residence notify the Association in writing of such sale, transfer or conveyance with the name and address of the transferee, the nature of the transfer and the Residence involved, and such other information relative to the transfer the transferee as the Board may reasonably request, and shall deliver to the Association a copy of the Recorded deed therefor.

4.3 Meetings of the Membership. Meetings of the Members of the Association must be held at least once each year or as otherwise may be required by applicable law. The annual Association meeting shall be held on a recurring anniversary basis, and shall be referred to as the "Annual Meeting." The business conducted at each such Annual Meeting shall include the election of Directors whose terms are then expiring. If the Members have not held a meeting for one (1) year, a meeting of the Association Membership must be held by not later than the March 1 next following. A special meeting of the Association Membership may be called at any reasonable time and place by written request of: (a) the Association President (b) a majority of the Directors or (c) Members representing at least ten percent (10%) of the voting power of the Association, or as otherwise may be required by applicable law. Notice of special meetings shall be given by the Secretary of the Association in the form and manner provided in Section 4.4 hereof.

4.4 Meeting Notices; Agendas; Minutes. Meetings of the Members shall be held at a location in the Development or at such other convenient location as may be designated by the Board in the notice of the meeting.

(a) Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Association Secretary shall cause notice to be hand delivered or sent postage prepaid by United States mail to the mailing address of each Residence or to any other mailing address designated in writing by any Owner. The meeting notice must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice to the Owners must include notification of the right of an Owner to have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request, if the Owner pays the Association the cost of making the distribution; and speak to the Association.

(b) The agenda for the Meeting of the Owners must consist of:

(i) a clear and complete statement of the topics scheduled to be considered during the meeting, including without limitation, any proposed amendment to any of the Governing Documents, any fees or assessments to be imposed or increased by the Association, any budgetary changes, and/or any proposal to remove an Officer or Director; and

(ii) a list describing the items on which action may be taken and clearly denoting that action may be taken on those items ("Agenda Items"); and

(iii) a period devoted to comments by Owners and discussion of such comments; provided that, except in emergencies, no action may be taken upon a matter raised during this comment and discussion period unless the matter is an Agenda Item by the Owner making a written request to the Board at least 10 days in advance of the meeting. If the matter is not an Agenda Item, it shall be tabled at the current meeting, and specifically included as an Agenda Item for discussion and consideration at the next following meeting, at which time, action may be taken thereon.

(c) In an emergency, Members may take action on an item which is not listed on the agenda as an Agenda Item. As used herein, "emergency" means any occurrence or combination of occurrences that: (1) could not have been reasonably foreseen; (2) affects the health, welfare and safety of the Owners; (3) requires the immediate attention of, and possible action by, the Owners; and (4) makes it impracticable to comply with regular notice and / or agenda provisions.

(d) If the Association adopts a policy imposing a fine on an Owner for the violation of a provision of the Governing Documents, the Board shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each Residence or to any other mailing address designated in writing by the Owner thereof, a specific schedule of fines that may be imposed for those particular violations, at least thirty (30) days prior to any attempted enforcement, and otherwise subject to Section 18.1, below.

(e) Not more than thirty (30) days after any meeting, the Board shall cause the minutes or a summary of the minutes of the meeting to be made available to the Owners. A copy of the minutes or a summary of the minutes must be provided to any Owner who pays the Association the cost of providing the copy.

4.5 Record Date. The Board shall have the power to fix in advance a date as a record date for the purpose of determining Members entitled to notice of or to vote at any meeting or to be furnished with any Budget or other information or material, or in order to make a determination of Members for any purpose. Notwithstanding any provisions hereof to the contrary, the Members of record on any such record date shall be deemed the Members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice, or information or material with respect to the same matter and for an adjournment of the same meeting. A record date shall not be more than sixty (60) days nor less than ten (10) days prior to the date on which the particular action requiring determination of Members in proposed or expected to be taken or to occur.

4.6 Proxies. Every Member entitled to attend, vote at, or exercise consents with respect to any meeting of the Members, may do so either in person, or by a representative, known as a proxy, duly authorized by an instrument in writing, filed with the Board prior to the meeting to which the proxy is applicable. A Member may give a proxy only to a member of his

immediate Family, a Resident tenant, or another Member. No proxy shall be valid after the conclusion of the meeting (including continuation of such meeting) for which the proxy was executed. Such powers of designation and revocation may be exercised by the legal guardian of any Member or by his conservator, or in the case of the minor having no guardian, by the parent legally entitled to permanent custody, or during the administration of any Member's estate where the interest in the Residence is subject to administration in the estate, by such Member's executor or administrator. Any form of proxy or written ballot shall afford an opportunity therein to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy or written ballot is solicited, and shall provide, subject to reasonably specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with such specification. Unless applicable Utah law provides otherwise a proxy is void if: (a) it is not dated or purports to be revocable without notice; (b) it does not designate the votes that must be cast on behalf of the Member who executed the proxy; or (c) the holder of the proxy does not disclose at the beginning of the meeting (for which the proxy is executed) the number of proxies pursuant to which the proxy holder will be casting votes and the voting instructions received for each proxy.

4.7 Quorums. The presence at any meeting of Members, who hold votes equal to twenty percent (20%) of the total voting power of the Association, in person or by proxy, shall constitute a quorum for consideration of that matter. The Members present at a duly called meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may except as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which reconvened meeting the quorum requirement shall be those Members entitled to vote that are present in person or by written proxy. Notwithstanding the presence of a sufficient number of Owners to constitute a quorum, certain matters, including, without limitation, amendment to the Bylaws or this Declaration, require a higher percentage (e.g., 67%) of votes of the total voting Membership as set forth in the Bylaws or this Declaration or as required by applicable law.

4.8 Actions. If a quorum is present in person or by proxy, the affirmative vote on any matter of the majority of the votes represented at the meeting (or, in the case of elections in which there are more than two (2) candidates, a plurality of the votes cast) shall be the act of the Members, unless the vote of a greater number is required by applicable law or by the Bylaws or this Declaration.

4.9 Adjourned Meetings and Notice Thereof. Any Members' meeting, regular or special, whether or not a quorum is present may be adjourned from time to time by a vote of a majority of the Members present either in person or by proxy thereat, but in the absence of a quorum, no other business may be transacted at any such meeting except as provided in this Section 4.9. When any Members' meeting either regular or special, is adjourned for seven (7) days or less, the time and place of the reconvened meeting shall be announced at the meeting at

which the adjournment is taken. When any Members' meeting either regular or special, is adjourned for more than seven (7) days, notice of the reconvened meeting shall be given to each Member as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at a reconvened meeting, and at the reconvened meeting the Members may transact any business that might have been transacted at the original meeting.

4.10 Membership in Master Association. Each Member also concurrently shall be a member of the Master Association as and to the extent expressly set forth in the Master Declaration.

4.11 Voting Rights in Master Association. Each Member also shall have voting rights in the Master Association, as and to the extent expressly set forth in the Master Declaration.

ARTICLE 5. FUNCTIONS OF ASSOCIATION.

5.1 Powers and Duties. The Association shall have all of the powers of a Utah nonprofit corporation subject only to such limitations if any upon the exercise of such powers as are expressly set forth in the Declaration, Articles and Bylaws. The Association shall have the power to perform any and all lawful acts, which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association. The Association's obligations to maintain the Common Areas (excluding any Limited Common Areas and any streets and traffic circles to be maintained by the Master Association) and the Declarant Installed Landscaping shall commence on the date Annual Assessments commence on Residences; until commencement of Annual Assessments, the Common Areas (excluding any Limited Common Areas and any streets and traffic circles to be maintained by the Master Association), and Declarant Installed Landscaping shall be maintained by Declarant subject to Section 6.14 and any subsidy agreement. Without in any way limiting the generality of the foregoing provisions, the Association may act through the Board, and shall have:

(a) Assessments. The power and duty to levy assessments against the Owners of Residences, and to enforce payment of such assessments in accordance with the provisions of Article 6 hereof and the power to increase Assessments for Owners in accordance with the provisions of Article 6 and in the event of increase in expenses outside the control of the Association including but not limited to any and all taxes and utility services (without vote of the Members).

(b) Repair and Maintenance of Common Areas. The power and duty to paint, plant, maintain and repair in a neat and attractive condition, in accordance with standards adopted by the ARC, all Common Areas (excluding Limited Common Area and any streets and traffic circles to be maintained by the Master Association) and all Improvements thereon, and landscaping on traffic circles and to pay for utilities and other necessary services for the Common Areas and landscaping on traffic circles (excluding services to be maintained by the Master Association). Notwithstanding the foregoing, the Association shall have no responsibility to provide any of the services referred to in this subsection 5.1(b) with respect to

any Improvement which is accepted for maintenance by any state, local or municipal government agency, public entity or Master Association. Such responsibility shall be that of the applicable agency, public entity or Master Association.

(c) Repair and Maintenance of Declarant Installed Landscaping. The power but not the obligation or duty to plant, maintain and repair in a neat and attractive condition, in accordance with any standards adopted by the Declarant or ARC, all Declarant Installed Landscaping and to pay for utilities and other necessary services for the Declarant Installed Landscaping.

(d) Taxes. The power and duty to pay all taxes and assessments levied upon the Common Areas and all taxes and assessments payable by the Association. However, the Association shall have no duty or obligation to pay taxes or assessments levied upon Limited Common Areas or driveways that encroach upon Common Areas; in the event that the Board determines, in its own discretion to pay such taxes, such taxes shall be a Common Expense and shall be assessed equally among those Owners using and enjoying the Limited Common Areas and driveways that encroach upon Common Areas.

(e) Utility Services. The power and duty to obtain, for the benefit of the Common Areas, landscaping on traffic circles and Declarant Installed Landscaping and any necessary commonly metered water, gas, and/or electric services, and refuse collection, and the power but not the duty to provide for all refuse collection and cable or master television service, if any, for all or portions of the Development.

(f) Easements and Rights of Way. The power but not the duty to grant and convey to any Person, (i) easements, licenses and rights-of-way in, on, over or under the Common Areas, landscaping on traffic circles and Declarant Installed Landscaping and (ii) with the consent of seventy five percent (75%) of the voting power of the Association, fee title to parcels or strips of land which comprise a portion of the Common Areas for the purpose constructing, erecting, operating or maintaining thereon, therein and thereunder: (A) roads, streets, walls, driveways, parkways, park areas and slope areas; (B) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, television, telephone and other similar purposes; (C) sewers, storm and water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes; and, (D) any similar public or quasi-public Improvements or facilities.

(g) Manager. The power, subject to Section 5.4 below, but not the duty to employ or contract with a professional Manager to perform all or any part of the duties and responsibilities of the Association, and the power but not the duty to delegate powers to committees, Officers and employees of the Association. Any such management agreement or any agreement providing for services by Declarant to the Association shall be for a term not in excess of one (1) year, subject to cancellation by the Association for cause at any time upon not less than thirty (30) days written notice, and without cause (and without penalty or the payment of a termination fee) at any time upon ninety (90) days written notice.

(h) Rights of Entry and Enforcement. The power but not the duty, after Notice and Hearing (except in the event of emergency which poses an imminent threat to health or substantial damage to property, in which event, Notice and Hearing shall not be required), to enter upon any area of a Residence, without being liable to any Owner, except for damage caused by the Association entering or acting in bad faith, for the purpose of enforcing by peaceful means the provisions of this Declaration or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner thereof fails to maintain and repair such area as required by this Declaration. All costs of any such maintenance and repair as described in the preceding sentence (including all amounts due for such work, and the costs and expenses of collection) shall be assessed against such Owner as a Specific Assessment and, if not paid timely when due, shall constitute an unpaid delinquent assessment pursuant to Article 7 hereof. The responsible Owner shall pay promptly all amounts due for such work, and for costs and expenses of collection. Unless there exists an emergency, there shall be no entry into a Dwelling without the prior consent of the Owner thereof. The Association may also commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Declaration and to enforce, by mandatory injunctions or otherwise, all of the provisions of the Declaration, and, if such action pertaining to the Declaration is brought by the Association, the prevailing party shall be entitled to reasonable attorneys' fees and costs to be fixed by the court.

(i) Other Services. The power and duty to maintain the integrity of the Common Areas and landscaping on traffic circles and to provide such other services as may be necessary or proper to carry out the Association's obligations and business under the terms of this Declaration to enhance the enjoyment, or to facilitate the use by the Members of the Common Areas and landscaping on traffic circles.

(j) Employees, Agents and Consultants. The power but not the duty, if deemed appropriate by the Board, to hire and discharge employees and agents and to retain and pay for legal, accounting and other services as may be necessary or desirable in connection with the performance of any duties or exercise of any powers of the Association under this Declaration.

(k) Acquiring Property and Construction on Common Areas. The power but not the duty, by action of the Board, to acquire property or interests in property for the common benefit of Owners, including Improvements and personal property. The power but not the duty, by action of the Board, to construct new Improvements or additions to the Common Areas, or demolish existing Improvements (other than maintenance or repairs to existing Improvements), subject to the ARC, any Design Criteria, Design Standards, Development-Wide Standards and/or Master ARC requirements.

(l) Contracts. The power but not the duty to enter into contracts with Owners to provide services or to maintain and repair Improvements within the Development which the Association is not otherwise required to maintain pursuant to this Declaration, and the power but not the duty, to contract with third parties for such services. Any such contract or service

agreement must, however, provide for payment to the Association of the cost of providing such service or maintenance.

(m) Records and Accounting. The power and the duty to keep or cause to be kept, true and correct books and records of account at the sole cost and expense of the Association in accordance with generally accepted accounting principles. Financial statements for the Association shall be regularly prepared.

(n) Maintenance of Other Areas. The power but not the duty to maintain and repair slopes, parkways, driveways, entry structures, signs identifying the Development, Declarant Installed Landscaping, Owner Landscaping Area and Limited Common Areas other than the Common Areas (including but not limited to the removal of snow) to the extent deemed to be reasonable and prudent by the Board.

(o) Use Restrictions. The power and the duty to enforce use restrictions pertaining to the Development.

(p) Insurances. The power and the duty to cause to be obtained and maintained the insurance coverages pursuant to Article 12 hereof.

(q) Licenses and Permits. The power and the duty to obtain from applicable governmental authority any and all licenses and permits reasonably necessary to carry out Association functions hereunder.

(r) Representation. The power and the duty to represent the collective interests of the Members at all meetings of the Master Association, if so directed by the Members at a duly held Membership meeting.

(s) Enforcement. The power and the duty to (i) enforce the payment of an Assessment against an Owner as provided for in this Declaration, (ii) enforce compliance with the Governing Documents by or to obtain other relief from, any Owner who has violated any provisions thereof, (iii) protect against any matter which imminently and substantially threatens all of the health, safety and welfare of the Owners, (iv) to protect against a supplier, vendor, or provider of services, pursuant to a contract or purchase order with the Association and in the ordinary course of business, or (v) pursue or defend any other matter as allowed by law or equity.

5.2 Rules and Regulations. The Board shall be empowered to adopt, amend, repeal, and/or enforce reasonable and uniformly applied Rules and Regulations which shall not discriminate among Members for the use and occupancy of the Development as follows:

(a) General. A copy of the Rules and Regulations as from time to time may be adopted, amended repealed, shall be posted in a conspicuous place in the Common Areas and/or shall be mailed or otherwise delivered to each Member and also kept on file with the Association. Upon such mailing, delivery or posting, the Rules and Regulations shall have the

same force and effect as if they were set forth herein and shall be binding on all Persons having any interest in, or making any use of any part of, the Development, whether or not Members; provided, however, that the Rules and Regulations shall be enforceable only to the extent that they are consistent with the other Governing Documents. If any Person has actual knowledge of any of the Rules and Regulations such Rules and Regulations shall be enforceable against such Person whether or not a Member, as though notice of such Rules and Regulation had been given pursuant to this Section 5.2. The Rules and Regulations may not be used to amend any of the other Governing documents.

(b) Limitations. The Rules and Regulations must be:

- (i) Reasonably related to the purpose for which adopted;
- (ii) Sufficiently explicit in their prohibition, direction, or limitation, so as to reasonably inform an Owner or Resident or tenant or guest thereof of any action or omission required for compliance;
- (iii) Adopted without intent to evade any obligation of the Association;
- (iv) Consistent with the other Governing Documents (and must not arbitrarily restrict conduct or require the construction of any capital improvement by an Owner if not so required by the other Governing Documents); and
- (v) Uniformly enforced under the same or similar circumstances against all Owners; provided that any particular rule not so uniformly enforced may not be enforced against any Owner (except as, and to the extent, if any, such enforcement may be permitted from time to time by applicable law); and
- (vi) Duly adopted and distributed to the Owners at least thirty (30) days prior to any attempted enforcement.

5.3 Additional Express Limitations on Powers of Association. The Association, through its Board, shall not take any of the following actions except with the prior vote or written consent of a majority of the voting power of the Association:

(a) Incur aggregate expenditures for capital improvements to the Common Areas in any Fiscal Year in excess of five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year; or sell, during any Fiscal Year, any property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year.

(b) Enter into a contract with a third person wherein the third person will furnish goods or services for the Association for a term longer than one (1) year, except: (i) a contract with a public or private utility, cable television company, or entity providing "smart" data Community services, if any, if the rates charged for the materials or services are regulated

by the Utah Public Service Commission; or (ii) prepaid casualty and/or liability insurance policies of no greater than three (3) years duration.

(c) Pay compensation to any Association Director or Officer for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Director or Officer to be reimbursed for expenses incurred in carrying on the business of the Association, subject to all other provisions of the Declaration, not to exceed the sum of \$100.00 in each instance without prior written approval of the Board.

5.4 Manager. The Association shall have the power to employ or contract with a Manager, to perform all or any part of the duties and responsibilities of the Association, subject to the Governing Documents, for the purpose of operating and maintaining the Development, subject to the following:

(a) Any agreement with a Manager shall be in writing and shall be for a term not in excess of one (1) year, subject to cancellation by the Association for cause at any time upon not less than thirty (30) days written notice, and without cause (and without penalty or the payment of a termination fee) at any time upon not more than ninety (90) days written notice. In the event of any explicit conflict between the Governing Documents and any agreement with a Manager, the Governing Documents shall prevail.

(b) The Manager shall possess sufficient experience, in the reasonable judgment of the Board, in managing residential subdivision projects, similar to the Development, in the County, and shall be duly licensed as required from time to time by the appropriate licensing and governmental authorities (and must have the qualifications, including education and experience, when and as required for the issuance of the relevant certificate or license by the Utah Division of Real Estate pursuant and subject to applicable law, or duly exempted pursuant to applicable law). Any and all employees of the Manager with responsibilities to or in connection with the Association and/or the Community shall have such experience with regard to similar projects. (If no Manager meeting the above-stated qualifications is available, the Board shall retain the most highly qualified management entity available, which is duly licensed by the appropriate licensing authorities).

(c) No Manager, or any director, officer, shareholder, principal, partner, or employee of the Manager may be a Director or Officer of the Association.

(d) As a condition precedent to the employ of, or agreement with, a Manager, the Manager (or any replacement Manager) first shall be required, at its expense, to review the Governing Documents, Plat, and any and all Association Reserve Studies and inspection reports pertaining to the Development.

(e) By execution of its agreement with the Association, a Manager shall be conclusively deemed to have covenanted: (1) in good faith to be bound by, and to faithfully perform all duties (including, but not limited to, full and faithful accounting for all Association funds within the possession or control of Manager) required of the Manager under the Governing

Documents (and, in the event of irreconcilable conflict between the Governing Documents and the contract with the Manager, the Governing Documents shall prevail); (2) that any penalties, fines or interest levied upon the Association as the result of Manager's error or omission shall be paid (or reimbursed to the Association) by the Manager; (3) to comply fully, at its expense, with all applicable regulations of the Utah Division of Real Estate; and (4) at Manager's sole expense, to promptly turn over, to the Board, possession and control of all funds, documents, books, records and reports pertaining to the Development and/or Association, and to coordinate and cooperate in good faith with the Board in connection with such turnover, in any event not later than ten (10) days of expiration or termination of the Association's agreement with Manager (provided that, without limiting its other remedies, the Association shall be entitled to withhold all amounts otherwise due to the Manager until such time as the Manager turnover in good faith has been completed).

(f) Upon expiration or termination of an agreement with a Manager, a replacement Manager meeting the above-stated qualifications shall be retained by the Board as soon as possible thereafter and a limited review performed, by a qualified person designated by the Board, of the books and records of the Association, to verify assets.

(g) The Association shall also maintain and pay for the services of such other personnel, including independent contractors, as the Board shall determine to be necessary or desirable for the proper management, operation, maintenance, and repair of the Association and the Development, pursuant to the Governing Documents, whether such personnel are furnished or employed directly by the Association or by any person with whom or which it contracts. Such other personnel shall not all be replaced concurrently, but shall be replaced according to a "staggered" schedule, to maximize continuity of services to the Association.

5.5 Inspection of Books and Records.

(a) The Board shall, upon the written request of any Owner, make available the books, records and other papers of the Association for review during the regular working hours of the Association, with the exception of: (1) personnel records of employees (if any) of the Association; and (2) records of the Association relating to another Owner. Such written request by Owner must be received by the Association at least forty-eight (48) hours prior to the time such Owner desires to view such records.

(b) The Board shall cause to be maintained and made available for review at the business office of the Association or other suitable location: (1) the financial statements of the Association; (2) the Budgets; and (3) Reserve Studies, if any.

(c) The Board may charge a fee to cover the actual costs of preparing such copy, but not to exceed 25 cents per page (or such maximum amount as permitted by applicable Utah law), which fee must be actually received by the Association prior to delivery of such copies.

(d) Notwithstanding the foregoing, each Director shall have the unfettered right at any reasonable time, and from time to time, to inspect all such records.

5.6 Continuing Rights of Declarant. Declarant shall preserve the right, without obligation, to enforce the Governing Documents (including, without limitation, the Association's duties of maintenance and repair and any Reserve Study obligations). Declarant shall also have the right, without obligation, to attend Association and Board meetings on a non-voting basis. Declarant shall also receive notice of, and have the right, without obligation to attend all inspections of the Development or any portion(s) thereof. The Board shall also, throughout the term of this Declaration, deliver to Declarant (without any express or implied obligation or duty on Declarant's part to review or to do anything) all notices and correspondence to Owners, all inspection reports, any Reserve Studies prepared in accordance with Section 6.3 hereof, and financial statements as described in Section 5.1(m) hereof. Such notices and information shall be delivered to Declarant at its most recently designated address.

5.7 Compliance with Applicable Laws. The governance of the Association shall at all times comply with all applicable laws relating thereto. The provisions of the Governing Documents shall be upheld and enforceable to the maximum extent permissible under applicable federal or state law or City or County ordinance. Subject to the foregoing, in the event of irreconcilable conflict between applicable law and any provision of the Governing Documents, the applicable law shall prevail, and the affected provision of the Governing Document shall be deemed amended (or deleted) to the minimum extent reasonably necessary to remove such irreconcilable conflict. In no event shall the Association adhere to or enforce any provision of the Governing Documents which irreconcilably contravenes applicable law.

ARTICLE 6. ASSESSMENTS; BUDGETS; RESERVES; CAPITAL CONTRIBUTIONS.

6.1 Personal Obligation of Assessments. Each Owner of a Residence, by acceptance of a deed therefor, whether or not so expressed in such deed, is deemed to covenant and agree to pay to the Association, (a) Annual Assessments, (b) Special Assessments, (c) any Capital Assessments and any other assessments to be established and collected as provided in this Declaration including but not limited to Specific Assessments (as defined in Section 6.12). All Assessments, together with interest thereon, late charges, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the Residence and shall be a continuing lien upon the Residence against which such Assessment is made. Each such Assessment, together with interest thereon, late charges, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Residence at the time when the Assessment became due. This personal obligation cannot be avoided by abandonment of a Residence or by an offer to waive use of the Common Areas. The personal obligation only shall not pass to the successors in title of any Owner unless expressly assumed by such successors.

6.2 Association Funds. The Board shall establish at least the following separate accounts ("Association Funds") into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration. The Association Funds

shall be established as trust accounts at a federally or state insured banking or savings institution and shall include: (1) an operating fund ("Operating Fund") for the Common Expenses and other current expenses of the Association, (2) any Reserve Fund (defined below) for capital repairs and replacements as set forth in Section 6.3 hereof, and (3) funds which the Board may establish, to extent necessary under the provisions of this Declaration. To qualify for higher returns on accounts held at banking or savings institutions, the Board may commingle any amounts deposited into any of the Operating Funds (but not any Reserve Fund, which shall be kept segregated), provided that the integrity of each individual Association Fund shall be preserved on the books of the Association by accounting for disbursements from, and deposits to, each Association Fund separately. Subject to the foregoing, each of the Association Funds shall be established as a separate trust savings or trust checking account, at any federally or state insured banking or lending institution, with balances not to exceed institutionally insured levels. All amounts deposited into the Operating Fund and any Reserve Fund must be used solely for the common benefit of the Owners for purposes authorized by this Declaration. The Manager shall not be authorized to make withdrawals from any Reserve Fund; withdrawal from any Reserve Fund shall only be undertaken in strict conformance with Section 6.3(a) hereof.

6.3 Reserve Fund; Reserve Studies.

(a) The Association may, at the discretion of the Board, establish a reserve fund ("Reserve Fund") to be used for capital repairs, restoration, and replacement of major components ("Major Components") of the Common Areas and for major repairs to the exterior of the Single Family Attached Residences. In the event a Reserve Fund is established (i) in no event whatsoever shall the Reserve Fund be used for regular maintenance recurring on an annual or more frequent basis or as the source of funds to institute, prosecute, maintain and/or intervene in any Proceeding, or for any other purpose whatsoever, (ii) the Reserve Fund shall be kept in a segregated account, withdrawals from which shall only be made upon specific approval of the Board subject to the foregoing; (iii) funds in the Reserve Fund may not be withdrawn without the signatures of both the President and the Treasurer (provided that the Secretary may sign in lieu of either the President or the Treasurer, if either is not reasonably available); the President, Treasurer, and Secretary all must be Directors and (after the Declarant Control Period) must also be Owners; (iv) under no circumstances shall the Manager (or any one Officer or Director, acting alone) be authorized to make withdrawals from the Reserve Fund, and (v) any use of the Reserve Fund in violation of the foregoing provisions shall be unauthorized and ultra vires as to the Association, and shall subject any Director who acted in any manner to violate or avoid the provisions and/or requirements of this Section 6.3(a) to personal liability to the Association for all costs and liabilities incurred by reason of the unauthorized use of the Reserve Fund.

(b) In the event a Reserve Fund is established, the Board shall periodically retain the services of a qualified reserve study analyst, with sufficient experience with preparing reserve studies for similar residential projects in the County or in Summit County, Utah, to prepare and provide to the Association a reserve study ("Reserve Study"). Thereafter, the Board shall: (1) cause to be conducted at least once every five years, a subsequent Reserve Study; (2) review the results of the most current Reserve Study at least annually to determine if those

reserves are sufficient, and (3) make any adjustments the Board deems necessary to maintain the required reserves.

(c) In the event a Reserve Fund is established, each Reserve Study must be conducted by a person qualified by training and experience to conduct such a study (including, but not limited to, a Director, an Owner or a Manager who is so qualified). Any Reserve study must include, without limitation: (1) a summary of an inspection of the Major Components of the Common Areas and which the Association is obligated to repair, replace or restore; (2) an identification of the Major Components which have a remaining useful life of less than 30 years; (3) an estimate of the remaining useful life of each Major Component so identified; (4) an estimate of the cost of repair, replacement or restoration of each Major Component so identified during and at the end of its useful life, and (5) an estimate of the total annual assessment that may be required to cover the cost of repairing, replacement or restoration the Major Component so identified (after subtracting the reserves as of the date of the Reserve Study). The Reserve Study shall be conducted in accordance with any applicable governmental regulations.

6.4 Budget.

(a) During the Declarant Control Period, the Board shall adopt an annual Budget for each Fiscal Year without Owner approval. The Board, in its sole discretion, may distribute a copy of the Budget to the Owners.

(b) Subject to Section 6.4(a), the Board shall adopt an annual Budget at least forty-five (45) days prior to the first Annual Assessment period for each Fiscal Year, provide to all Owners a summary of the Budget, and shall set a date for a meeting of the Owners to consider ratification of the Budget. Said meeting shall be held not less than fourteen (14) days, nor more than thirty (30) days after mailing of the summary. Unless at that meeting the proposed Budget is rejected by at least seventy-five percent (75%) of the voting power of the Association, the Budget shall be deemed ratified, whether or not a quorum was present. If the proposed Budget is duly rejected as aforesaid, the annual Budget for the immediately preceding Fiscal Year shall be reinstated, as if duly approved for the Fiscal Year in question, and shall remain in effect and such time as a subsequent proposed Budget is ratified.

(c) Subject to Section 6.4(a), the Board shall not less than 30 days or more than 60 days before the beginning of each Fiscal Year, distribute to each Owner a copy of the Budget (which must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the Reserve Fund, if any).

(d) Subject to Section 6.4(a), in lieu of distributing copies of the Budget, the Board may distribute to each Owner a summary of the Budget, accompanied by a written notice that the Budget is available for review at the business office of the Association or other suitable location and that copies of the Budget will be provided upon request.

6.5 Limitations on Annual Assessment Increases. The Board shall not levy, for any Fiscal Year, an Annual Assessment which exceeds the "Maximum Authorized Annual

Assessment" as determined below, unless first approved by the vote of Members representing at least a majority of the voting power of the Association. The "Maximum Authorized Annual Assessment" in any fiscal years following the initial budgeted year shall not exceed one hundred twenty-five percent (125%) of the aggregate of (a) the Annual Assessment for the prior Fiscal Year, plus (b) a twenty-five percent (25%) increase thereof. Notwithstanding the foregoing, if, in any Fiscal Year, the Board reasonably determines that the Common Expenses cannot be met by the Annual Assessments levied under the then-current Budget, the Board may, upon the affirmative vote of a majority of the voting power of the Association and a majority of the voting power of the Board, submit a Supplemental Annual Assessment, applicable to that Fiscal Year only, for ratification as provided in Section 6.4 hereof. Any unused portion of the Maximum Authorized Annual Assessment may be carried over to the following year. In the event of any increase in expenses outside the control of the Association including but not limited to any and all taxes and utility services, the Board may increase Assessments without a vote of the Membership.

6.6 Capital Contributions to Association. At the Close of Escrow for the initial sale of a Residence by Declarant, the Purchaser of such Residence shall be required to pay an initial capital contribution to the Association in the amount of \$950.00. Such capital contribution is in addition to, and is not to be considered as, an advance payment of, the Annual Assessment for such Residence. Additionally, at the Close of Escrow for each subsequent sale (resale) of a Residence by an Owner or subsequent Owner (other than Declarant), the Purchaser of such Residence shall be required to pay a resale capital contribution to the Association in the amount of \$250.00. Each such resale capital contribution is in addition to the foregoing described initial capital contribution, and is further in addition to, and is not to be considered as, an advance payment of the Annual Assessment for such Residence. These amounts shall be deposited by the purchaser into the purchase and sale escrow and disbursed therefrom to the Association or to the Declarant to be used for any Association related expenses or expenses the Declarant incurs or incurred in maintaining the Common Elements or providing services or subsidies in connection with the Development.

6.7 Transfer Fees. Upon acquisition of title to a Residence from Declarant, each Owner will be required to pay the Association an initial transfer fee in the sum of Seventy-Five Dollars (\$75.00). The transfer fee may be changed from time to time prospectively (but not retroactively) by Declarant. The transfer fees are in addition to all Assessments and Capital Contributions.

6.8 Assessment Commencement Date. The Board, by majority vote, shall authorize and levy the amount of the Annual Assessment upon each Residence, as provided herein. Annual Assessments shall commence on each Residence on the respective Assessment Commencement Date. The "Assessment Commencement Date" hereunder shall be the first day of the calendar month following the Close of Escrow to a Purchaser of a Residence; provided that Declarant may establish, in its sole discretion, a later Assessment Commencement Date uniformly as to all Residences by agreement of Declarant to pay all Common Expenses for the Development up through and including such later Assessment Commencement Date. The first

Annual Assessment for each Residence shall be pro-rated based on the number of months remaining in the Fiscal Year. All installments of Annual Assessments shall be collected in advance on a monthly basis by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate binding on the Association, signed by an Officer or Association agent, setting forth whether the Assessments on a Residence have been paid. At the end of any Fiscal Year, any excess funds remaining in the Operating Fund, over and above the amounts used for the operation of the Development, shall first be used to pay the Declarant under any subsidy agreement and second, the Board may retain excess funds for the Association to use in reducing the following year's Annual Assessment or to deposit in any reserve account. Upon dissolution of the Association incident to the abandonment or termination of the maintenance of the Development, any amounts remaining in any of the Association Funds shall be distributed proportionately to or for the benefit of the Members, in accordance with Utah law.

6.9 Capital Assessments. The Board may levy, in any Fiscal Year, a Capital Assessment applicable to that Fiscal Year only, for the propose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital Improvement or other such addition upon the Common Areas, including fixtures and personal property related thereto; provided that any proposed Capital Assessment shall require the advance consent of a majority of the voting power of the Association.

6.10 Uniform Rate of Assessment. Annual and Capital Assessments shall be assessed at an equal and uniform rate against all Owners and their Residences. Each Owner's share of such assessments shall be a fraction, the numerator of which shall be the number of Units owned by such Owner and the denominator of which shall be the aggregate number of Residences in the Original Property (and upon expansion, of Residences in portions of the Annexed Property). Provided however, 1) any Common Expenses incurred for the payment of taxes on Limited Common Areas and driveways that encroach upon Common Areas shall be assessed equally among those Owners using and enjoying the Limited Common Areas and driveways: 2) any Common Expenses incurred for the benefit of fewer than all of the Owners, including, but not limited to, Owners of Single Family Attached Residences for the maintenance and repair of the exterior surfaces as described in Section 9.2, shall be assessed equally among those Owners benefited.

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

(a) all portions, if any, of the Development dedicated to and accepted by, the United States, the State of Utah, the County, the City, or any political subdivision of any of the foregoing, or any public agency, entity or authority, for so long as such entity or political subdivision is the owner thereof, or for so long as such dedication remains effective; and

(b) the Common Areas owned by the Association in fee.

6.12 Specific Assessments. The Association may, subject to the provisions of Section 9.3 and Section 11.1 (b) hereof, levy assessments (in amounts not to exceed the maximum

permitted by applicable law), after Notice and Hearing, against specific Owners or Residents who have violated the Governing Documents (including without limitation, the traffic restrictions set forth in Section 10.18 hereof), and/or caused the Association to incur special expenses due to willful or negligent acts of said Owners, their tenants, families, guests, invitees or agents ("Specific Assessments"). Specific Assessments also shall include, without limitation, late payment penalties, interest charges, fines, administrative fees, attorneys' fees, amounts expended to enforce assessment liens against Owners as provided for herein, and other charges of similar nature. Specific Assessments, if not paid timely when due, shall constitute unpaid or delinquent assessments, pursuant to Article 7 hereof.

6.13 Master Association Assessments. Additionally, each Owner, by acceptance of a deed to a Residence (whether or not so expressed in such deed) shall be deemed to agree to pay all required Master Association capital contributions and assessments, as and to the extent required under applicable provisions of the Master Declaration, and that the Master Association shall have the same rights and remedies against Owners hereunder as the Master Association has against the "Owners" (as said term is defined in the Master Declaration) with respect to the enforcement of the assessments described above. Notwithstanding any provisions of this Declaration to the contrary, the terms of this Section 6.13 may not be amended, altered, suspended, or superseded without the express written consent of the Master Association, in its sole discretion, which consent shall be acknowledged in a Recorded document.

6.14 Subsidies and/or Advances by Declarant. Declarant shall have the right, in its sole and absolute discretion, from time to time during the Declarant Control Period, to: (a) subsidize the Association, by direct payment of any and all Excess Common Expenses (as defined below) ("Declarant Subsidies"), and/or (b) advance funds and/or make loan(s) to the Association, to be used by the Association for the sole purpose of paying Excess Common Expenses ("Declarant Advances"). "Excess Common Expenses" for purposes of this Section 6.14 shall mean such amount, if any, of Common Expenses in excess of Assessments and non-Reserve funds reasonably available at such time to pay Common Expenses. The aggregate amount of any and all Declarant Subsidies and/or Declarant Advances, or portions from time to time respectively thereof, together with interest thereon at the rate set forth in any subsidy agreement, shall be repaid by Association to Declarant as soon as non-Reserve funds are reasonably available therefor (or, at Declarant's sole and absolute discretion may be set off and applied by Declarant from time to time against any and all past, current, or future Assessments and/or contributions to any Reserve Funds, to such extent, if any, Declarant is obligated to pay any such amounts under this Declaration or under applicable Utah law). Each Owner, by acceptance of a deed to his or her Residence, shall be conclusively deemed to have acknowledged and agreed to all of the foregoing provisions of this Section 6.14, whether or not so stated in such deed.

ARTICLE 7. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

7.1 Nonpayment of Assessments. Any installment of an Assessment shall be delinquent if not paid within thirty (30) days of the due date as established by the Board. Such delinquent installment shall bear interest from due date until paid, at the rate of eighteen percent (18%) per annum. In addition, the Board may require the delinquent Owner to pay a reasonable late charge, as determined by the Board, to compensate the Association for increased bookkeeping, billing, administrative costs, and any other appropriate charges. No such late charge or interest or any delinquent installment may exceed the maximum rate or amount allowable by law. The Association may bring an action at law against the Owner personally obligated to pay any delinquent installment or late charge, or foreclose the lien against the Residence. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment of his Residence.

7.2 Notice of Delinquent Installment. If any installment of an Assessment is not paid within (30) days after its due date, the Board may mail notice of delinquent Assessment to the Owner and to each first Mortgagee of the Residence. The notice shall specify: (a) the amount of the Assessments and any other sums due; (b) a description of the Residence against which the lien is imposed; (c) the name of the record owner of the Residence; (d) the fact that the installment is delinquent; (e) the action required to cure the default; (f) the date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and (g) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of such Assessment for the then-current Fiscal Year and foreclosure sale of the Residence. The notice shall further inform the Owner of his right to cure after acceleration. If the delinquent installment of Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of such Assessments levied against such Owner and his Residence to be immediately due and payable without further demand, and may enforce the collection of the full Assessments and all charges thereon in any manner authorized by law or this Declaration.

7.3 Notice of Default and Election to Sell. No action shall be brought to enforce any Assessment lien herein, unless at least ninety (90) days have expired following the later of: (a) the date a notice of default and election to sell is Recorded; or (b) the date the Recorded notice of default and election to sell is mailed in the United States mail, certified or registered, return receipt requested, to the Owner of the Residence. Such notice of default and election to sell must recite a good and sufficient legal description of such Residence, the Record Owner or reputed Owner thereof, the amount claimed (which may, at the Association's option, include interest on the unpaid Assessment as described in Section 7.1 hereof, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by such lien), the name and address of the Association, and the name and address of the Person authorized by the Board to enforce the lien by sale. The notice of default and election to sell shall be signed and acknowledged by an Association Officer, Manager, or other Person designated by the Board for such purpose, and

such lien shall be prior to any declaration of homestead Recorded after the date on which this Declaration is Recorded. The lien shall continue until fully paid or otherwise satisfied.

7.4 Foreclosure Sale. Any such sale provided for above may be conducted by the Board, its attorneys, or other Person authorized by the Board in accordance with applicable law. The Association, through its duly authorized agents, shall have the power to bid on the Residence at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Notices of default and election to sell shall be provided as required by applicable law. Notice of time and place of sale shall be provided as required by applicable law.

7.5 Cure of Default. Upon the timely cure of any default for which a notice of default and election to sell was filed by the Association, the Officers thereof shall Record an appropriate release of lien, upon payment by the defaulting Owner of a reasonable fee to be determined by the Board, to cover the cost of preparing and Recording such release. A certificate, executed and acknowledged by any two (2) Directors or the Manager, stating the indebtedness secured by the lien upon any Residence created hereunder, shall be conclusive upon the Association and, if acknowledged by the Owner, shall be binding on such Owner as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request, at a reasonable fee, to be determined by the Board.

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

7.7 Mortgagee Protection. Notwithstanding all other provisions hereof, no lien created under this Article 7, nor the enforcement of any provision of this Declaration shall defeat or render invalid the rights of the Beneficiary under any Recorded first Deed of Trust encumbering a Residence, made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Residence by judicial foreclosure, other foreclosure, or exercise of power of sale, such Residence shall remain subject to this Declaration and to the Master Declaration, and the payment of all installments of assessments accruing subsequent to the date such Beneficiary or other Person obtains title. The lien of the assessments, including interest and costs, shall be subordinate to the lien of any first Mortgage upon the Residence. The release or discharge of any lien for unpaid assessments by reason of the foreclosure or exercise of power of sale by the first Mortgagee shall not relieve the prior Owner of his personal obligation for the payment of such unpaid assessments.

7.8 Priority of Assessment Lien. Recording of the Declaration constitutes Record notice and perfection of a lien for Assessments. A lien for Assessments, including interest, costs, and attorneys' fees, as provided for herein, shall be prior to all other liens and encumbrances on a Residence except for (a) lien and encumbrances Recorded before the Declaration was Recorded, (b) a first Mortgage Recorded before the delinquency of the Assessment sought to be enforced, and (c) liens for real estate taxes and other government charges, and is otherwise subject to

applicable law. The sale or transfer of any Residence shall not affect an Assessment lien. However, the sale or transfer of any Residence pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such Assessment as to payments which became due prior to such, sale or transfer. No sale or transfer shall relieve such Residence from lien rights for any Assessments which thereafter become due. Where the Beneficiary of a first Mortgage of Record or other purchaser of a Residence obtains title pursuant to a judicial or nonjudicial foreclosure or "deed in lieu thereof," the Person who obtains title and his successors and assigns shall not be liable for the share of the Common Expenses or Assessments by the Association chargeable to such Residence which became due prior to the acquisition of title to such Residence by such Person. Such unpaid share of Common Expenses and Assessments shall be deemed to become expenses collectible from all of the Residences, including the Residence belonging to such Person and his successors and assigns.

7.9 Master Declaration. The foregoing provisions of and remedies under this Article 7 shall be in addition to, and cumulative with, any and all provisions of and remedies under the Master Declaration.

ARTICLE 8. ARCHITECTURAL AND LANDSCAPING CONTROL.

8.1 Design Standards. During the Declarant Control Period, Declarant may promulgate Design Standards at any time during the Declarant Control Period, but is not obligated to do so. Any Design Standards may contain general provisions applicable to all of the Development, as well as specific provisions applicable only to portions of the Development. The Design Standards may include written guidelines setting forth minimum standards for the design, size, location, structure, color, style of architecture, building height, types of building materials, landscaping and other relevant criteria deemed important by Declarant for the construction of Improvements within the Development ("Design Standards"). Each Owner, by acceptance of a Deed to any Residence, agrees to be bound by all provisions of the Design Standards, as may from time to time be amended or revised. Declarant shall have sole and full authority to amend the Design Standards, during the Declarant Control Period. Upon expiration or express delegation of the Declarant's right to amend, the Board of Directors shall have the authority to amend the Design Standards. Such Design Standards may be made in addition to any Development-Wide Standards and the Design Criteria.

8.2 Design Review. Each Owner agrees that no activity within the scope of this Article 8 ("Work") shall be commenced on such Owner's Residence unless and until Declarant or the ARC has given its prior written approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or ARC in accordance with the Governing Documents (including, but not limited to, the Design Standards).

8.3 ARC. An Architectural Review Committee, sometimes referred to in this Declaration as the "ARC" may be appointed by the Declarant during the Declarant Control Period or by the Board of Directors following the Declarant Control Period. Any such ARC shall consist of three (3) committee members; provided, however, that such number may be increased or decreased from time to time by resolution of the Board. Declarant, during the

Declarant Control Period shall act in the capacity of the ARC unless, in its sole discretion, by written instrument, Declarant, at any earlier time, turns the power to appoint the members to the ARC to the Board. A member of the ARC may be removed at any time, without cause, by the Board. In the event that the Board of Directors does not appoint an ARC, the Board shall act in the same capacity and all references to "ARC" shall mean "Board of Directors" for purposes of seeking approval. The Declarant during the Declarant Control Period and the Board of Directors thereafter, may appoint or retain the services of a consultant at the expense of the Association.

8.4 Construction and/or Alteration. Subject to Declarant's exemption set forth in this Section, no Dwelling or related Improvement shall be placed, constructed, or maintained, nor shall any construction be commenced upon any Lot nor shall any exterior additions or alterations or remodeling to any Residence or any existing improvement be made, without approval of the Declarant or the ARC.

8.5 General Procedures. The ARC may issue rules or guidelines setting forth procedures for the submission of plans and specifications, requiring a fee to accompany each application for approval, or stating additional factors which it will take into consideration in reviewing submissions. Notwithstanding the foregoing or any other provision herein, ARC's jurisdiction shall extend only to the external appearance or "aesthetics" of any Improvement, and shall not extend to structural matters, method of construction, or compliance with a building code or other applicable legal requirement. ARC approval shall be subject to all applicable requirements of applicable government authority, drainage, and other similar matters, and shall not be deemed to encompass or extend to possible impact on neighboring Residences.

8.6 Application to ARC and Master. Each Owner agrees that any necessary approval shall first be sought from the Association ARC and second from the Master Association architectural and landscaping Review Committee. In the event approval is denied by the ARC, application to the Master shall not be made. In the event of approval, no action may be taken without Master Association approval if such approval is required by the Master Association.

8.7 Meetings of the ARC. The ARC shall meet from time to time as necessary to perform its duties hereunder. The vote of a majority of the ARC, or the written consent of a majority of the ARC taken without a meeting, shall constitute an act of the ARC.

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

8.9 Non-Liability for Approval of Plans. The ARC's approvals of proposals or plans and specification shall not constitute a representation, warranty or guarantee, whether express or implied, that such proposals or plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations and restrictions. By

approving such proposals or plans and specifications, neither the ARC, the members thereof, the Association, the Board, nor Declarant, assumes any liability or responsibility therefor, or for any defect in the structure constructed, from such proposals or plans or specifications. Neither the ARC, any member thereof, the Association, the Board, nor Declarant shall be liable to any Member, Owner, occupant, or other Person or entity for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any proposals, plans and specifications and drawings, whether or not defective, or (b) the construction or performance of any work, whether or not pursuant to the approved proposals, plans and specifications and drawings.

8.10 Declarant Exemption. The ARC shall have no authority, power or jurisdiction over Residences owned by Declarant and the provisions of this Article 8 shall not apply to Improvements built by Declarant, or, until such time as Declarant conveys title to a Lot to a Purchaser, to Lots owned by Declarant. This Article 8 may not be amended without Declarant's written consent set forth on the amendment

8.11 Master Declaration. The foregoing architectural and landscaping control provisions and any other provisions of this Declaration requiring approval of the ARC or Board of Directors shall be in addition to, cumulative with, and prior to, any and all expressly applicable architectural and landscaping control provision of the Master Declaration and other Master Association Documents. In the event of any irreconcilable conflict, the act, Work, Improvement, etc. may not be completed and will be deemed disapproved. Master Association Documents shall prevail, subject to the right (without any obligation to do so) of the Master ARC, in its sole and absolute discretion, to waive (which must be done in writing) the application of the irreconcilably conflicting provision of the Master Association Documents, on a case by case basis.

ARTICLE 9. MAINTENANCE AND REPAIR OBLIGATIONS.

9.1 Maintenance Obligations of Owners. Except as otherwise provided herein, it shall be the duty of each Owner, at his sole cost and expense, subject to the provisions of this Declaration requiring ARC approval to maintain, repair, replace and restore all Improvements located on his Residence, any Limited Common Area used by such Owner, driveways, Owner Landscaping Area and the Residence itself, in a neat, sanitary and attractive condition, except for any areas expressly required to be maintained by the Association under this Declaration. If any Owner shall permit any Improvement, the maintenance of which is the responsibility of such Owner, to fall into disrepair or to become unsafe or unsightly, or otherwise to violate this Declaration, the Board shall have the right to seek any remedies at law or in equity which the Association may have. In addition, the Board shall have the right and easement, but not the duty, after Notice and Hearing as provided in the Bylaws, to enter upon such Residence and Lot to make such repairs or to perform such maintenance and to charge the cost thereof to the Owner. Said cost shall be a Specific Assessment enforceable as set forth in this Declaration.

The foregoing notwithstanding: (a) the Association shall have an easement for the maintenance, repair and replacement of any portion of a Lot which constitutes a Common Area

and the Improvements constructed by Declarant or the Association on such Common Area and (b) each Owner (other than Declarant) by acceptance of a deed to a Residence, whether or not so expressed in such deed, is deemed to covenant and agree not to place or install any Improvement on a Common Area, and not to hinder, obstruct, modify change, add to or remove, partition, or seek partition of, any Common Area or any Improvement installed by Declarant or the Association thereon.

9.2 Maintenance Obligation of Association. No Improvement excavation or work which in any way alters the Common Areas or Declarant Installed Landscaping shall be made or done by any Person other than the Association or its authorized agents after the completion of the construction or installation of the Improvements thereto by Declarant. Subject to the provisions of Sections 9.3 and 11.1(b) hereof, upon the Assessment Commencement Date, the Association shall provide for the maintenance, repair, and replacement of the Common Areas (excluding Limited Common Areas, driveways and any streets and traffic circles to be maintained by the Master Association), Declarant Installed Landscaping and the landscaping within the traffic circles. The Common Areas, Declarant Installed Landscaping and landscaping within the traffic circles shall be maintained in a safe, sanitary and attractive condition, and in good order and repair. The Association shall also provide for any utilities serving the Common Areas, Declarant Installed Landscaping and the landscaping within the traffic circles. The Association shall also ensure that any landscaping on the Common Areas, Declarant Installed Landscaping and traffic circles is regularly and periodically maintained. The Association, in its sole discretion, may maintain Limited Common Areas and, driveways. For purposes of uniformity and aesthetics, the Association shall provide for the periodic maintenance and repair of the painted or stained surfaces on the exterior of the Single Family Attached Residences including the exterior surfaces of the roof, gutters, heat tape systems, siding, soffits, garage doors, etc.; such maintenance and repair shall not include anything under any painted or stained surface nor any interior surface and shall not include any major repairs unless otherwise determined by the Board of Directors. The Master Association shall maintain, repair, replace and remove snow from the streets, including traffic circles, within the Development in a safe sanitary and attractive condition and in good order and repair. The Association shall not be responsible for the maintenance of any portions of the Common Areas or other areas which have been dedicated to and accepted for maintenance by the Master Association or a state, local or municipal government agency or entity. All of the foregoing obligation of the Association shall be discharged when and in such manner as the Board shall determine in its judgment to be appropriate.

9.3 Damage by Owners to Common Areas. The cost of any maintenance, repairs or replacements by the Association within the Development, including but not limited to, Common Areas, Limited Common Areas, Declarant Installed Landscaping, landscaping within the traffic circles, the exterior surfaces of the Single Family Attached Residence, or other areas within the Development arising out of or caused by the willful or negligent act of an Owner, his tenants, or their respective Families, guests or invitees shall, after Notice and Hearing, be levied by the Board as a Specific Assessment against such Owner provided in Section 6.12 hereof.

9.4 Damage and Destruction Affecting Dwelling and Duty to Rebuild. If all or any portion of any Residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Residence to rebuild, repair or reconstruct the same in a manner which will restore the Residence substantially to its appearance and condition immediately prior to the casualty or as otherwise approved by the Master ARC. The Owner of any damaged Residence shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause reconstruction to commence within three (3) months after the damage occurs and to be completed within six (6) months after the damage occurs, unless prevented by causes beyond his reasonable control. A transferee of title to the Residence which is damaged shall commence and complete reconstruction in the respective periods which would have remained for the performance of such obligations if the Owner at the time of the damage still held title to the Residence, subject to ARC approval requirements.

However, in no event shall such transferee of title be required to commence or complete such reconstruction in less than ninety (90) days from the date such transferee acquired title to the Residence.

9.5 Declarant Installed Landscaping.

(a) Declarant Installed Landscaping shall include the native type landscaping installed on each Lot by Declarant located outside of the Owner Landscaping Area to the boundary line of the Lot.

(b) Declarant (and the Association after the expiration of the Declarant Control Period) shall have the option, in its sole and absolute discretion, to plant, maintain, remove and replace landscaping and all irrigation systems in connection therewith on Declarant Installed Landscaping. Declarant Installed Landscaping shall not include driveways.

(c) Any commonly metered water and electricity for the repair and maintenance of the Declarant Installed Landscaping shall be a Common Expense. Each Owner covenants not to initiate or continue any act or omission which would have the effect of any such water or electricity being shut off to the Lot and not to interfere in any manner with the irrigation system or the clock/timer therefor. In the event that all or any portion of the Declarant Installed Landscaping or any Common Area landscaping is or are damaged because of any Owner's act or omission, then such Owner shall be solely liable for the costs of repairing such damage, and any and all costs reasonably related thereto, and the Board may, in its discretion, perform or cause to be performed such repair, and to assess all related costs against such Owner as a Specific Assessment, provided in Section 6.12 of this Declaration, the Association, and its employees, agents and contractors, shall have an easement over the Residences to perform any such function.

(d) Absent prior written approval of the ARC, which may be given or withheld in its sole discretion, no Owner may add to, remove, modify, or change any Declarant Installed Landscaping or any other landscaping or related system.

(e) Absent prior written approval of the ARC in its sole discretion, no Owner may add, place, construct or improve anything on the Lot surrounding a Dwelling.

9.6 Owner Landscaping Area.

(a) The Owner Landscaping Area shall include the manicured type landscaping around the perimeter of the Dwelling on each Lot bordered by metal edging or flatwork (driveways or sidewalks). In the event any Owner Landscaping Area encroaches upon Common Areas, such Owner Landscaping Area shall be deemed Limited Common Area for the benefit of the Owner of the Lot and shall be maintained by such Owner as set forth in this Section.

(b) Each Owner of a Single Family Detached Residence shall install and maintain landscaping in the Owner Landscaping Area on the Owner's Lot including but not limited to planting, watering, removing, etc. Such landscaping within the Owner Landscaping Area on a Single Family Detached Residence shall be completed within nine months of closing of escrow on such Single Family Detached Residence from Declarant. Each Owner of a Single Family Detached Residence shall obtain prior written approval from the Master ARC and the ARC of any and all plans for the installation and any modification of landscaping in the Owner Landscaping Area.

(c) The Owner Landscaping Area may or may not be installed by Declarant on the Lots for the Single Family Detached Residences. The Owner Landscaping Area shall be installed by Declarant on the Lots for the Single Family Attached Residences. Regardless of whether the Owner Landscaping Area was installed by Declarant or Owner, each Owner shall maintain, repair, remove or replace the Owner Landscaping Area on the Owner's Lot including irrigation systems in connection therewith upon closing of escrow on the Residence. Any and all maintenance, repair or replacement of the Owner Landscaping Area shall be the Owner's sole expense.

9.7 Modification of Improvements. Maintenance and repair of Common Areas and the Declarant Installed Landscaping and any Limited Common Areas (if determined by the Board) as described in Section 9.2, shall be the responsibility of the Association, and the costs of such maintenance and repair thereof shall be Common Expenses, provided that, in the event that any Improvement located on a Common Area or any of the Declarant Installed Landscaping or Limited Common Areas is damaged because of any Owner's act or omission, such Owner shall be solely liable for the costs of repairing such damage and any and all costs reasonably related thereto, all of which costs maybe assessed agent such Owner as a Specific Assessment under this Declaration. Each Owner covenants, by acceptance of a deed to this Residence, whether or not so stated in such deed, to not add to, remove, delete, modify, change, obstruct or landscape, all or any portion of the Common Areas, without prior written approval of the ARC in its sole discretion.

9.8 Standard of Performance. All maintenance shall be performed in a manner consistent with the Development-Wide Standard and all applicable covenants. Maintenance

shall include responsibility for repair and replacement, as necessary. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

ARTICLE 10. USE RESTRICTIONS.

Subject to the rights and exemptions of Declarant as set forth in this Declaration, and subject further to the fundamental "good neighbor" policy underlying and controlling the Community and this Declaration, all real property within the Development shall be held, used and enjoyed subject to the limitations, restrictions and other provisions set forth in this Declaration. The strict application of the limitations and restrictions set forth in this Article 10 may be modified or waived in whole or in part by the Declarant and/or the Board, in specific circumstances where such strict application would be unduly harsh provided that any such waiver or modification shall not be valid unless in writing and executed by the Declarant and/or the Board. Any other provision herein notwithstanding, neither Declarant, the Association, the ARC, nor their respective directors, officers, members, agents or employees shall be liable to any Owner or to any other Person as a result of the failure to enforce any use restriction or for the granting or withholding of a waiver or modification of a use restriction as provided herein.

10.1 Single Family Residence. Each Residence shall be improved and used solely as a residence for a single Family and for no other purpose. No part of the Development shall ever be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, primary storage, vending, "reverse engineering," destructive construction testing, or any other nonresidential purposes provided that Declarant may exercise the reserved rights described in Article 14 hereof. The provisions of this Section 10.1 shall not preclude a professional or administrative occupation, provided that there is no nuisance under Section 10.5 hereof, and no external evidence of any such occupation, for so long as such occupation is conducted in conformance with all applicable governmental ordinances and are merely incidental to the use of the Dwelling as a residential home. This provision shall not preclude any Owner from renting or leasing his entire Residence by means of a written lease or rental agreement subject to this Declaration, any Rules and Regulations and any applicable laws: provided that no such lease shall be for a term of less than twelve (12) months.

10.2 No Further Subdivision. Except as may be expressly authorized by Declarant, no Residence or Common Areas may be further subdivided (including, without limitation, any division into time-share estates or time-share uses) without the prior written approval of the Board, and any necessary approval of the County; provided, however, that this shall not be construed to limit the right of an Owner: (1) to rent or lease his entire Residence by means of a written lease or rental agreement subject to the restrictions of this Declaration, so long as the Residence is not leased for transient, nightly rental or hotel purposes; (2) to sell his Residence; or (3) to transfer or sell any Residence to more than one person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as Community property. The terms of any such

lease or rental agreement shall be made expressly subject to the Governing Documents. Any failure by the lessee of such Residence to comply with the terms of the Governing Documents shall constitute a default under the lease or rental agreement. No two or more Residences in the Development may be combined in any manner whether to create a larger Residence or otherwise (and provided that no such combination, if so permitted, shall affect the Assessments and/or votes allocated before any such combination). No Owner(s) may permanently remove any intervening partition between Residences, if any.

10.3 Insurance Rates. Without the prior written approval of the Master ARC and the Board, nothing shall be done or kept in the Development which will increase the rate of insurance on any Residence or other portion of the Development, nor shall anything be done or kept in the Development which would result in the cancellation of insurance on any Residence or other portion of the Development or which would be a violation of any law. Any other provision herein notwithstanding, neither the ARC nor the Board shall have any power whatsoever to waive or modify this restriction.

10.4 Animal Restrictions. No animals, reptiles, poultry, fish, or fowl or insects of any kind ("animals") shall be raised, bred or kept on or in any Residence, except that a reasonable number of dogs, cats, birds or fish may be kept provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable City or County ordinance or any other provision of the Declaration, and such limitations as may be set forth in the Rules and Regulations. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than three (3) pets per household; provided, however, that the Board may determine that a reasonable number in any instance may be more or less. The Association, acting through the Board, shall have the right to prohibit maintenance of any animal in any lot which constitutes, in the opinion of the Board, a nuisance to other Owners or Residents. Subject to the foregoing, animals belonging to Owners, Residents, or their respective Families, licensees, tenants or invitees within the Development must be kept on a leash or other restraint being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner and/or Resident shall be liable to each and all other Owner or Residents, and their respective Families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Development by an Owner or Resident or respective Family, tenants or guests; and it shall be the absolute duty and responsibility of each such Owner and Resident to clean up after such animals in the Development or streets or traffic circles abutting the Development. Without limiting the foregoing: (a) a "dog run", "pet containment area" or similar improvement pertaining to animals may be placed or permitted upon a Lot with the prior written approval of Declarant during the Declarant Control Period or the Board thereafter, who in its sole discretion, may specify any requirements including, but not limited to, aesthetics, size, location and fencing, and (b) all Owners shall comply fully in all respects with all applicable County and City ordinances and rules regulating and/or pertaining to animals and the maintenance thereof on the Owner's Residence and/or any other portion of the Development.

10.5 Nuisances.

(a) No rubbish, clippings, refuse, scrap lumber or metal, no grass, shrub or tree clippings, and no plant waste, pet waste, compost, bulk materials or other debris of any kind (all, collectively, hereinafter, "rubbish and debris") shall be placed or permitted to accumulate anywhere within the Development and no odor shall be permitted to arise therefrom so as to render the Development or any portion thereof unsanitary, unsightly, or offensive. Without limiting the foregoing, all rubbish and debris shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose. Such containers shall be kept inside of the garage for a Residence and shall be exposed to the view of the neighboring Residences only when set out for a reasonable period of time (not to exceed twelve (12) hours before or eight (8) hours after scheduled trash collection hours). No noxious or offensive activities (including, but not limited to the repair of motor vehicles) shall be carried out on the Development. No noise or other nuisance shall be permitted to exist or operate upon any portion of a Residence so as to be offensive or detrimental to any other Residence or to occupants thereof, or to the Common Areas. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other similar or unusually loud sound devices (other than devices used exclusively for safety, security or fire protection purposes), noisy or smoky vehicles, large power equipment or large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscape maintenance), inoperable vehicle, unlicensed off-road motor vehicle, or other item which may unreasonably disturb other Owners or Residents, or any equipment or item which may unreasonably interfere with television or radio reception within any Residence or the Common Areas, shall be located, used or placed on any portion of the Development without the prior written approval of the ARC. No loud motorcycles, dirt bikes or other loud mechanized vehicles may be operated on any portion of the Common Areas without the prior written approval of the ARC, which approval may be withheld for any reason whatsoever. Alarm devices used exclusively to protect the security of a Dwelling and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms. The Board shall have the right to determine if any noise or activity producing such noise or odor constitutes a nuisance.

(b) Without limiting the foregoing, or any other provision in this Declaration, there shall be no staging of any construction or landscaping materials or other similar or related items (including, but not limited to, portable toilets) on any street at any time, any violation may be remedied by the Association, in its sole discretion, by removal of the offending item, at the expense of the offending owner and/or by fines levied upon the offending Owner and his or her Lot. Each Owner, by acceptance of a deed to a Residence, whether or not so stated in the deed, shall be conclusively deemed to have agreed to indemnify and hold harmless each and every one of Declarant, the Association, and their respective officers, managers, directors, employees, agents, and contractors, from and against any and all actions and/or omissions of the Owner's contractor, subcontractor, and their respective employees and agents.

(c) Notwithstanding the foregoing, or any other provision in this Declaration:
(1) no lawn mower or other power equipment, or other loud or noisy device or activity

whatsoever, shall be operated or conducted: (A) during any prohibited time, as set forth in the Rules and Regulations, Monday through Saturday, (B) at any time whatsoever on Sunday or any holiday, and/or (C) during any other time prohibited by the Board in its reasonable discretion; and (2) without limiting the foregoing, no loud music or mechanical, human, and/or animal sounds or noises shall be permitted to emanate from any Lot after 9:00 p.m., or such earlier time prescribed by applicable law, any day of the week.

(d) Without limiting the foregoing, each Owner and Resident shall comply with all of the requirements of local or state health authorities and all other applicable governmental authorities, with respect to the occupancy and use of a Residence, including Dwelling. Each Owner and Resident shall be accountable to the Association and other Owners and Residents for the conduct and behavior of children and other Family member or persons residing in or visiting his Residence; and any damage to the Common Areas or to the , personal property of the Association, or property of another Owner or Resident, caused by such children or other Family members, shall be repaired at the sole expense of the Owner of the Residence where such children or other Family members or persons are residing or visiting.

10.6 Exterior Maintenance and Repair Owner's Obligations. No Residence, Owner Landscaping Area, or Improvement anywhere within the Development shall be permitted to fall into disrepair, and shall at all times be kept in good condition and repair. If any Owner or Resident shall permit any Residence Improvement or Owner Landscaping Area, the maintenance of which is the responsibility of such Owner or Resident, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board, after affording such Owner or Resident reasonable notice, shall have the right but not the obligation to correct such condition, and to enter upon such Owner's Residence, Improvement or Owner Landscaping Area, for the purpose of so doing, and such Owner and/or Resident shall promptly reimburse the Association for the cost thereof. Such cost may be assessed as a Specific Assessment pursuant Section 6.12 hereof, and, if not paid timely when due, shall constitute an unpaid or delinquent assessment pursuant to Article 7 hereof. The Owner and/or Resident of the offending Residence shall be personally liable for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner and/or Resident shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor.

10.7 Drainage. By acceptance of a deed to a Residence each Owner agrees for himself and his assigns that he will not in any way interfere with or alter, or permit any Resident to interfere with or alter, the established drainage pattern over any Residence, so as to affect said Residence, any other Residence, or the Common Areas, or Master Association Common Areas, as defined in the Master Declaration, unless adequate alternative provision is made for proper drainage and approved in advance and in writing by the Master ARC and the ARC. Without limiting the generality of the foregoing, any request by an Owner for Master ARC or ARC approval of alteration of established drainage pattern shall be subject to payment, by the Owner, of the professional fees of a licensed engineer to review the plans and specifications on behalf of the Master ARC and the ARC, which shall be required in all such cases, and further shall be subject to the Owner obtaining all necessary governmental approvals. For the purpose hereof,

“established drainage pattern” is defined as the drainage which exists at the time that such Residence is conveyed to a Purchaser from Declarant, or later grading changes which are shown on plans and specification.

10.8 Water Supply and Sewer Systems. No individual water supply, or cesspool, septic tank, or other sewage disposal system, or visible exterior water softener system, shall be permitted on or about any Residence.

10.9 No Hazardous Activities. No activities shall be conducted, nor shall any improvements be constructed, anywhere in the Development which are or might be unsafe or hazardous to any person, Residence, Common Areas, or Master Association Common Areas. Without limiting the foregoing, (a) no firearm shall be discharged within the Development, and (b) there shall be no exterior or open fires whatsoever, except a barbecue fire contained within a receptacle commercially designed therefor, while attended and in use for cooking purposes, or except within a fireplace designed to prevent the dispersal of burning embers, so that no fire hazard is created, or except as specifically authorized in writing by the Master ARC and the ARC (all as subject to applicable ordinances and fire regulations).

10.10 No Unsightly Articles. No unsightly article, facility, equipment, object, or condition (including, but not limited to, clotheslines, garden or maintenance equipment, bronze statues, fountains, windmills or an inoperable vehicle) shall be permitted to remain on any Residence so as to be visible from any street, or from any other Residence, Common Areas, or neighboring property. Without limiting the foregoing or any other provision herein, all refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose. Such container shall be exposed to view of the public, or neighboring Residences, only when set out for a reasonable period of time (not to exceed twelve (12) hours before and eight (8) hours after scheduled trash collection hours).

10.11 No Temporary Structures. Unless required by Declarant during the initial construction of Dwellings and other Improvements, or unless approved in writing by the ARC in connection with the construction of authorized Improvements, no outbuilding, tent, shack, shed, trailer or other temporary or portable structure or Improvement of any kind shall be placed upon any portion of the Development. No garage, carport, trailer, camper, motor home, recreational vehicle, or other vehicle, or any Improvement other than a Dwelling, shall be used as a residence in the Development, either temporarily or permanently.

10.12 Alterations. There shall be no excavation, construction, alteration or erection of any projection which in any way alters the exterior appearance of any Improvement from any street, or from any other portion of the Development (other than minor repairs or rebuilding pursuant to Section 10.6 hereof) without the prior approval of the Master ARC and the Board. There shall be no violation of the setback, side yard or other requirements of local governmental authorities, notwithstanding any approval of the ARC. This Section 10.12 shall not be deemed to prohibit minor repairs or rebuilding which may be necessary for the purpose of maintaining or restoring a Residence to its original condition.

10.13 Signs. Use restrictions governing and pertaining to signs shall be set forth from time to time in Rules and Regulations and deemed incorporated herein by this reference.

10.14 Improvements.

(a) All utility and storage areas and all laundry rooms, including all areas in which clothing or other laundry is hung to dry, must be completely covered and concealed from view from other areas of the Development and neighboring properties.

(b) No fence or wall shall be erected or altered without prior written approval the ARC. All alterations or modifications of existing fences or wall of any kind shall require the prior written approval of the ARC, in its discretion (and the ARC may, but need not necessarily, require written consent of the Owners of all adjacent Lots as a prerequisite thereto).

(c) Garages shall be used only for their ordinary and normal purposes. Unless constructed or installed by Declarant as part of its original construction, no Owner or Resident may convert the garage on his or her Residence into living space or otherwise use or modify a garage so as to preclude regular and normal parking of vehicles therein. The foregoing notwithstanding, Declarant may convert a garage located in any Residence owned by Declarant into a sales, design or similar office for sales, design or related purposes.

10.15 Decks/Porches. Decks/porches shall be kept in good order and repair by Owner. The decks/porches shall not be altered in any manner nor shall any articles including pools be placed upon the decks/porches. No Owner shall connect to any utility system including but not limited to, water lines installed by Declarant or Association. The following shall be deemed approved articles: patio furniture, flowerpots, plants (not to exceed a total of 3 plants on the front and 3 plants on the back deck/porch and each plant not to exceed 24" wide and 36" tall).

10.16 Antennas and Satellite Dishes. Expressly subject to the Declarant exemption set forth in this Article 10 hereof, no exterior radio antenna or aerial, television antenna or aerial, microwave antenna, aerial or satellite dish, "C.B." antenna or other antenna or aerial of any type, which is visible from any street or from anywhere in the Development, shall be erected or maintained anywhere in the Development. Notwithstanding the foregoing, "Permitted Devices" (defined as antennas or satellite dishes: (i) which are one meter or less in diameter and designed to receive direct broadcast satellite service; or (ii) which are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multi-point distribution services) shall be permitted, provided that such Permitted Device is:

(a) located in the attic, crawl space, garage, or other interior space of the Dwelling, or within another approved structure on the Residence, so as not be visible from outside the Dwelling or other structure, or, if such location is not reasonably practicable, then,

(b) located in the rear yard of the Residence (i.e., the area between the plane formed by the front façade of the Dwelling and the rear lot line) and set back from all lot lines

(other than rear lot lines) at least fifteen (15) feet, and set back at least twenty-five (25) feet from rear lot lines, if such location is reasonably practicable, provided that

(c) if an Owner reasonably determines that a Permitted Device cannot be located in compliance with the foregoing portions of this Section 10.16 without precluding reception of an acceptable quality signal, then the Owner may install such Permitted Device in the least conspicuous alternative location within the Residence where an acceptable quality signal can be obtained as approved by the ARC within input from abutting or adjoining Owners; provided that,

(d) Permitted Devices shall be reasonably screened from view the street or any other portion of the Development, and/or Golf Course, and shall be subject to prior ARC approval and further subject to Rules and Regulations adopted by the Board, establishing a preferred hierarchy of alternative location, so long as the same do not unreasonably increase the cost of installation, or use of the Permitted Device.

10.17 Parking and Vehicular Restrictions.

(a) No vehicle owned or operated by an Owner or Resident may be kept or parked anywhere in the Development except within a garage, or within areas designated on the Plat or by Declarant or the Board as parking areas, or within a walled area of a Residence, as approved by the Board (or temporarily on the driveway of the Residence if outside such walled area). Notwithstanding the foregoing, no person shall park, store or keep on any street or anywhere else with in the Development, any large commercial type vehicle including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck any recreational vehicle (including but not limited to any camper unit, trailer, fifth wheel vehicle, house car or motor home) any bus, trailer coach, camp trailer, boat, personal water craft, ATV, off-road vehicle, aircraft or mobile home or any inoperable or trailered vehicle or any other similar vehicle; provided that camper trucks and similar vehicles up to and including one (1) ton when used for everyday-type transportation, subject to the ARC approval may be kept or parked within the Owner's or Resident's garage if wholly enclosed within the garage.

(b) No parking of any vehicle shall be permitted along any curb, traffic circles or otherwise on any street within the Development, except only for ordinary and reasonable temporary daytime (but not overnight) guest parking of vehicles normally and reasonably used for everyday type transportation; provided that the foregoing shall not be deemed to exclude reasonable and temporary parking on streets, where not otherwise prohibited of moving vans, delivery trucks, maintenance vehicles, landscaping trucks or similar vehicles for the sole purpose of reasonably prompt loading, unloading, delivery, maintenance, and/or landscaping (but in no event shall such vehicles be permitted to remain overnight). Notwithstanding the foregoing, motor homes, RVs, and or boats shall not be permitted to be parked along any curb or otherwise on any street or traffic circles with in the Development. The Board reserves the right to adopt additional rules and regulations regarding guest parking.

(c) No Person shall park, store or keep anywhere within the Development any vehicles or vehicle equipment, mobile or otherwise which is deemed by the Board to be a nuisance. Garages shall be kept closed at all times except as reasonably required for ingress to and egress from the interior thereof. All garages shall be kept neat and free of stored materials so as to permit the parking of at least one (1) standard sized American sedan automobile therein at all times.

(d) No Person shall conduct repair or restoration of any motor vehicle upon any portion of the Development or on any street abutting the Development; provided that repair and / or restoration of one (1) motor vehicle shall be permitted within an Owners garage so long as the garage door remains closed; provided further that such activity may be prohibited entirely by the Board if the Board determines in its reasonable discretion that such activity constitutes a nuisance.

(e) Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner as to permit any activity which would be contrary to any City or County ordinance.

10.18 Traffic Restriction. No person shall within the Development (a) drive or operate any vehicle at a rate of speed greater than that posted by Declarant the Association or public authority, for the immediate area (or at such a rate of speed as to unreasonably endanger the life, limb, or property of any person or (b) disobey any traffic regulation or stop sign or traffic or speed Rule or Regulation within the Development. Any violation of the foregoing shall be subject to levy of a Specific Assessment in such amount and in such manners as set forth from time to time in the Rules and Regulations. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner as to permit any activity which would be contrary to any applicable law or County or City ordinance

10.19 View Restrictions. Subject to the provisions of the Master Declaration or unless approved by the Master ARC and the ARC in writing, no vegetation, other improvement, or other obstruction shall be planted, constructed, or maintained by an Owner on his Residence, including Owner Landscaping Area, in such location or of any such height as to obstruct unreasonably the view from any other Residence. Notwithstanding the foregoing, each Owner by accepting a deed to his Residence, whether or not specifically so expressed in such deed, hereby acknowledges that acts (including, but not necessarily limited to, construction or installation) of Declarant or third parties may impair or eliminate the view of such Owner and hereby consents to such impairment or elimination, and releases and all claims in connection therewith

10.20 Prohibited Direct Vehicle Access. Direct vehicular or pedestrian access to adjoining dedicated roadways through any Common Area (other than over Limited Common Areas, driveways, private streets and entry ways, if any, which shall be permitted subject to the provisions set forth in this Declaration) shall be prohibited from certain Residences, pursuant to and in accordance with the Plat.

10.21 No Waiver. The failure of the Board to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or to exercise any right or option here in contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such terms, covenants, conditions or restrictions but such terms, covenants, conditions or restrictions shall remain in full force and effect. The receipt by the Board or Manager of any Assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach and no waiver by the Board or Manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board or the Manager.

10.22 Declarant Exemption. Residences owned by Declarant shall be exempt from the provisions of this Article 10 until such time as Declarant conveys title to the Residence to a Purchaser and activities of Declarant reasonably related to Declarant's development construction and marketing efforts shall have been completed in the reasonable determination of Declarant. This Article 10 may not be amended without Declarant's prior written consent.

10.23 Master Declaration. The foregoing use restrictions and provisions shall be in addition to and cumulative with any and all expressly applicable use restrictions and provisions of the Master Declaration in the event of any conflict, the latter shall prevail unless the provisions in the latter are less restrictive than the conflicting provision herein, in which case, the provision herein shall control.

ARTICLE 11. DAMAGE TO OR CONDEMNATION OF COMMON AREAS.

11.1 Damage or Destruction. Damage to or destruction or condemnation of all or any portion of the Common Areas shall be handled in the following manner:

(a) Repair of Damage. Any portion of this Community for which insurance is required by this Declaration or by any applicable law, which is damaged or destroyed must be repaired or replaced promptly by the Association unless: (i) the Community is terminated in which case applicable law shall apply; (ii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety, or (iii) eighty percent (80%) of the Owners including every Owner of a Residence that will not be rebuilt vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. Any damage by a public or private utility (including but not necessarily limited to Jordanelle Special Service District) to an Improvement in a utility easement area to the extent not recoverable against the utility, shall be subject to the foregoing. If the entire Community is not repaired or replaced, the proceeds attributable to the damaged Common Areas or must be used to restore the damaged area to a condition compatible with the remainder of the Community: (A) the proceeds attributable to Residences that are not rebuilt must be distributed to the Owner of those Residences; and (B) the remainder of the proceeds must be distributed to all the Owners or lien holders as their interest may appear in proportion to the liabilities of all the Residences for Common Expenses. If the Owners vote not to rebuild any Residence, that Residence's allocated interests are automatically reallocated upon the vote as if the Residence had been condemned and

the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations.

(b) Damage by Owner. To the full extent permitted by law, each Owner shall be liable to the Association for any damage to the Common Areas not fully reimbursed to the Association by insurance proceeds, provided the damage is sustained as a result of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any Improvement by said Owner or the Persons deriving their right and easement of use and enjoyment of the Common Areas, such Owner, or his respective Family and guests, both minor and adult. The Association reserves the right, acting through the Board, after Notice and Hearing, to: (1) determine whether any claim shall be made upon the insurance maintained by the Association; and (2) levy against such Owner a Specific Assessment equal to any deductible paid and the increase, if any, in the insurance premiums directly attributable to the damage caused by such Owner or the Person for whom such Owner may be responsible as described above. In the case of joint ownership of a Residence, the liability of the co-owners thereof shall be joint and several, except to any extent that the Association has previously contracted in writing with such co-owners to the contrary. After Notice and Hearing, the Association may levy a Specific Assessment in the amount of the cost of correcting such damage, to the extent not reimbursed to the Association by insurance, against any Residence owned by such Owner, and such Specific Assessment may be enforced as provided herein.

11.2 Condemnation. If at any time, all or any portion of the Common Areas or any interest therein, is taken for any governmental or public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Association. Any such award payable to the Association shall be deposited in the Operating Fund. No Member shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation. The Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members. Immediately upon having knowledge of any taking by eminent domain of Common Areas or any portion thereof, or any threat thereof, the Board shall promptly notify all Owners and all Eligible Holders.

11.3 Condemnation Involving a Residence. If part of a Residence is acquired by eminent domain, the award shall compensate the Owner for the reduction in value of the Residence's interest in the Common Areas. The basis for such reduction shall be the extent to which the occupants of the Residence are impaired from enjoying the Common Areas. . In cases where the Residence may still be used as a Dwelling, it shall be presumed that such reduction is zero (0).

ARTICLE 12. INSURANCE.

12.1 Casualty Insurance. The Board shall cause to be obtained and maintained a master policy of flood and water damage insurance and fire and casualty insurance, including suitable riders, if any, with extended coverage for loss or damage to all insurable Improvements of the Association on the Common Areas and landscaping on traffic circles, for the full insurance

replacement cost thereof without deduction for depreciation or coinsurance, and shall obtain insurance against such other hazards and casualties as the Board deems reasonable and prudent. The Board, in its reasonable judgment, may also insure any other property, whether real or personal, owned by the Association or located within the Development, against loss or damage by fire and such other hazards as the Board may deem reasonable and prudent, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Areas and landscaping on traffic circles shall be maintained for the benefit of the Association, the Owners, and any other eligible beneficiaries, as their interests may appear as named insured, subject however to the loss payment requirements as set forth herein. Premiums for all insurance carried by the Association are Common Expenses included in the Annual Assessments levied by the Association.

The Association, acting through the Board, shall be the named insured under policies of insurance purchased and maintained by the Association. All insurance proceeds under any policies shall be paid to the Board as trustee. The Board shall have full power to receive and receipt for the proceeds and to deal therewith as deemed necessary and appropriate. Except as otherwise specifically provided in this Declaration, the Board, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties with respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance. Duplicate originals or certificates of all policies of insurance maintained by the Association and of all the renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Eligible Holders who have expressly requested the same in writing.

12.2 Liability and Other Insurance. The Association shall have the power and duty to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, in such limits as it shall deem desirable but in no event less than \$1,000,000.00 covering all claims for bodily injury and property damage arising out of a single occurrence, insuring the Association, Board, Directors, Officers, Declarant and Manager, and their respective agents and employees, and the Owners and Residents of Residences and their respective Families, guests and invitees, against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property maintained or required to be maintained by the Association including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. Such insurance shall also include coverage, to the extent reasonably available against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to projects similar in construction, location and use. The Association may also obtain, through the Board, Worker's Compensation insurance (which shall be required if the Association has any employees) and other liability insurance as it may deem reasonable and prudent, insuring each Owner and the Association, Board, and any Manager, from liability in connection with the Common Areas and landscaping on the traffic circles, the premiums for which are a Common Expense included in the Annual Assessment levied against the Owners. All insurance policies shall be reviewed at least annually by the Board and the limits increased in its reasonable business judgment.

12.3 Fidelity Insurance. The Board shall further cause to be obtained and maintained directors and officers liability insurance, blanket fidelity insurance coverage (in an amount at least equal to 100% of Association Funds from time to time handled by such Persons) and such other insurance as it deems prudent, insuring the Board, the Directors, and Officers; and any Manager against any liability for any act or omission in carrying out their respective obligations hereunder, or resulting from their membership on the Board or on any committee thereof, in the amount of not less than \$1,000,000.00. Said policy or policies of insurance shall also contain an extended reporting period endorsement (a tail) for a six-year period, commencing upon expiration or cancellation of the policy. The Association shall require that the Manager maintain fidelity insurance coverage which names the Association as an obligee, in such amount as the Board deems prudent. From such time as Declarant no longer has the power to control the Board, as set forth in Section 3.6 hereof, blanket fidelity insurance coverage which names the Association as an obligee shall be obtained by or on behalf of the Association for any Person handling funds of the Association, including but not limited to Officers, Directors, trustees, employees, and agents of the Association, whether or not such Persons are compensated for their services, in such an amount as the Board deems prudent; provided that in no event may be aggregate amount of such bonds be less than the maximum amount of Association Funds that will be in the custody of the Association or Manager at any time while the policy is in force (but in no event less than the sum equal to one-fourth (1/4) of the Annual Assessments on all Residences, plus Reserve Funds.

12.4 Other Insurance Provisions. The Board shall also obtain such other insurances customarily required with respect to projects similar in construction, location, and use, or as the Board may deem reasonable and prudent from time to time, including, but not necessarily limited to, Worker's Compensation insurance (which shall be required if the Association has any employees). All premiums for insurances obtained and maintained by the Association are a Common Expense included in the Annual Assessment levied upon the Owners. All insurance policies shall be reviewed at least annually by the Board and the limits increased in its sound business judgment. In addition, the Association shall continuously maintain in effect such casualty, flood, and liability insurance and fidelity insurance coverage necessary to meet the requirements for similar developments, as set forth or modified from time to time by any governmental body with jurisdiction.. The Association shall obtain other types of insurance as the Board determines to be necessary including but not limited to, errors and omissions, agents liability insurance, medical payments, liquor liability, hired automobile liability, automobile liability, building ordinance coverage, special event coverage, and umbrella or excess liability insurance, and fidelity bonds.

12.5 Insurance Obligations of Owners. Each Owner is required, at Close of Escrow on his Residence at his sole expense to have obtained, and to have furnished his Mortgagee (or, in the event of a cash transaction involving no Mortgagee, then to the Board) with duplicate copies of, a homeowner's policy of fire and casualty insurance with extended coverage for loss or damage to all insurable Improvements and fixtures originally installed by Declarant on such Owner's Residence in accordance with the original plans and specifications, or installed by the Owner on the Residence, for the full insurance replacement cost thereof without deduction for

depreciation or coinsurance. By acceptance of the deed to his Residence, each Owner agrees to maintain in full force and effect at all times, at said Owner's sole expense, such homeowner's insurance policy, and shall provide the Board with duplicate copies of such insurance policy upon the Board's request. Nothing herein shall preclude any Owner from carrying any public liability insurance as he deems desirable to cover his individual liabilities, damage to person or property occurring inside his Residence or elsewhere upon the Development. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the process payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied. Notwithstanding the foregoing, or any other provision herein, each Owner shall be solely responsible for full payment of any and all deductible amounts under such Owner's policy or policies of insurance.

12.6 Waiver of Subrogation. All policies of physical damage insurance maintained by the Association shall provide, if reasonably possible, for waiver of: (1) any defense based on coinsurance; (2) any right of set-off, counterclaim, appointment, proration or contribution by reason of other insurance not carried by the Association; (3) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect or omission of any named insured or the respective agents, contractors and employees of any insured; (4) any rights of the insurer to repair, rebuild or replace, and in the event any Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured; or (5) notice of the assignment of any Owner of its interest in the insurance by virtue of a conveyance of any Residence. The Association hereby waives and releases all claims against the Board, the Owners, Declarant and Manager, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by such Persons, but only to the extent that insurance proceeds are received in compensation for such loss; provided, however, that such waiver shall not be effective as to any loss covered by a policy of insurance which would be voided or impaired thereby.

12.7 Notice of Expiration Requirements. If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be canceled, terminated, materially modified or allowed to expire by its terms, without thirty (30) days prior written notice to the Board and Declarant and to each Owner and each Beneficiary, insurer and/or guarantor of a first Mortgage who has filed a written request with the carrier for such notice, and every other Person in interest who requests in writing such notice of the insurer. All insurance policies carried by the Association pursuant to this Article 12, to the extent reasonably available must provide that: (a) each Owner is an insured under the policy with respect to liability arising out of his interest in the Common Areas, or Membership as the case may be; (b) the insurer waives the right to subrogation under the policy against any Owner or member of his

Family; (c) no act or omission by any Owner or member of his Family will void the policy or be a condition to recovery under the policy; and (d) if, at the time of a loss under the policy there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

ARTICLE 13. MORTGAGEE PROTECTION CLAUSE.

In order to induce Mortgagees to participate in the financing of the sale of Residences within the Development the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) Each Eligible Holder, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Residence in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation, or the Bylaws, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, "first Mortgage" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Residence, and "first Mortgagee" shall mean the Beneficiary of a first Mortgage.

(b) Each Owner, including every first Mortgagee of a Mortgage encumbering any Residence which obtains title to such Residence pursuant to the remedies provided in such Mortgage, or by foreclosure of such Mortgage, or by deed or assignment in lieu of foreclosure, shall be exempt from any "right of first refusal" created or purported to be created by the Governing Documents.

(c) Except as otherwise provided in applicable law, each Beneficiary of a first Mortgage encumbering any Residence which obtains title to such Residence or by foreclosure of such Mortgage, shall take title to such Residence free and clear of claims of unpaid assessments or charges against such Residence which accrued prior to the acquisition of title to such Residence by the Mortgagee.

(d) Unless at least sixty-seven percent (67%) of first Mortgagees (based upon one (1) vote for each first Mortgage owned) and sixty-seven percent (67%) of the voting power of the Association (other than Declarant) have given their prior written approval, neither the Association nor the Owners shall:

(i) subject to Utah nonprofit corporation law to the contrary, by act or omission seek to abandon, partition, alienate, subdivide, release, hypothecate, encumber, sell or transfer the Common Areas or and the Improvements thereon which are owned by the Association; provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association as provided in this Declaration shall not be deemed a transfer within the meaning of this clause;

(ii) change the method of allocating distributions of hazard insurance proceeds or condemnation award;

(iii) fail to maintain Fire and Extended Coverage on insurable Common Areas or on a current replacement cost basis in an amount as near as possible to one hundred percent (100%) of the insurance value (based on current replacement cost);

(iv) except as provided by any applicable provision of applicable law, use hazard insurance proceeds for losses to any Common Areas or property for other than the repair, replacement or reconstruction of such property; or

(v) amend those provisions of this Declaration or the Articles of Incorporation or Bylaws which expressly provide for rights or remedies of first Mortgagees.

(e) Eligible Holders, upon written request shall have the right to: (1) examine the books and records of the Association during normal business hours; (2) require from the Association the submission of an annual audited financial statement (without expense to the Beneficiary, insurer or guarantor requesting such statement) and other financial data; (3) receive written notice of all meetings of the Members; and (4) designate in writing a representative to attend all such meetings.

(f) All Eligible Holders shall be given thirty (30) days' written notice prior to: (1) any abandonment or termination of the Association; and (2) the effective date of any termination of any agreement for professional management of the Development following a decision of the Owners to assume self-management of the Development. Such first Mortgagees shall be given immediate notice: (i) following any damage to the Common Areas wherever the cost of reconstruction exceeds Seventy-Five Thousand Dollars (\$75,000.00); and (ii) when the Board learns of any threatened condemnation proceeding or proposed acquisition of any significant portion of the Development.

(g) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Areas, Residence, or property and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Areas, Residence, or property, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(h) The Reserve Funds described in Article 6 of this Declaration must be funded by regular scheduled monthly, quarterly, semiannual or annual payments rather than by large extraordinary assessments.

(i) The Board shall require that any Manager, and any employee or agent thereof, maintain at all times fidelity bond (or other similar) coverage which names the Association as an obligee; and, from the end of the Declarant Control Period, the Board shall

secure and cause to be maintained in force at all times fidelity bond coverage which names the Association as an obligee for any Person handling funds of the Association.

In addition to the foregoing, the Board of Directors may enter into such contracts or agreements on behalf of the Association as are required in order to reasonably satisfy the expressly applicable requirements of Mortgagees, so as to allow for the purchase, insurance or guaranty, as the case may be, by such entities of first Mortgages encumbering Residences. Each Owner hereby agrees that it will benefit the Association and the Membership, as a class of potential Mortgage borrowers and potential sellers of their Residences, if such agencies approve the Development as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Residence.

ARTICLE 14. DECLARANT'S RESERVED RIGHTS.

14.1 Declarant's Reserved Rights. Any other provision herein notwithstanding, pursuant to applicable law, Declarant reserves, in its sole discretion, the following developmental rights and other special Declarant's rights, on the terms and conditions and subject to the expiration deadlines, if any, set forth below:

(a) Right to Complete Improvements and Construction Easement. Declarant reserves, during the Declarant Control Period, the right, in Declarant's sole discretion, to complete the construction of the Improvements of the Development and an easement over the Development for such purpose; provided, however, that if Declarant still owns any property in the Development on the expiration of the Declarant Control Period, then such rights and reservations shall continue for one additional successive period of ten (10) years thereafter.

(b) Exercise of Developmental Rights. Subject to applicable law, Declarant reserves the right to annex all or portions of the Additional Land to the Community, pursuant to the provisions of Article 15 hereof, for as long as Declarant owns any portion of the Additional Land. No assurances are made by Declarant with regard to the boundaries of those portions of the Development which may be annexed or the order in which such portions may be annexed. Declarant also reserves the right to withdraw real property from the Community.

(c) Offices, Model Homes and Promotional Signs. Declarant reserves, for the period set forth in Section 14.1(a) hereof, the right to maintain signs, sales and management offices, and models in any Residence owned or leased by Declarant in the Development, and signs anywhere on the Common Areas.

(d) Appointment and Removal of Directors. Declarant reserves the right to appoint and remove Directors as set forth in Section 3.6 and Section 3.7.

(e) Amendments. Declarant reserves the right to amend this Declaration from time to time, as set forth in detail in Section 18.5, or any other provision of this Declaration, during the time periods set forth therein.

(f) Easements. Declarant has reserved certain easements, and related rights, as set forth in this Declaration.

(g) Restriction of Traffic. Declarant reserves the right, until the Close of Escrow of the last Residence in the Development to unilaterally restrict and/or re-route all pedestrian and vehicular traffic within the Development in Declarant's sole discretion, to accommodate Declarant's construction activities and sales and marketing activities; provided that no Residence shall be deprived of access to a dedicated street adjacent to the Development.

(h) Marketing Names. Declarant reserves the right until the end of the Declarant Rights Period, to market and/or advertise different portions of the Development under different marketing names.

(i) Other Rights. Declarant reserves all other rights, powers and authority of Declarant see forth in this Declaration, including but not limited to, those set forth in Article 18 below, and to the extent not expressly prohibited by applicable law, further reserves all other rights, powers, and authority, in Declarant's sole discretion of a declarant under applicable law.

14.2 Exemption of Declarant. Notwithstanding anything to the contrary in this Declaration, the following shall apply:

(a) Nothing in this Declaration shall limit, and no Owner or the Association shall do anything to interfere with the right of Declarant to complete excavation and grading and the construction of Improvements to and on any portion of the Development, or to alter the foregoing and Declarant's construction plans designs or to construct such additional Improvements as Declarant deems advisable in the course of development of the Development for so long as any Residence owned by Declarant remains unsold.

(b) This Declaration shall in no way limit the right of Declarant to grant additional licenses, easements, reservations and rights-of-way to itself, to governmental or public authorities (including without limitation, public utility companies), or to others, as from time to time may be reasonably necessary to the proper development and disposal of Residences.

(c) Prospective purchasers and Declarant shall have the right to use all and any portion of the Common Areas and for access to the sales facilities of Declarant and for placement of Declarant's signs.

(d) Without limiting Section 14.1(c) hereof, or any other provision herein, Declarant may use any structures owned or leased by Declarant, as model home complexes or real estate sales or management offices, subject to the time limitations set forth herein, after which time, Declarant shall restore the improvement to the condition necessary for issuance of a final certificate of occupancy by the appropriate governmental entity.

(e) All or any portion of the rights of Declarant in this Declaration may be assigned by Declarant to any successor in interest, by an express and written Recorded assignment which specifies the rights of Declarant so assigned.

(f) The prior written approval of Declarant as developer of the Development shall be required before any amendment to the Declaration affecting Declarant's rights or interests (including, without limitation, this Article 14) can be effective.

(g) The rights and reservations of Declarant referred to herein, if not earlier terminated pursuant to the Declaration, shall terminate on the date set forth in Section 14.1(a) hereof.

14.3 Limitations on Amendments. In recognition of the fact that the provisions of this Article 14 operate in part to benefit the Declarant, no amendment to this Article 14 and no amendment in derogation of any other provisions of this Declaration benefiting the Declarant, may be made without the written approval of the Declarant, and any purported amendment of Article 14, or any portion thereof or the effect respectively thereof without such express prior written approval, shall be void *ab initio*; provided that the foregoing shall not apply to amendments made by Declarant.

14.4 Master Declaration. The foregoing developmental rights and special Declarant's rights shall be in addition to and cumulative with, any applicable developmental rights and special declarant's rights expressly reserved by the Master Declarant under the Master Declaration. In the event of any irreconcilable conflict, the latter shall prevail.

ARTICLE 15. EXPANSION.

15.1 Declarant's Option to Expand. Declarant hereby exclusively reserves the option to expand Christopher Communities at Tuhaye (the "Option to Expand") upon the terms and provisions set forth in this Section without the prior consent of the Owners or the Association. Only Declarant and its assigns may exercise the Option to Expand. If the Option to Expand is exercised at all by Declarant or its assigns, it may do so at any time after the recording of this Declaration. There is no obligation of any kind whatsoever for the Declarant or its assigns to exercise the Option to Expand. The terms and conditions of the Option to Expand shall be as follows:

(a) The real property subject to the Option to Expand consists of the real property referred to herein as the Additional Land generally described on Exhibit "B" hereto together with any other real property that may be annexed to Christopher Communities at Tuhaye in accordance with applicable law.

(b) Subject to the provisions of 15.1(c) below, the Option to Expand may be exercised at different times as to all or any portions of the Additional Land and in any order elected by the Declarant. No assurance is made with regard to which portions of the Additional Land, if any, will be added to the Development or the order in which such portions will be so

expanded. In the event the Option to Expand is exercised with respect to a portion of the Additional Land, the Option to Expand may subsequently be exercised with respect to any other portion of the Additional Land. There are no limitations as to which portions of the Additional Land may be added.

(c) Declarant shall not be restricted in the location of improvements on the Additional Land or in the number or kind of Residences or structures that may be created on the Additional Land, except as may be required by applicable zoning requirements, ordinances or regulations, provided the Development when completed shall not exceed three hundred fifty (350) Residences plus common areas, facilities and any other improvements required to be placed or developed thereon by the City or the County.

(d) The Residences to be located on the Additional Land shall be subject to the same uses as provided in this Declaration, as applicable. Declarant reserves the right to exercise all developmental rights reserved or afforded in this Declaration with respect to any Residences located on the Additional Land.

(e) The Residences to be built on the Additional Land may be similar to or may be completely different from the Residences. Future improvements may be, but are not required to be consistent with the initial improvements in structure, type and quality of construction, principal materials to be used and architectural style of the future Residences. Structures other than buildings containing Residences may be erected on the Additional Land. Additional improvements may include, without limitation, recreational facilities, parking areas, driveways, walkways and landscaping of the Common Areas contained therein, but Declarant makes no assurances regarding such other improvements. Declarant reserves the right to add additional common areas, and limited common areas and facilities to the Additional Land without limitation.

(f) The ownership interest in the Common Areas and facilities, the corresponding responsibility for Assessments and the votes for all Residences in the Development shall be changed at the time Declarant records a Supplemental Declaration and a supplemental Plat reflecting Declarant's exercise of the Option to Expand in accordance with the provisions set forth in Paragraph 15.1(g) below.

(g) Declarant shall calculate and revise the undivided interest for each Residence in the Development based upon each Owner having one interest in the Common Area equal to the interest of each other Owner. Declarant shall have the right to adjust the resulting ownership interests of all Residences in the Common Areas of the Development as may be necessary to assure that the total ownership interest equals one hundred percent (100%) or one (1).

(h) Each Owner, by execution of a contract for deed or the acceptance of a deed to a Residence in the Development, shall be deemed to have consented to all provisions of this Article 15, including the procedure for adjustment of Residence ownership interests pursuant to paragraph 15.1(g) hereof. After the filing for record of any amendment to this Declaration,

the Supplemental Declaration and/or supplemental Plat reflecting Declarant's exercise of the Option to Expand, or any part thereof, legal and equitable title to each Residence thereby created within the Additional Land, including its appurtenant ownership interest in the Common Areas, shall be vested in and held by Declarant and none of the other Owners shall have any claim or title to or interest in such Residence or its appurtenant ownership interest in the Common Areas, or the Limited Common Areas.

(i) Declarant reserves the right to create common areas and limited common areas and facilities within the Additional Land including without limitation porches, driveways, walkways, balconies, decks, parking areas or other apparatus intended to serve a single Residence. In addition, Declarant reserves the right to designate portions of the improvements constructed on the Additional Land as common areas and limited common areas and facilities in accordance with the determination of Declarant and in accordance with provisions of this Declaration and applicable law. The size, type and total number of such common areas and limited common areas and facilities shall be reasonable and shall be appropriate to the Residences involved in light of the number and nature of Residences created within the Additional Land.

(j) Declarant shall not be required to obtain the consent of any Owners or of any other Person or entity having any right or interest in all or any portion of the Development prior to or subsequent to adding all or portions of the Additional Land.

(k) No provision of this Article 15 shall be amended without the prior written consent of Declarant, so long as Declarant owns or has the right to acquire any Residences in the Development.

15.2 Supplemental Declaration and Supplemental Plat. Each Supplemental Declaration and supplemental Plat annexing any portion of the Additional Land shall conform to the requirements of applicable law. Upon Recordation of a Supplemental Declaration and supplemental Plat, such real property described therein shall be Annexed Property.

15.3 Expansion of Additional Land. In addition to the provisions for annexation specified in this Article 15 and subject to the applicable laws in effect from time to time, the Additional Land may, from time to time, be expanded to include additional real property, not as yet identified. Such property may be annexed to the Additional Land in accordance with the then current applicable laws.

15.4 Contraction of Additional Land. So long as real property has not been annexed to the Development subject to this Declaration, the Additional Land may be contracted to delete all or any portion of such real property effective upon the Recordation of a written instrument describing such real property, executed by Declarant and all other owners, if any, of such real property, and declaring that such real property shall thereafter be deleted from the Additional Land. Such real property may be deleted from the Additional Land without a vote of the Association or the approval or consent of any other Person, except as provided herein or as may be required by applicable law.

ARTICLE 16. GOLF COURSE.

16.1 Golf Course Disclosures and Disclaimers. Subject to Section 16.2 hereof, each Owner in the Development, by acceptance of the deed to his Residence, whether or not so stated in such deed, is hereby conclusively deemed to have acknowledged and agreed to have accepted this Article 16 and the provisions thereof.

(a) Each Owner further acknowledges and agrees that the Golf Course is a part of the Talisker Club and that the Golf Course is NOT A PART of the Common Areas and NOT A PART of the Development and is not subject to Assessments under this Declaration. NEITHER MEMBERSHIP IN THE ASSOCIATION NOR OWNERSHIP OR OCCUPANCY OF A RESIDENCE SHALL CONFER ANY MEMBERSHIP, OWNERSHIP, OR ANY OTHER INTEREST IN OR RIGHT TO USE THE GOLF COURSE. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the Talisker Club.

(b) Each Owner acknowledges and agrees that neither the Association nor Declarant (or anyone claiming to act or acting on their behalf) is authorized to make any representation regarding the use of the Golf Course or the Talisker Club and that neither the Association nor Declarant has made or makes any representation whatsoever regarding the manner in which the Golf Course or any part of the Talisker Club were designed, constructed, implemented or established and the Association and Declarant specifically disclaim any and all responsibility therefore.

(c) Each Owner acknowledges and agrees that there is no assurance that the Golf Course will always be owned by its present owner or always will be used as a golf course, and is subject to change in the sole and absolute discretion of the owner and/or operator of the Golf Course or the Talisker Club. It is possible that the Golf Course may be conveyed to other owner(s), and its use may be changed to a use other than a golf course. There is no assurance that the Golf Course will continue to be owned and operated by the same entity or in the same manner including the existence or non-existence of 1) any rules, regulations or safety precautions or procedures, 2) access rights or 3) any Golf Course or Talisker Club rules or membership requirements.

(d) Each Owner further acknowledges and agrees that an Owner purchasing a Residence directly from Declarant may obtain and activate one Talisker Club membership subject to such Owner being approved and accepted as a member of the Talisker Club in accordance with any and all applicable membership criteria, rules, and regulations of the Talisker Club over which neither the Declarant nor the Association have any control. The purchase of a Residence from anyone other than Declarant shall not entitle any Owner to any Talisker Club membership from Declarant or otherwise.

(e) Each Owner further acknowledges and agrees that any membership in the Talisker Club shall be activated by the Owner at or about the time of the close of escrow of the purchase from the Declarant and thereafter such Owner shall be solely responsible for the

payment of periodic dues, fees or charges of any kind whatsoever required in connection with membership in the Talisker Club.

(f) Each Owner further acknowledges and agrees that in the event an Owner who purchases a Residence from Declarant fails to activate, or activates the Talisker Club membership and then subsequently resigns or fails to maintain the membership, and the membership associated with said Residence is reissued by the Talisker Club within two years of the close of escrow on the re-sale of said Residence, Owner agrees and authorizes the Talisker Club to refund or return, directly to Declarant, any portion of any membership fee or deposit which was originally paid by the Declarant and which is in any way refundable or returnable pursuant to the rules, regulations or policies of the Talisker Club except in the case of an "Excluded Event". An "Excluded Event" consists of any resignation of or failure to maintain a Talisker Club membership as a result of: (a) death of the Owner; (b) permanent disability of the Owner; or (c) the transfer or change of employment of the Owner that necessitates a relocation outside of Wasatch County or Summit County.

(g) Each Owner further acknowledges and agrees that any membership in the Talisker Club and any use of the Golf Course are strictly conditioned on the rules, regulations and policies of the Golf Course and the Talisker Club.

(h) Each Owner further acknowledges and agrees that the sale or transfer of any membership in the Talisker Club is separate and apart from the conveyance of any Residence.

16.2 View Impairment. Neither Declarant, the Association, the Golf Course owner, nor the Talisker Club guarantees or represents that any view over and across the Golf Course from Residences adjacent to the Golf Course will be preserved without impairment. Without limiting the foregoing, the Golf Course owner shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute decision, to add trees and other landscaping to the Golf Course from time to time. In addition, the Golf Course owner may, in its sole and absolute discretion, change the location, configuration, size, and elevation of the trees, bunkers, berms, fairways, greens, and other components of the Golf Course, from time to time. Any such additions or changes may diminish or obstruct any view from the Residences and any express or implied easement for view purposes or for the passage of light and air are hereby expressly disclaimed.

ARTICLE 17. ADDITIONAL DISCLOSURES, DISCLAIMERS AND RELEASES.

17.1 Additional Disclosures and Disclaimers Regarding Golf Course. Without limiting Article 16 above by acceptance of a deed to a Residence each Owner shall conclusively be deemed to understand, and to have acknowledged and agreed to, all of the following disclosures and disclaimers:

(a) Portions of the Development are located adjacent to or nearby the Golf Course. In connection with Golf Course: (a) the water facilities, hazards, other installations

located on the Golf Course may be an attractive nuisance to children; (b) operation, maintenance, and use, of the Golf Course may result in a certain loss of privacy, and will entail various operations and applications, including (but not necessarily limited to) all or any one or more of the following: (1) the limited right of players on the Golf Course ("Golfers") on foot or on golf carts, to enter upon and traverse easements over the Development in connection with golf play on the Golf Course; (2) the right of owner(s) and operator(s) of the Golf Course, and their employees, agents, suppliers and contractors to (i) enter upon and travel over the Development to and from and between any one or more of the Development entry areas, and portions of the Golf Course, and (ii) enter upon the Development to maintain, repair, and replace, water and irrigation lines and pipes and other infrastructure used in connection with Golf Course landscaping; (3) operation and use of noisy electric, gasoline and other power driven vehicles and equipment on various days of the week, including weekends, and during various times of the day, including, without limitation, early morning and late evening hours; (4) operation of sprinkler and other irrigation systems during the day and night, (5) storage, transportation, and application of insecticides, pesticides, herbicides, fertilizers, and other supplies and chemical substances (all, collectively "chemical substances"); (6) parking and/or storage of vehicles, equipment, chemical substances, and other items; (7) irrigation of the Golf Course, and supply of water facilities thereon, with recycled or effluent water; (8) "overspray" of recycled or effluent water and chemicals onto the Development; and/or (9) Golfers from time to time may shout and use language or bodily movements or gestures, particularly in and around tree and green areas of Golf Course, which may be distinctly audible or visible to persons in the Development and which language or movements or gestures may be profane or otherwise offensive in tone and content; (c) play on the Golf Course may be allowed by the owner(s) or operator(s) there of during all daylight and or evening hours up to and including seven days a week; (d) play on the Golf Course may result in damage to the development as a result of golf balls or other items leaving the Golf Course, including, without limitation, damage to windows, doors, stucco, roof tiles, and other areas of Residences and other portions of the development and damage to real and personal property of Owner or others, whether outdoors or within a residence or other building, and injury to person; and (e) although fencing and other features may (but need not necessary) be incorporated into the Residence or other portions of the Development in an effort to decrease the hazards associated with golf balls entering the development from the Golf Course, the Owner acknowledges that such fencing and other features may protect against some, but certainly not all golf balls which enter the Development from the Golf Course.

(b) The Golf Course also may include one or more separate large maintenance and/or warehouse-type building(s), storage area(s) for vehicles, equipment, and chemical substances (as defined above), fuel storage and above-ground fuel island(s), and related facilities (all, collectively, "Maintenance Facility"), constructed and operated by the owner(s) or operator(s) of the Maintenance Facility, at a location on or adjacent to the Development but not contiguous to other portions of the Golf Course. The location of the Maintenance Facility may require frequent and recurring travel by Maintenance Facility and other Golf Course personnel, and vehicles (and travel by and transportation of other personnel, equipment, chemicals, fuel, and other items) over other Common Areas of the Development to and from the Maintenance Facility and other portions of the Golf Course and Development entry areas. In connection with

the Maintenance Facility, (a) the facilities and related items located on the Maintenance Facility may be an attractive nuisance to children; (b) operation, maintenance, and use, of the Maintenance Facility may result in a certain loss of privacy, and will entail various operations and applications, including (but not necessarily limited to) all or any one or more of the following: (1) the right of owner(s) and operator(s) of the Maintenance Facility, and their employees, agents, suppliers, and contractors, to enter upon and travel over the Development to and from and between any one or more of the Development entry areas, the Maintenance Facility, and other portions of the Golf Course; (2) operation, maintenance, and repair of noisy electric, gasoline, and other power driven vehicles and equipment, on various days of the week, including weekends, and during various times of the day, including, without limitation, early morning and late evening hours; (3) storage, transportation, and application, of chemical substances; (4) parking and/or storage of vehicles; equipment, chemical substances, fuel, and other items; and (5) fueling and related operations; and (c) although walls, fencing, and other features will certainly not eliminate all sight, noise, or other conditions, on or emanating from the Maintenance Facility.

(c) All and any one or more of the matters described above may cause inconvenience and disturbance to the Owner, and other occupants of and visitors to Residences and/or Common Areas, and possible injury to person and damage to property, and the Owner has carefully considered the foregoing matters, and the location of the Development (including the Common Areas and Residences) and their proximity to the playing elements of the Golf Course and to the Maintenance Facility, before making the decision to purchase a Residence in the Development.

17.2 Additional Disclosures, Disclaimers, and Release of Certain Matters. Without limiting any other provisions in this Declaration, by acceptance of a deed to a Residence, each Owner (for purposes of this Article 17, the term "Owner" shall include the Owner, and the Owner's Family, guests and tenants), (and by residing within the Development, each Resident) (for purposes of this Article 17, the term "Resident" shall include each Resident, and their guests) shall conclusively be deemed to understand, and to have acknowledged and agreed to, all of the following:

(a) that there are presently, and may in the future be other, major electrical power system components (high voltage transmission or distribution lines, transformers, etc.) from time to time located within or nearby the Development, which generate certain electric and magnetic fields ("EMF") around them that without limiting any other provision in this Declaration, Declarant specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to EMF; and that Owner hereby releases Declarant from any and all claims arising from or relating to said EMF, including, but not necessarily limited to, any claims for nuisance or health hazards; and

(b) that the Residence and other portions of the Development are or may be located within or nearby certain airplane flight patterns, and/or subject to significant levels of airplane traffic and noise; that Declarant hereby specifically disclaims any and all representations

or warranties, express and implied, with regard to a pertaining to airplane flight patterns, and/or airplane noise; and that Owner hereby releases Declarant from any and all claims arising from or relating to airplane flight patterns or airplane noise; and

(c) that the Residence and other portions or the Development are or may be located adjacent to a nearby major roadways, and subject to levels of traffic thereon and noise, dust, and other nuisance from such roadways and vehicles; that Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to roads and/or noise, dust, and other nuisance therefrom; and that Owner hereby releases Declarant from any and all claims arising therefrom or relating thereto; and

(d) that the Development is or may be located adjacent to or nearby major water and drainage channel(s) and/or culverts (all, collectively, "Facilities"), the ownership, use, regulation, operation, maintenance, improvement and repair of which are not within Declarant's control, and over which Declarant has no jurisdiction or authority and in connection therewith; (1) the Facilities may be an attractive nuisance to children; (2) maintenance and use of the Facilities may involve various operations and applications, including (but not necessarily limited to) noisy electric, gasoline or other power driven vehicles and/or equipment used by Facilities maintenance and repair personnel during various times of the day, including, without limitation, early morning and/or late evening hours; and (3) the possibility of damage to Improvements and property on the Development, particularly in the event of overflow of water or other substances from or related to the Facilities, as the result of nonfunction, malfunction, or overtasking of the Facilities or any other reason; and (4) any or all of the foregoing may cause inconvenience and disturbance to Owner and other persons in or near the Residence and/or Common Areas, and possibly injury to person and/or damage to property, and the Owner hereby release Declarant from any and all claims arising therefrom or relating thereto; and

(e) that, notwithstanding Section 10.19 hereof, the construction or installation of improvements by Declarant, other Owners, or third parties, or growth of trees or other vegetation, may impair or eliminate the view, if any, of or from any Residence and/or Common Areas; and that Owner hereby releases Declarant from any and all claims arising from or relating to said impairment or elimination; and

(f) that the Development is located adjacent or nearby to certain undeveloped areas which may contain various species of wild creatures (including, but not limited to, coyotes, moose, bears, mountain lions, and foxes), which may from time to time stray onto the Development, and which may other pose a nuisance or hazard; and the Development from time to time may, but need not necessarily, be subject to scorpions, bees, ants, termites, pigeons, and/or other problem insects or other pests (all, collectively, "pests"); and that Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to any pest, and each Owner must make its own independent determination regarding the existence or non-existence of any pests which may be associated with the Residence or other portions of the Development; and

(g) that the Development is or may be located adjacent to or within the vicinity of certain other property zoned to permit the owners of such other property to keep and maintain thereon horse or other "farm" animals, which may give rise to matters such as resultant noise, odors, insects, and other "nuisance"; additionally, certain other property located adjacent to or nearby the Development may be zoned to permit commercial uses, and/or may be developed for commercial uses. Developer makes no other representation or warranty, express or implied, with regard or pertaining to the future development or present or future use of property adjacent to or within the vicinity of the Development; and

(h) that Lots are subject to naturally occurring and man-made variations in elevation. These changes in elevation gradient may result in the loss of privacy and other inconvenience or nuisance, particularly for lower Lots. Also, Declarant reserves the right to realign, relocate, or otherwise revise any parcel or Lot layout design, which may detract from privacy for other Residences in the area. Additionally, there may be a private heliport located nearby, but not within or not necessarily for use by this Development, which heliport, if constructed, would also result in varying degrees of loss of privacy, noise, and other inconvenience or nuisance; and

(i) that each Purchaser acknowledges having received from Declarant information regarding the zoning designations and the designations in the master plan regarding land use, adopted pursuant to applicable law, for the parcels of land adjoining the Development to the north, south, east, and west. Declarant makes no further representation, and no warranty (express or implied), with regard to any matters pertaining to adjoining land or uses thereof. Purchaser is hereby advised that the master plan and zoning ordinances are subject to change from time to time. If additional or more current information concerning such matters is desired, Purchaser should contact the appropriated governmental planning department. Each Purchaser acknowledges and agrees that its decision to purchase a Residence is based solely upon Purchaser's own investigation, and not upon any information provided by any sales agent; and

(j) that Declarant presently plans to develop only those Lots which have already been released for construction and sale, and that Declarant has no obligation with respect to future phases, plans, zoning, or development of other real property contiguous to or nearby the Residence; (b) proposed or contemplated residential and other developments may have been illustrated in the plot plans or other sales literature in or from Declarant's sales office, and/or Purchaser may have been advised of the same in discussions with sales personnel; however, notwithstanding such plot plans, sales literature, or discussions or representations by sales personnel or otherwise, Declarant is under no obligation to construct such future or planned developments or Residences, and the same may not be built in the event that Declarant, for any reason whatsoever, decides not to build same; (c) Purchaser is not entitled to rely upon, and in fact has not relied upon, the presumption or belief that the same will be built; and (d) no sales personnel or any other person in any way associated with Declarant has any authority to make any statement contrary to the provisions set forth in the foregoing or any provision of the written offer and acceptance agreement; and

(k) that each Purchaser understands, acknowledges, and agrees that Declarant has reserved certain rights in the Declaration, which may limit certain rights of Purchaser and Owners other than Declarant; and

(l) that residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, construction-related traffic and traffic restrictions, and other construction-related "nuisances". Each Owner acknowledges and agrees that it is purchasing a Residence which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial level of construction-related "nuisances" until the subdivision (and other neighboring portions of land being developed) have been completed and sold out; and

(m) that residential subdivision and new home construction are an industry inherently subject to variations and imperfection, and items which do not materially affect safety or structural integrity shall be deemed "expected minor flaws" (including, but not limited to: reasonable wear, tear or deterioration; shrinkage, swelling, expansion or settlement, squeaking, peeling, chipping, cracking, or fading; touch-up painting; minor flaws or corrective work; and like items) and not constructional defects; and

(n) that (1) the finished construction of the Residence and the Common Areas, while within the standards of the industry in Wasatch County, Utah, and while in substantial compliance with the plans and specifications, will be subject to expected minor flaws; and (2) issuance of a Certificate of Occupancy by the relevant governmental authority with jurisdiction shall be deemed conclusive evidence that the relevant improvement has been built within such industry standards; and

(o) that indoor air quality of the Residence and/or Common Areas may be affected, in a manner and to a degree found in new construction within industry standards, by particulate or volatiles emanating or evaporation from new carpeting or other building materials, fresh paint or other sealants or finishes, and so on; and

(p) that model homes, if any, are displayed for illustrative purpose only, and such display shall not constitute an agreement or commitment on the part of Declarant to deliver the Residence in conformity with any model home, and any representation or inference to the contrary is hereby expressly disclaimed. None of the decorator items and other items or furnishings (including, but not limited to, decorator paint colors, wallpaper, window treatments, mirrors, upgraded carpet, decorator built-ins, model home furniture, model home landscaping, and like) shown installed or on display in any model home are included for sale to a Purchaser unless an authorized officer of Declarant has specifically agreed in a written Addendum to the offer and acceptance Agreement to make specific items a part of the offer and acceptance Agreement; and

(q) that Declarant shall have the right, from time to time, in its sole discretion, to establish and/or adjust sales prices or price levels of new homes and/or Lots; and

(r) that Declarant reserves the right, until the Close of Escrow of the last Residence in the Development to unilaterally restrict and/or re-route all pedestrian and vehicular traffic within the Development, in Declarant's sole discretion, to accommodate Declarant's construction activities, and sales and marketing activities; provided that no Residence shall be deprived of access to a dedicated street adjacent to the Development; and

(s) that Declarant reserves all other rights, powers, and authority of Declarant set forth in this Declaration, and, to the extent not expressly prohibited by applicable law, further reserves all other rights, powers, and authority, in Declarant's sole discretion, of a declarant under applicable law; and

(t) that Declarant has reserved certain easements; and related rights and powers, as set forth in this Declaration; and

(u) that all disclosures, disclaimers and releases in this Declaration are supplemental to and cumulative with all disclosures, disclaimers and releases in the Master Declaration.

17.3 Releases. By acceptance of a deed to a Residence, each Owner, for himself, herself and/or itself and all Persons claiming under such Owner, shall conclusively be deemed to have acknowledged and agreed to release each and every one of Declarant, Association, ARC, Board, Master ARC, Master Declarant, Master Association, and their respective officers, managers, agents, employees, suppliers and contractors, from any and all loss, damage or liability (including, but not limited to, any claim for nuisance or health hazards) related to or arising in connection with any disturbance, inconvenience, injury or damage resulting from or pertaining to all and/or any one or more of the conditions, activities, occurrences described in the foregoing Sections of this Article 17.

ARTICLE 18. GENERAL PROVISIONS.

18.1 Enforcement. Subject to Section 5.2 hereof, the Governing Documents may be enforced as follows:

(a) Enforcement shall be subject to the overall "good neighbor" policy underlying and controlling this Declaration and Development (in which the Owners seek to enjoy a quality lifestyle) and the fundamental governing policy of courtesy and reasonability.

(b) Breach of any of the provisions contained in the Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal or equitable proceedings instituted, in compliance with applicable Utah law, by any Owner, including Declarant so long as Declarant owns a Residence, by the Association, or by the successors-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum of attorneys' fees in such amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs. Each Owner shall have a right of action

against the Association for any material unreasonable and continuing failure by the Association to comply with material and substantial provisions of this Declaration, or of the Bylaws or Articles.

(c) The Association further shall have the right to enforce the obligations of any Owner under any material provision of the Declaration by assessing a reasonable fine as a Specific Assessment against such Owner or Residence and/or Resident and/or suspending the right of such Owner to vote at meetings of the Association and/or the right of the Owner or Resident to use Common Areas (other than ingress and egress by the most reasonably direct route, to the Lot), subject to the following:

(i) the person alleged to have violated the material provision of the Declaration must have had written notice (either actual or constructive by inclusion in any Recorded document) of the provision for at least thirty (30) days before the alleged violation; and

(ii) such use and/or voting suspension may not be imposed for a period longer than thirty (30) days per violation, provided that if any such violation continues for a period of ten (10) days or more after actual notice of such violation has been given to such Owner or Resident, each such continuing violation shall be deemed to be a new violation and shall be subject to the imposition of new penalties; and

(iii) notwithstanding the foregoing, each Owner shall have an unrestricted right of ingress and egress to his Residence by the most reasonably direct route over and across the streets and traffic circles in the Development; and

(iv) no fine imposed under this Section 18.1 may exceed the maximum amount(s) permitted from time to time by applicable provision of applicable law for each failure to comply. No fine may be imposed until the Owner or Resident has been afforded the right to be heard, in person, by submission of a written statement, or through a representative, at a regularly noticed hearing (unless the violation is of a type that substantially threatens the health and welfare of the Development, in which case, the Board may take expedited action, as the Board may deem reasonable and appropriate under the circumstances, subject to the limitations set forth in Section 5.2(b) hereof); and

(v) if any such Specific Assessment imposed by the Association on an Owner or Resident by the Association is not paid or reasonably disputed in writing delivered to the Board by such Owner or Resident (in which case, the dispute shall be subject to reasonable attempts at resolution through mutual discussions and mediation) within thirty (30) days after written notice of the imposition thereof, then such Specific Assessment shall be enforceable pursuant to Articles 6 and 7 hereof; and

(vi) subject to Section 5.3 above, and to applicable Utah law (which may first require mediation or arbitration), the Association may also take judicial action against any Owner or Resident to enforce compliance with provisions of the Governing Documents, or

other obligations, or to obtain damages for noncompliance, all to the fullest extent permitted by law.

(d) Should any Owner or Resident violate any material provision of the Declaration, or should any the act, omission or neglect of any Owner or Resident cause damage to the Common Areas, then such violation, act, omission or neglect shall also be considered and treated as a violation, act, omission or neglect of the Owner and/or Resident of the Residence in which the Owner or Resident resides. Likewise, should any guest of an Owner commit any such violation or cause such damage to Common Areas, such violation, act, omission or neglect shall also be considered and treated as a violation, act, omission or neglect of the Owner. Reasonable efforts first shall be made to resolve any alleged material violation, or any dispute, by friendly discussion or informal mediation by the ARC or Board and/or mutually agreeable mediator (or statutorily authorized third party mediator), in a "good neighbor" manner. Fines or suspension of voting privileges shall be utilized only after reasonable efforts to resolve the issue by discussion or informal mediation have failed.

(e) The result of every act or omission whereby any of the provisions contained in this Declaration or the Bylaws are materially violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association or its successors-in-interest.

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

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

(h) If any Owner, his Family, guest, licensee, lessee or invitee violates any such provisions, the Board may impose a reasonable Specific Assessment upon such Owner for each violation. If any such Specific Assessment is not paid or reasonably disputed in writing to the Board (in which case, the dispute shall be subject to reasonable attempts at resolution through mutual discussions and mediation) within thirty (30) days after written notice of the imposition thereof, then the Board may suspend the voting privileges of such Owner, and such Specific Assessment shall be collectible in the manner provided hereunder, but the Board shall give such Owner appropriate Notice and Hearing before invoking any such Specific Assessment of suspension.

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

18.3 Term. The covenants and restrictions of this Declaration shall run with and bind the Development, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration their respective legal representatives, heirs, successive Owners and assigns, until terminated in accordance with applicable law.

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

18.5 Amendment by Declarant. So long as Declarant owns any portion of the Development or has any right to expand the Development, Declarant may amend this Declaration for any purpose without the consent or approval of the Owners or any other Person or Beneficiary.

(a) By acceptance of a deed from Declarant conveying any real property located in the Additional Land (Exhibit "B" hereto), in the event such real property has not theretofore been annexed to the Development encumbered by this Declaration, and whether or not so expressed in such deed, the grantee thereof covenants that Declarant shall be fully empowered and entitled (but not obligated) at any time thereafter, and appoints Declarant as attorney in fact, in accordance with applicable law of such grantee and his successors and assigns, to unilaterally execute and Record Supplemental Declarations and supplemental Plats, adding said real property to the Community, in the manner provided for in Article 15 above.

18.6 Amendment by Owners. Except as otherwise expressly provided by applicable provision of the Master Association documents, and/or except as otherwise provided in this Declaration and except in cases of amendments that may be executed by a Declarant or by the Association or by certain Owners, this Declaration including the Plat, may only be amended by both: (a) the vote and agreement of Owners constituting at least sixty-seven percent (67%) of the total voting power of the Association; and (b) the written assent or vote of at least sixty-seven percent (67%) of the total voting power of the Board. Notwithstanding the foregoing, termination of this Declaration and any of the following amendments, to be effective, must be approved in writing by the Beneficiaries of at least sixty-seven percent (67%) of the Eligible Holders at the time of such amendment or termination, based upon one (1) vote for each first Mortgage involved:

(a) Any amendment which affects or purports to affect the validity or priority of Mortgages or the rights or protection granted to Beneficiaries, insurers and guarantors of first Mortgages as provided in Articles 7, 12, 13, 14, and 17 hereof.

(b) Any amendment which would necessitate a Mortgagee, after it has acquired a Residence through foreclosure, to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(c) Any amendment which would or could result in a Mortgage being canceled by forfeiture, or in a Residence not being separately assessed for tax purposes.

(d) Any amendment relating to the insurance provisions as set out in Article 12 hereof, or to the application of insurance proceeds as set out in Article 12 hereof, or to the disposition of any money received in any taking under condemnation proceedings.

(e) Any amendment which would or could result in termination or abandonment of the Development or subdivision of a Residence, in any manner inconsistent with the provisions of this Declaration.

(f) Any amendment which would subject any Owner to a right of first refusal or other such restriction if such Residence is proposed to be sold, transferred or otherwise conveyed.

(g) Any amendment concerning: (i) voting rights; (ii) rights to use the Common Areas; and/or (iii) reserves and responsibility for maintenance repair replacement of the Common Areas; and/or; (iv) leasing of Residences; (v) establishment of self management by the Association where professional management has been required by any Beneficiary, insurer or guarantor of a first Mortgage; (vi) boundaries of any Residence; (vii) annexation or de-annexation of property to or from the Development; and (viii) assessments, assessment liens, or the subordination of such liens.

Notwithstanding the foregoing, if a first Mortgagee who receives a written request from the Board to approve a proposed termination, amendment or amendments to the Declaration does not deliver a negative response to the Board within thirty (30) days of the mailing of such request by the Board, such first Mortgagee shall be deemed to have approved the proposed termination, amendment or amendments. Notwithstanding anything contained in this Declaration to the contrary, nothing contained herein shall operate to allow any mortgagee to: (a) deny or delegate control of the general administrative affairs of the Association by the Members or the Board; (b) prevent the Association or the Board from commencing, intervening in or settling any litigation or proceeding; or (c) prevent any trustee or the Association from receiving any distributing any proceeds of insurance, except pursuant to applicable law.

A copy of each amendment shall be certified by at least two (2) Officers, and the amendment shall be effective when a Certificate of Amendment is Recorded. The Certificate, signed and sworn to by at least two (2) Officers, that the requisite number of Owners have either voted for or consented in writing to any termination or amendment adopted as provided above, when Recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. The certificate reflecting any termination or amendment which requires the written consent of any of

the Eligible Holders shall include a certification that the requisite approval of the Eligible Holders has been obtained. Until the first Close of Escrow for the sale of a Residence, Declarant shall have the right to terminate or modify this Declaration by Recordation of a supplement thereto setting forth such termination or modification.

If any change is made to the Governing Documents, the Secretary (or other designated Officer) shall, within thirty (30) days after the change is made, prepare and cause to be hand-delivered or sent, prepaid by United States mail to the mailing address of each Residence or to any other mailing address designated in writing by the Owner, a copy of the change made.

18.7 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Development to the public, or for any public use.

18.8 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Residence or other portion of the Development does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Development, or any portion thereof.

18.9 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Secretary of the Association for the purpose of service of such notice, or to the Residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Secretary of the Association.

18.10 Priorities and Inconsistencies. The Governing Documents shall be construed to be consistent with one another to the extent reasonably possible. If there exists any irreconcilable conflicts or inconsistencies among the Governing Documents, the term and provisions of this Declaration shall prevail (unless and to the extent only that a term or provision of this Declaration fails to comply with applicable provision of applicable law). In the event of any inconsistency between the Rules and Regulations and any other Governing Document, the other Governing Document shall prevail.

18.11 Master Declaration. The provisions of this Declaration shall supplement, but shall not supersede, any and all expressly applicable provisions of the Master Declaration. The Master Declaration shall control in the event of any conflict with the provisions of this Declaration, although such documents shall be construed to be consistent with one another to the extent possible. The inclusion in this Declaration of covenants, conditions, restrictions, land uses, and limitations which are more restrictive or more inclusive than the restrictions contained in the Master Declaration shall not be deemed to constitute a conflict with the provisions of the Master

Declaration. Nothing herein shall be construed as relieving any Owner or Residence within the Development therefrom, or as limiting or preventing any and all expressly applicable rights of enforcement granted or available to the Master Association by virtue thereof.

18.12 Limited Liability. Except to the extent, if any, expressly prohibited by applicable provision of applicable law, neither Declarant, Master Declarant, the Association, the Master Association, any member of the Board of the Association or Master Association, nor any officer, agent, employee, or committee representative, respectively of Declarant, Master Declarant, the Association or the Master Association, shall be liable to any Owner or any other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was reasonable or in good faith. The Association shall indemnify every present and former Officer and Director and every present and former Association committee representative against all liabilities incurred as a result of holding such office, to the full extent permitted by law.

18.13 Indemnity. Each Owner shall, to the maximum extent permitted by law, indemnify and hold free and harmless each and every one of Declarant, Master Declarant, the Association, the Master Association, any member of the Board of the Association or Master Association, or any member of the ARC or Master ARC, any officer, agent, employee, consultant or committee representative, respectively of Declarant, Master Declarant, the Association, or the Master Association, and their respective partners, members, divisions, subsidiaries and affiliated companies (if any), and their and their respective employees, officers, directors, members, shareholders, agents, professional consultants and representatives, and all of their respective successors and assigns (collectively, "Indemnitees") from and against any and all claims, damages, losses, liabilities, demands, and expenses, including, but not limited to, reasonable attorneys' fees, court costs and expenses of litigation (collectively, hereinafter referred to as "Liabilities"), arising out of or resulting from, or claimed to arise out of or result from, in whole or in part, any fault, act, or omission of the Owner, any contractor or subcontractor employed by the Owner, anyone directly or indirectly employed by any of the foregoing entities, or anyone for whose acts any of the foregoing entities may be liable, in connection with: (a) any work by or of the Owner within the Development and/or the performance of the Owner's obligations with respect to any and all Improvements designed, installed, constructed, added, altered or remodeled by the Owner pursuant and subject to the Governing Documents, including, without limitation, any such loss, damage, injury or claim arising from or caused by or alleged to have arisen from or have been caused by (i) any use of the Residence, or any part thereof, (ii) any defect in the design, construction of, or material in, the Residence, (iii) any defect in soils or in the preparation of soils or in the design and accomplishment of grading, including a spill of any contaminants or hazardous materials in or on the soil, (iv) any accident or casualty to the Residence or in the Development, (v) any representations by Owner or any of its agents or employees, (vi) a violation or alleged violation by the Owner, its employees or agents, of any applicable law, (vii) any slope failure or subsurface geologic or groundwater condition, (viii) any work of design, construction, engineering or other work with respect to the Residence or Development provided or performed by or for the Owner at any time whatsoever, or (ix) any other cause whatsoever in connection with Owner's use of the Residence or the Development, or Owner's performance under this

Declaration, the Master Declaration, or any other Governing Document or Master Association Document; a (b) the negligence or willful misconduct of Owner or its agents, employees, licensees, invitees or contractors in the development, construction, grading or other work performed off the Development by Owner pursuant to the Governing Documents, and/or the Master Association Documents, or any defect in any such work. Notwithstanding anything to the contrary contained in any of the documents referenced in the preceding sentence, Owner agrees and acknowledges that Indemnities shall not be liable to Owner for any Liabilities caused by (i) any act or omission of Indemnities with respect to the review of the Owner's Improvements and/or the drawings or specifications related to the Owner's Improvements; or (ii) any inspection or failure to inspect the construction activities of Owner by any of the Indemnitees, or (iii) any direction or suggestion given by any of the Indemnitees with respect to construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Owner's Improvements, or the procedures, or for the safety precautions and programs in connection with the Owner's Improvements or the failure to give any such direction or suggestion, or for any Liabilities which are covered by insurance or would be covered by insurance required to be maintained by the Owner, and Owner expressly waives any such liabilities and releases Indemnitees therefrom. The covenants in this Section 18.13 and the obligations of each Owner, and shall be binding on the Owner until such date as any claim or action for which indemnification or exculpation may be claimed under this Section 18.13 is fully and finally barred (or, if applicable, fully and finally resolved, and any payment required thereby has been made in full).

18.14 Business of Declarant. Except to the extent expressly provided herein or as required by applicable law, no provision of this Declaration shall be applicable to limit or prohibit any act of Declarant, its agents or representatives in connection with or incidental to Declarant's improvement and/or development of the Development, so long as any Residence herein owned by Declarant remains unsold.

18.15 Covenants of Declarant to Master Declarant. No provision contained herein shall rescind, modify or amend any previous agreements between Declarant and Master Declarant, whether such agreements are Recorded or not Recorded.

18.16 Written Consent. Unless otherwise specifically prohibited by the Bylaws, this Declaration or applicable law, any action which requires the approval of the Association and/or the Board of Directors may be approved by written consent of the holders of the prescribed percentage of the total voting power of the Association, and/or by the written consent of the prescribed number of Board votes, required to take such action.

ARTICLE 19. DECLARANT'S RIGHT TO CURE.

19.1 Intent to Restore. It is Declarant's intent that all Residences and other Improvements of every type and kind which may be installed by Declarant as part of the Project (collectively, the "Declarant Improvements") be of a quality that is consistent with construction and development practices for projects of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to

whether a defect exists and Declarant's responsibility therefore. It is Declarant's intent to resolve all disputes and claims regarding "Alleged Defects" (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Owners, the Association, the Board, and ARC shall be bound by the claim resolution procedures set forth in this Article.

19.2 Declarant's Right to Cure. If the Association, the Board, ARC or any Owner or Owners (collectively, "Claimant") claim, contend, or allege that portion of a Residence and/or any other Declarant Improvements are defective or incomplete, or that Declarant or its agents, consultants, contractors or subcontractors (collectively, "Declarant's Agents") were negligent in planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"). Declarant hereby reserves the right inspect, cure, repair and/or replace such Alleged Defect as set forth herein.

19.3 Notice to Declarant. If a claimant discovers an Alleged Defect, Claimant shall, within a reasonable time after discovery, notify the Declarant, in writing, at 136 Heber Ave., Suite 204, P.O. Box 2085, Park City, UT 84060, fax: (435) 655-3703, or such other address at which Declarant maintains its principal place of business, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

19.4 Right to Enter, Inspect, and Cure. Immediately after the receipt by Declarant of a Notice of Alleged Defect or the independent discovery of an Alleged Defect by Declarant or any governmental agency, and for a reasonable time thereafter, as part of Declarant's reservation of right, Declarant shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Residence or Common Areas, and/or any other Declarant Improvements for the purposes of inspecting and, if deemed necessary by Declarant, curing, repairing and/or replacing the Alleged Defect. In conducting such inspection, cure, repairs and/or replacement, Declarant shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

19.5 Legal Action. No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Declarant alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, (b) for the diminution in value of any real or personal property resulting from such Alleged Defect or (c) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Declarant a Notice of Alleged Defect and (ii) Declarant has, with 120 days after its receipt of the Notice of Alleged Defect, either (1) failed to cure, repair or replace the Alleged Defect or (2) if the Alleged Defect cannot reasonably be cured, repaired or replaced within 120 day period, failed to commence such cure, repair or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair or replacement to completion. During any such period while Declarant is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop, restrict, hinder, interrupt or otherwise interfere with any reasonable action or activity taken by Declarant, its employees, agents or independent contractors, to inspect, cure, repair or replace

the Alleged Defect whether or not such action or activity is taken, or is proposed to be taken, on property owned by Claimant.

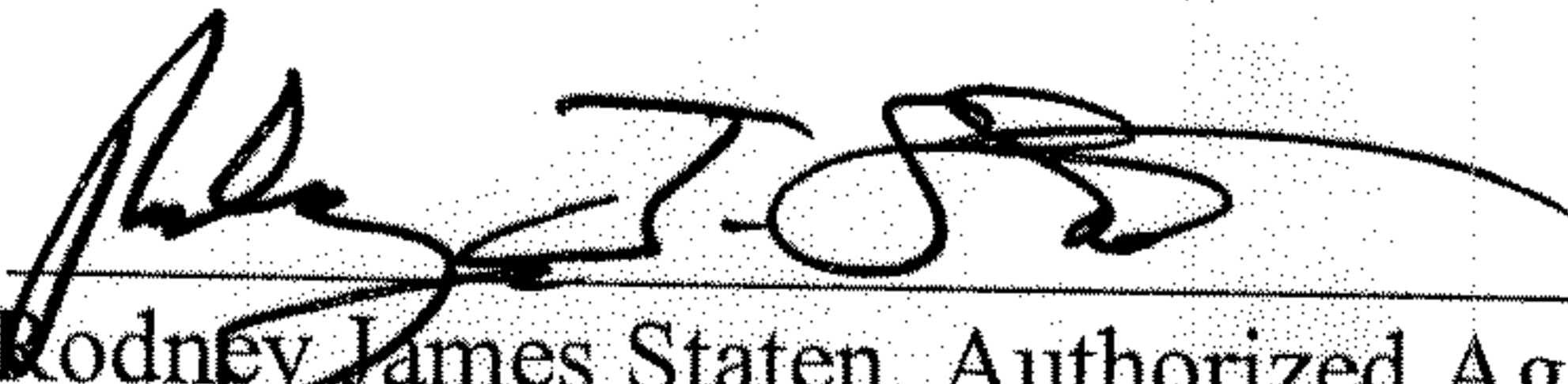
19.6 No Additional Obligations or Waiver of Rights. Nothing set forth in this Article shall be construed to impose any obligation on Declarant to inspect, cure, repair or replace any item or Alleged Defect for which Declarant is not otherwise obligated to do under applicable law or any limited warranty provided by Declarant in connection with the sale of the Residences and/or the Declarant Improvements constructed thereon, nor shall anything set forth in this Article constitute an express or implied representation, warranty or guarantee by Declarant concerning any Declarant Improvements, the Property, any Annexable Property or the Project. The right of Declarant to enter, inspect, cure, repair and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and Recorded by Declarant.

19.7 Arbitration. To the extent permitted by law, Claimants claims involving Alleged Defects shall be resolved by binding Arbitration through the American Arbitration Association using its Commercial Arbitration Association Rules and an arbitrator with at least 10 years experience in the general subject matter of construction defects. The Arbitrator shall enter findings of fact and conclusions of law to support his or her award, and there shall be no appeal from any trial court's review of the record, findings of fact, and conclusions of law. The standard of review for the trial court shall be the same as if the Utah Supreme Court were reviewing findings and conclusions of a trial court after a trial.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the date and year first written above.


DECLARANT: **FRIENDS OF TUHAYE, LLC,**
a Delaware limited liability company
By its Manager

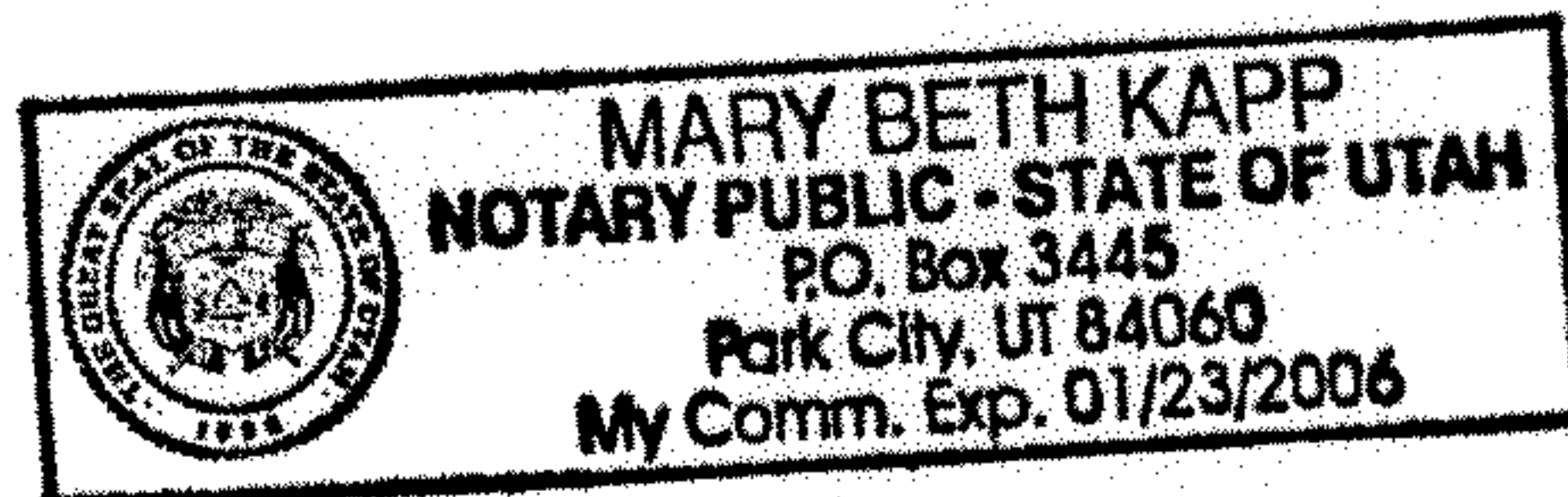
By: PARK CITY DEVELOPERS, LLC,
a Nevada limited liability company, its Manager

By: 
Rodney James Staten, Authorized Agent

STATE OF UTAH }
COUNTY OF SUMMIT }

This instrument was acknowledged before me on this 5th day of August, 2005, by Rod Staten of Park City Developers LLC, a Delaware LLC Company, as manager of FRIENDS OF TUHAYE, LLC, a Delaware limited liability company


NOTARY PUBLIC
My Commission Expires: (seal)
1/23/06



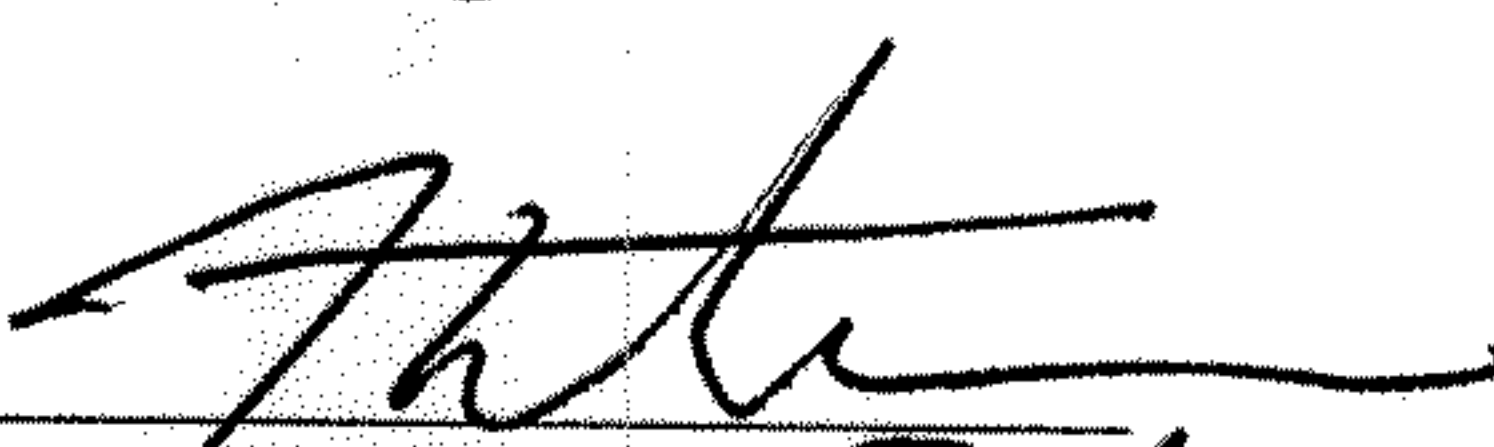
MASTER DECLARANT'S LIMITED CONSENT

Solely for purposes of compliance with the Master Declaration and for no other purpose whatsoever, and without limiting or amending any provision of the Master Declaration, the undersigned Master Declarant consents to this Declaration for Christopher Communities at Tuhaye, a Planned Community.

MASTER DECLARANT:

TUHAYE LLC,
a Utah limited liability company

By: Talisker Investments (U.S.) Inc.,
a Utah corporation,
Its sole manager

By: 
Name: T. James Tadeo
Title: V.P.

GOLF COURSE OWNER'S ACKNOWLEDGEMENT

The undersigned Tuhaye Golf, LLC, a Utah limited liability company, hereby acknowledges and agrees on its part to the provision set forth in Article 16, of the foregoing Declaration.

PRESENT GOLF COURSE OWNER:

TUHAYE GOLF, LLC,
a Utah limited liability company

By: 

Name: T. James Tadeson

Title: V.P.

EXHIBIT "A"

ORIGINAL PROPERTY

Tuhaye – Pod X, Phase X1

Beginning at a point which lies S89°56'26"E 1997.51 feet along the section line from the Northwest Corner of Section 27, T.2S., R.5E., S.L.B.&M. and running thence N00°55'28"E 172.46 feet to a point on the South right-of-way line of Tuhaye Park Drive; thence along said right-of-way the following (four) courses, (1) Easterly 10.03 feet along the arc of a 736.00 foot radius curve to the left, chord bears N83°57'39"E 10.03 feet; (2) N80°08'11"E 100.18 feet; (3) N83°34'13"E 456.69 feet; (4) Easterly 12.79 feet along the arc of a 1030.00 foot radius curve to the left, chord bears N83°12'52"E 12.79 feet; thence Southerly 12.88 feet along the arc of a 17.50 foot radius curve to the left, chord bears S12°29'52"W 12.59 feet; thence Southeasterly 141.47 feet along the arc of a 140.00 foot radius curve to the left, chord bears S37°31'43"E 135.53 feet; thence S23°31'21"W 50.00 feet; thence S19°52'06"W 101.04 feet; thence S17°11'49"E 93.71 feet to a point on the boundary of Parcel 2 of the Tuhaye Phase 1 Subdivision, recorded with Wasatch County, Entry No. 275649; thence along said subdivision the following (two) courses, (1) N76°58'56"W 182.01 feet; (2) S89°05'51"W 455.12 feet; thence N00°55'28"E 73.03 feet to the point of beginning.

Containing 4.03 acres.

Tuhaye – Pod X, Phase X2

Beginning at a point on the eastern boundary of the proposed Christopher Communities at Tuhaye, Phase X1 Subdivision, same said point lies S89°56'26"E 2607.06 feet along the section line from the Northwest Corner of Section 27, T.2S., R.5E., S.L.B.&M. and running thence along said subdivision the following (four) courses, (1) N19°52'06"E 83.28 feet; (2) N23°31'21"E 50.00 feet; (3) Northwesterly 141.47 feet along the arc of a 140.00 foot radius curve to the right, chord bears N37°31'43"W 135.53 feet (4) Northerly 12.88 feet along the arc of a 17.50 foot radius curve to the right, chord bears N12°29'52"E 12.59 feet to a point on the South right-of-way line of Tuhaye Park Drive; thence along said right-of-way the following (three) courses; (1) Easterly 142.39 feet along the arc of a 1030.00 foot radius curve to the left, chord bears N78°53'54"E 142.28 feet; (2) N74°56'17"E 265.08 feet; (3) Easterly 1252.80 feet along the arc of a 1470.00 foot radius curve to the right, chord bears S80°38'50"E 1215.23 feet to a point on the boundary of Parcel 2 of the Tuhaye Phase 1 Subdivision, recorded with Wasatch County, Entry No. 275649; thence along said subdivision the following (two) courses; (1) S74°20'53"W 1229.27 feet; (2) N76°58'56"W 367.16 feet to the Southeast corner of the proposed Christopher Communities at Tuhaye, Phase X1 Subdivision; thence along said subdivision the following (two) courses, (1) N17°11'49"W 93.71 feet, (2) N19°52'06"E 17.76 feet to the point of beginning.

Containing 13.40 acres.

Ent 286794 Bk 0774 Pg 0733

EXHIBIT "B"

ADDITIONAL LAND

ALL, OR ANY PORTIONS, FROM TIME TO TIME MAY, BUT NEED NOT NECESSARILY BE ANNEXED BY DECLARANT TO THE DEVELOPMENT INCLUDING ANY AND ALL REAL PROPERTY LOCATED WITHIN TUHAYE, A PLANNED COMMUNITY.