

LAVA FALLS AT ENTRADA
AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS

Pursuant to a vote of 100% of the owners of Lots in the Subdivision (as evidenced by the Consent of the Lava Falls at Entrada Property Owners Association and the Consent of the Declarant, Sun Realty Corporation, a Utah Corporation), as allowed by Article VII, paragraphs 3 and 4 of the Declaration of Covenants, Conditions & Restrictions of Lava Falls at Entrada, recorded October 1, 2001, as Entry No. 737022, Book 1428, Pages 2278, et seq., of Official Washington County Records (the "Original Declaration"), the Original Declaration is hereby deleted, and in its place and stead, a new Amended and restated Declaration shall be as follows:

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property to be developed and to be known as LAVA FALLS AT ENTRADA (hereinafter "LAVA FALLS"), more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof;

WHEREAS, Declarant has established a land use plan for LAVA FALLS and desires to provide for the preservation of the values and amenities hereby established and to this end does hereby subject the real property described in Exhibit "A" to the land use covenants, restrictions, easements, reservations, regulations burdens, and liens hereinafter set forth; and

WHEREAS, Declarant has deemed it desirable for the maintenance and preservation of the values and amenities established as aforesaid to establish the LAVA FALLS AT ENTRADA PROPERTY OWNERS ASSOCIATION, INC., a Utah corporation not for profit (hereinafter referred to as the "Association"), and to delegate and assign certain powers and duties of ownership, operation, administration, maintenance, and repair of certain property within the LAVA FALLS project, the enforcement of the covenants, conditions, restrictions, and easements contained herein, and the collection and disbursement of the assessments and charges hereinafter provided to the Association.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, Declarant hereby declares that LAVA FALLS, to the extent now committed to this Declaration, shall be owned, held, used, transferred, sold, conveyed, demised, and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth.

1. DEFINITIONS

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

1.1 "Annexing Amendment" shall mean an amendment to this Declaration which subjects additional property to this Declaration. Such Annexing Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Annexing Amendment to the provisions of this Declaration.

1.2 "Association" shall mean the LAVA FALLS AT ENTRADA PROPERTY OWNERS ASSOCIATION, INC.

1.3 "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member shall be entitled to appoint a majority of the members of the Board of Trustees, as

provided in Section 3.2 of the By-Laws. The Class "B" Control Period shall terminate as provided in Section 3.2.2 hereof.

1.4 "Common Area" shall mean all of the land presently owned or otherwise held, if any, or to be so acquired or held in the future by the Association and all improvements constructed hereon, and all personal property owned by the Association located thereon. The Initial Common Area shall be conveyed to the Association prior to the conveyance of a Unit to any Unit purchaser other than a builder or developer holding title for the purpose of development and resale. All costs associated with maintenance, repair, replacement and insurance of the Common Area shall be assessed against the Owners of Units.

1.5 "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Entrada Properties. Such standard may be more specifically determined by the Board of Trustees.

1.6 "Declarant" shall mean SUN REALTY CORPORATION, a Utah corporation., its successors and assigns.

1.7 "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for LAVA FALLS.

1.8 "Limited Common Area" shall mean and refer to certain portions of the Common Areas designated on a recorded Plat Map as reserved for use by the Owner of a certain Unit or Units to the exclusion of other Owners. Limited Common Areas shall include any driveways, porches, balconies, patios, shutters, awnings, window boxes, doorsteps, air handling condensers and other apparatus appertaining to a Unit specifically, if such are outside of the property or boundary lines of the Unit.

1.9 "Owner" shall mean and refer to one or more Persons who hold the record title to any Unit which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

1.10 "Party Wall" shall mean and refer to any permanent wall that separates or partitions two or more Units and is located on the boundary or dividing line(s) between the Units; provided, however, that the term shall not apply to any walls constructed as part of a condominium regime or development. By way of example, a wall partitioning structures located on two adjacent Units comprising a twin home, townhouse structure or attached Villa Development is considered to be a "Party Wall."

1.11 "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

1.12 "Property" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Annexing Amendment.

1.13 "Unit" shall mean a portion of the Property intended for development, use, and occupancy as a residence for a single family, and shall, unless specified, include within its meaning (by way of illustration, but not limitation) condominium units, Planned Unit Development units, townhouse units, attached villas, and patio or zero lot line homes, all as may be developed, used, and defined as herein provided or as provided in subsequent Amendments covering all or a part of the Property. The term shall include all portions of the Lot owned including any structure thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for such parcel on the site plan approved by Declarant, until such time as a certificate of occupancy is issued on all or a portion thereof by the local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

2. PROPERTY RIGHTS

2.1 Owners' Easements. Every Owner shall be a member of the Association and shall have a right and easement of enjoyment in and to the Common Area and shall have a permanent and perpetual right and easement of enjoyment in and to the property subject to this Declaration, which shall be appurtenant to and shall pass with the title to every Unit within LAVA FALLS, subject to all of the following:

2.1.1 All provisions of this Declaration, any Plat Map now or hereafter recorded, the Articles of Incorporation and the By-Laws of the Association;

2.1.2 Rules and regulations adopted by the Association governing the use and enjoyment of that portion of the Common Area not intended to be a part of any Unit;

2.1.3 The right of the Association to promulgate rules and regulations concerning LAVA FALLS;

2.1.4 The rights of the Association to levy assessments against each Owner for the maintenance, protection, and preservation of LAVA FALLS in compliance with this Declaration;

2.1.5 Easements, both recorded and unrecorded, for public and/or private utilities.

2.1.6 It is contemplated that pursuant to Section 10 of this Declaration, additional lands may be annexed to LAVA FALLS from time to time. In such event:

(a) With respect to Owners within any part of the land which may subsequently be annexed to LAVA FALLS, the right to use of the Common Area of the Association shall be expanded to include the annexed units.

(b) The responsibility for maintaining the Common Area shall be expanded by the number of new units added and the use and enjoyment of the Common Area shall thereafter be applicable to the expanded association membership.

(c) Assessments for maintenance, protection and preservation of the Common Area shall be levied, by the association, and all Owners shall be assessed with respect to the Common Area.

2.2 Limited Common Area Rights. Each Owner of a Unit is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Area, if any, reserved exclusively for the use of such Owner's Unit. The Limited Common Area appurtenant to any given Unit is or shall be indicated on the Plat Map. The exclusive right to use and occupy each Limited Common Area shall be appurtenant to and shall pass with the title to the Unit with which it is associated. Notwithstanding the exclusive license set forth herein, each Owner and the Association shall have a right of ingress and egress over, across, through or under the Limited Common Areas as may be reasonably necessary to perform any obligations hereunder, or to perform any necessary or desirable repairs, replacements, restoration or maintenance in connection with the Common Areas, any Party Wall, or in connection with utilities.

2.3 Easements for Encroachments. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances on the Common Areas. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the buildings or any improvements constructed or to be constructed within the Common Area, by error in the Plat Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the project, or any part thereof, in accordance with the provisions of this Declaration.

2.4 Delegation of Use. An Owner may delegate, in accordance with this Declaration, the Articles of Incorporation and By-Laws of the Association, his right to use of the Common Area to the members of his family, his tenants, or contract purchasers who reside in his Unit.

2.5 Permitted Uses. Property in LAVA FALLS shall be restricted to the following uses:

2.5.1 All Units shall only be used for single family residential purposes and no professional, business or commercial use shall be made of the same, or any portion thereof, nor shall any resident's use of a Unit endanger the health or disturb the reasonable enjoyment of any other owner or resident, provided, however, that the Unit restrictions contained in this section shall not be construed in such a manner as to prohibit an Owner or resident from (a) maintaining his personal, professional library therein; (b) keeping his personal business or professional records or accounts therein; (c) handling his personal business or professional telephone calls or correspondence therefrom; or (d) allowing nightly rental usage, providing that such rental activities are operated under the management of a single, professional management entity.

2.5.2 Except as provided herein, the Common Area, now and forever, shall be restricted hereby such that it shall be maintained as open space for the use or benefit of the Owners of LAVA FALLS, their guests, invitees and rental clientele, including common amenities, easements and rights of way for the construction, operation, and maintenance of utility services, both public and private, and drainage facilities, and also for common access, ingress and egress, and shall not be used for any commercial or industrial use except as herein described.

2.5.3 Limited Common Areas may be used by the Owners of the Units to which they are appurtenant for location, construction and maintenance of (I) mechanical equipment (such as air conditioning or heating equipment) servicing the Unit, (II) driveways, (III) patios, verandas, and porches, (IV) doorsteps and similar items extruding from a Unit into the Limited common Area.

3. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION.

3.1 Membership. Every Owner, as defined in Section 1.10, shall be deemed to have a membership in, and be a member of, the Association. No Owner, whether one or more Persons, shall have more than one membership per Unit owned. In the event the Owner of a Unit is more than one Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by an individual Member or such Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

3.2 Classes and Voting Rights. The Association shall have two classes of voting membership:

3.2.1 Class A. Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 3.1 hereof, there shall be only one (1) vote per Unit.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one Person holds the Interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

3.2.2 Class B. The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in this Declaration and the By-Laws. The Class "B" Member shall be entitled, at its sole discretion, to amend the Articles of Incorporation, and, in addition, shall be entitled to appoint a majority of the members of the Board of Trustees during the Class "B" Control Period, as specified in Article 3, Section 3.2 of the By-Laws. The Class "B" membership shall terminate upon the earlier of:

- (a) completion of the development and sale of FOURTEEN (14) residential dwelling units, and expiration of the Declarant's unilateral right to annex property pursuant to Section 10.1 of this Declaration; or
- (b) the unilateral resignation of the Class "B" Member; or
- (c) December 31, 2008.

3.3 Dissolution. In the event of the permanent dissolution of the Association for whatever reason, any Owner may petition the District Court of the Fifth Judicial District, Washington County, Utah, for the appointment of a Receiver to manage the affairs of the dissolved Association and the Common Area in place and instead of the Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the Common Area.

4. COVENANT FOR MAINTENANCE.

4.1 Association's Responsibility. The Association shall at all times maintain the Common Area and all landscaped areas in Limited Common Area, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon such areas.

All costs associated with maintenance, repair and replacement of the Common Areas shall be assessed as an Assessment solely against the Units to which the Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association may, in the discretion of its Board, assume the maintenance responsibilities set out in this Declaration or in any Annexing Amendment or declaration subsequently recorded. This assumption of responsibility may take place either by contract or by agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Property. The provision of services in accordance with this Section 4 shall not constitute discrimination within a class.

The Association may maintain property which it does not own, including, without limitation, property dedicated to the public or to the Community Development District, if the Board of Trustees determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Each Unit is owned by the Owner. However, areas within the surveyed Unit boundaries, but outside the originally constructed residence exterior walls, shall be treated for maintenance and use purposes as follows:

- (a) as Limited Common Area, if adjacent and naturally forming a part of Limited Common Area; or
- (b) as Common Area, if adjacent to and naturally forming a part of Common Area.

Notwithstanding the preceding maintenance provisions regarding landscaping within Unit boundaries, landscaping within enclosed or gated entrances, courtyards and covered patios to Units shall be maintained by Unit Owners.

4.2 Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit, and any appurtenant Limited Common Areas (except landscaping and related watering systems, which shall be maintained by the Association), in a manner consistent with the Community-Wide Standard and all applicable covenants. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with Section 9.3 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

The area between the curb and the sidewalk, if any (within the public right-of-way), on any public street shall be landscaped and maintained, as provided herein, by the Association, in accordance with the City's ordinances, policies and standards.

All Owners of Units for which landscape watering for the Unit and Limited Common Areas adjacent to the Unit is provided through the individual Unit's water metering box are solely responsible for maintaining a continuous supply of water and power to the irrigation systems for use in maintaining the Unit and Limited Common Area landscaping. Unit Owners may not alter the water timing systems for landscaping on and adjacent to their Units, unless approved by the Association. Unit Owners authorize the Association to monitor and to adjust the water timing systems for landscape watering on and adjacent to the Owner's Units.

Unit Owners shall not cause the Unit's water for irrigation watering or the electrical power supply to be discontinued. If a Unit Owner causes the water supply or electrical power supply to be discontinued, the Association is authorized to take all necessary steps to have the water or electrical supply restored to the Unit. All costs incurred by the Association in taking such steps to restore water or electricity shall be added to and become part of the assessment to which such Unit is subject, as provided by Article 9.

Each Owner shall be responsible for the maintenance of the exterior of the residence. In the event an Owner fails to perform this maintenance in a manner consistent with the terms of this Declaration, the Association shall have the right to enter upon such Unit to have maintenance performed on the Unit and exterior of the residence. The cost of such maintenance shall be added to and become part of the assessment to which such Unit is subject, as provided by Article 9.

4.3 Party Wall Provisions. Owners of Units containing a Party Wall shall maintain the Party Wall in a manner consistent with the Community-Wide Standard and all applicable covenants. All

costs and expenses relating to damages, repair, replacement, restoration, or maintenance that may be necessarily or reasonably incurred to preserve the soundness or structural integrity of the Party Wall, and, to the extent not separately allocable to the Units, the roof structures and surfaces immediately adjacent thereto, shall be divided between and borne by each Unit. If there are more than two such Units, the costs shall be borne in proportion to such use; otherwise, the costs shall be borne equally by the Units. However, if any such cost or expense is incurred or necessitated by the act or omission of the Owner(s) of one Unit, or their guests or invitees, that Unit shall be responsible for payment of all such cost or expense. If one Owner shall pay in excess of that Owner's proportionate share of such cost or expense, such Owner shall have a right to reimbursement from the other responsible Owner(s), which right shall constitute a lien and may be enforced by the Association (for the use and benefit of such Owner) in the same manner as a Special Assessment.

5. INSURANCE AND CASUALTY LOSSES.

5.1 Insurance. The Association's Board of Trustees, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Three Million Dollar (\$3,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Section 9.1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Trustees shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in Section 5.1.2 below. Such insurance shall be governed by the provisions hereinafter set forth:

5.1.1 All policies shall be written with a company licensed to do business in Utah which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

5.1.2 All policies on the Common Area shall be for the benefit of the Association, its Members and their mortgagees, as their interests may appear.

5.1.3 Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Trustees; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

5.1.4 In no event shall the insurance coverage obtained and maintained by the Association's Board of Trustees hereunder be brought into contribution with insurance purchased by Individual Owners, occupants, or their Mortgagees.

5.1.5 All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Washington County, Utah, area.

5.1.6 The Association's Board of Trustees shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(a) a waiver of subrogation by the insurer as to any claims against the Association's Board of Trustees, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(b) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(c) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any one or more Individual Owners;

(d) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owners, or Mortgagee;

(e) that any "other insurance" clause in any policy exclude Individual Owners' policies from consideration; and

(f) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section 5, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, and a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

5.2 Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Owner's Unit(s), the appurtenant Limited common Areas, and the structures constructed thereon meeting the same requirements as set forth in this Section 5 for insurance on the Common Area unless the Association carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Association. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally

destroyed the Owner may decide not to rebuild or reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard.

5.3 Damage and Destruction.

5.3.1 Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Trustees or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

5.3.2 Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstructing, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

5.3.3 In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, in a neat and attractive condition consistent with the Community-Wide Standard.

5.4 Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

5.5 Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Trustees shall, without the necessity of a vote of the Voting Members, levy a Special Assessment against all Owners on the same basis as provided for Base Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

6. NO PARTITION.

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been

removed from the provisions of this Declaration. This Section 6 shall not be construed to prohibit the Board of Trustees from acquiring title to real property which may or may not be subject to this Declaration.

7. CONDEMNATION.

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board of Trustees acting on the written direction of the Voting Members representing at least two-thirds (2/3) of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration, and Voting Members representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Trustees of the Association. If such improvements are to be repaired or restored, the above provisions in Section 5 hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Trustees of the Association shall determine.

8. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

8.1 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall maintain the same as provided in Section 4 hereof.

8.2 Personal Property and Real Property for Common Use. The Association, through action of its Board of Trustees, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

8.3 Rules and Regulations. The Association, through its Board of Trustees, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association.

8.4 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

8.5 Governmental Interests. The Association shall permit the Declarant to designate sites within the Properties for fire, police, water, or sewer facilities.

9. ASSESSMENTS.

9.1 Creation of Assessments. There are hereby created assessments for Common Expenses as may from time to time specifically be authorized by the Board of Trustees to be commenced at the time and in the manner set forth in Section 9.6 hereof. There shall be two (2) types of Assessments: (a) Base Assessments to fund expenses for the benefit of all Members of the Association; and (b) Special Assessments as described in Section 9.3 below.

Base Assessments shall be levied equally on all Units from and after the date of commencement of annual assessments found in paragraph 9.6 below. Special Assessments shall be levied as provided in Section 9.3 below. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate not to exceed the highest rate allowed by Utah law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty Dollars (\$50.00) for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Trustees which may include, without limitation, acceleration of the annual Base Assessment for delinquents. Unless the Board otherwise provides, the Base Assessments shall be paid in monthly installments.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

So long as the Declarant has an option unilaterally to subject additional property to this Declaration, the following shall apply: unless assessments have commenced, pursuant to Section 9.6 below, on all Units subject to this Declaration as of the first day of any fiscal year, the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the common expenses.

9.2 Computation of Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general expenses, if any. The Board shall cause a copy of the budget and the amount of assessments to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting of the Voting Members by a vote of Voting Members or their alternates representing at least a majority of the total Class "A" vote in the Association and the vote of the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Section 2.2 of the By-Laws.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

9.3 Special Assessments. In addition to the assessments authorized in Section 9.1, the Association may levy a Special Assessment or Special Assessments; provided, such assessment shall have the affirmative vote or written consent of Voting Members or their alternates representing at least fifty-one percent (51%) of the Class "A" vote in the Association and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

The Association shall levy such assessments as may be necessary from time to time for the purpose of repairing and restoring any damage or disruption resulting to streets or other common or limited common areas from the activities of the City of Santa Clara in maintaining, repairing or replacing utility lines and facilities thereon, it being acknowledged that the ownership of utility lines, underground or otherwise, is in the City up to and including the meters for individual units, and that they are installed and shall be maintained to City specifications.

9.4 Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the

period in which a Unit is owned by the Association following foreclosure: (a) No right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

9.5 Capital Budget and Contribution. The Board of Trustees may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 9.2 hereof.

9.6 Date of Commencement of Annual Assessments. Declarant shall not be liable for dues, except the subsidy provided in paragraph 9.1. The annual assessments provided for herein shall commence as to each Unit upon the date of Closing of the sale of such Unit by the Declarant to the first purchaser thereof, provided, however, that if the sale is to a builder or developer intending to build and resell the unit, the dues shall be decreased by the amount attributable to that unit's common area or limited common area landscaping, until the unit is landscaped, or the unit is sold and closed to a buyer intending to use the premises (whichever first occurs), at which time the full dues shall be paid. Assessments shall be due and payable in a manner and on a schedule as the Board of Trustees may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

9.7 Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Utah law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

9.8 Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) all Common area; and
- (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any; and
- (c) property not yet sold by Declarant.

9.9 City Assessments. Nothing herein contained shall in any manner be construed as precluding or in any way affecting the right of the City of Santa Clara, in accordance with the laws of the State of Utah and the City of Santa Clara, to levy assessments for public improvements or for any

other legal purpose, which assessments may thereafter, in accordance with the law, become liens against the Property.

10. ANNEXATION OF ADDITIONAL PROPERTY.

10.1 Annexation Without Approval of Class "A" Membership. As the Owner thereof, or if not the Owner, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or December 31, 2015, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B," attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the public records of Washington County, Utah, an amendment to this Declaration annexing such property, and by recording an amended plat, all as provided by the laws of the State of Utah and the appropriate municipal ordinances. Such Amendment shall not require the consent of Voting Members. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

10.2 Annexation with Approval of Class "A" Membership. Subject to the consent of the Owner thereof, the Association may annex real property other than that described on Exhibit "B" and following the expiration of the right in Section 10.1 (or any proper extension thereof), any property described on Exhibit "B," to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or Alternates representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 10.1 hereof.

Annexation shall be accomplished by filing in the public records of Washington County, Utah, an Annexing Amendment to this Declaration annexing such property, and by recording an amended plat, all as provided by the laws of the State of Utah and the appropriate municipal ordinances. Any such Annexing Amendment shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 10.2 and to ascertain the presence of a quorum at such meeting.

10.3 Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

10.4 Amendment. This Section 10 shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" hereof.

11. USE RESTRICTIONS.

Use of the Common Area, Limited Common Areas, and the Units shall be in accordance with the following provisions so long as the Association exists, and these restrictions shall be for the benefit of and enforceable by all Owners and members of the Association.

11.1 Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Unit, part or portion of LAVA FALLS, except that small dogs, cats or other domesticated household pets may be kept in a Unit, provided that said pets are not kept to be bred, boarded or maintained for commercial gain, and subject to the reasonable rules and regulations adopted by the Board, and the right of the Board to direct the Owner to remove the pet from the Unit if the Board determines the pet(s) to be a nuisance. A dog which repeatedly barks, or a cat that howls, whether or not within the Owner's Unit, will be considered to be a nuisance. No outside dog houses or dog runs are allowed.

11.2 Nuisance. No Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit any noxious or offensive activity on any Unit, part or portion of LAVA FALLS which will interfere with rights, comfort or convenience of other Owners.

11.3 Commercial and Recreational Vehicles. No boats, trailers, buses, motor homes, motorcycles, all terrain vehicles, snowmobiles, campers, trucks, or the like shall be parked or stored upon the Common Area or a Unit, except within an enclosed garage with a height of not to exceed eight feet, unless it is a commercial vehicle in the process of being loaded or unloaded. No boats, trailers, buses, motor homes, trucks or campers shall be parked for longer than 12 hours on any street within LAVA FALLS.

11.4 Litter and Garbage Collection. No Owner shall sweep or throw from any structure on his Unit any dirt or other materials or litter. No garbage, trash, refuse, or rubbish shall be deposited, dumped, or kept on any part of the Unit except in closed containers, dumpsters, or other sanitary garbage collection facilities, and proper-sized, closed containers or closed plastic bags shall be placed for pickup in accordance with any rules and regulations promulgated by the Association. Garbage that is placed for pickup shall be located near the roadways contiguous to the Unit but shall only be left outside the night before scheduled pickup and shall be subject to such additional rules and regulations as the Association may from time to time promulgate.

11.5 Notices and Signs.

11.5.1 Except as herein specifically permitted, no sign, advertisement, notice, lettering or descriptive sign shall be posted, displayed, inscribed, or affixed to the exterior of any structure located upon any Unit, and no "For Sale," "For Rent" or similar signs or notices of any kind shall be displayed or placed upon any lot or upon any part of a Unit, either inside or outside the Unit. Exceptions to the above general rule are as follows:

- (1) Street numbers shall be affixed as approved by the Association.
- (2) Lot numbers, approved as to form by the Association, identifying unsold Lots may be placed in the middle of the front portion of any such Lots.
- (3) An approved sign, generally inscribed on stone, is allowable at the entrance(s) to any Neighborhood.
- (4) "Model Open" or "Open House" signs are allowed, subject to such size, height and shape rules as shall be established by the Association. Such signs shall be removed daily and stored out of sight. Any residential structure bearing such a sign shall be manned by an owner or salesperson at all time such sign is displayed.
- (5) The Declarant may display any sign which it, in its sole discretion, deems to be necessary or advisable.

11.5.2 The Declarant shall arrange for or provide space in a centrally located site for dissemination of information regarding Units which may be offered for sale by owners or their sales representatives. Such space may be in the sales office of Declarant's sales representatives, but the

Information regarding property offered for sale by owners or by agents unrelated to the sales office shall be readily available to all potential buyers entering the premises.

11.6 Interruption of Drainage. No change in the elevation of a Unit shall be made and no change in the condition of the soil or level of the land of a Unit shall be made which results in any permanent change in the flow and drainage of surface water which the Declarant, in its sole discretion, considers detrimental. The Declarant may cause the property to be returned to its initial condition at the expense of the Owner.

11.7 Mining. No drilling, mining, or quarrying operations or activities of any kind shall be undertaken or permitted to be undertaken on any part of LAVA FALLS.

11.8 Fences. No fences or walls shall be allowed on any Unit without the prior written consent thereto from the Association.

11.9 Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of LAVA FALLS or any property operated by the Association nor any part of it; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be observed.

11.10 Antennae. No radio, television or other antennae of any kind or nature, or device for the reception or transmission of radio, microwave or similar signals, including satellite dishes, shall be permitted on any Unit, provided, however, that such a device will be allowed if it is 24 inches or less in diameter, if it is substantially shielded from view, and if it is painted to blend with the color of the Unit.

11.11 Clothes Drying. No portion of any Unit shall be used as a drying or hanging area for laundry of any kind, it being the intention hereof that all such facilities be provided within the dwelling to be constructed on each Unit.

11.12 Guests. The Owners of Units shall be fully responsible for the activities and actions of their guests, invitees, tenants, or visitors and shall take all action necessary or required to insure that all such persons fully comply with the provisions of this Declaration, and all rules and regulations of the Association.

12. UTILITY SERVICE.

12.1 Dedication of Utility Easements. Declarant has and will dedicate certain portions of LAVA FALLS, through which easements are now and may hereinafter be granted, for use by all utilities, public and private, for the construction and maintenance of their respective facilities servicing the lands described in this Declaration. Declarant hereby grants to such utilities, jointly and severally, easements for such purpose. Such easements may, but are not required to, be dedicated by recorded plat or other instrument. Additional easements may be granted by the Association for utility or recreational purposes in accordance with the requirements of this Declaration.

13. GENERAL PROVISIONS.

13.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

13.3 Duration: Amendment. The covenants and restrictions of this Declaration shall run with and bind the property subject hereto for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended by an Instrument executed by the holders of two-thirds (2/3) of the voting interest of membership in the Association. Notwithstanding the above, the Declarant, its successors and/or assigns shall have the right, until December 31, 2008, to unilaterally amend this Declaration. Any amendment must be recorded.

13.4 Duty to Repair Structure. In the event a structure on a Unit is damaged, through an act of God or other casualty, the Owner of the Unit shall promptly cause the structure to be repaired or rebuilt substantially in accordance with the original architectural plans and specifications. It shall be the duty of the Association to enforce such repair and rebuilding of the structures to comply with this responsibility.

13.5 Easement for Enforcement. The Association is granted an easement over LAVA FALLS, subject to this Declaration, by each Owner for the purpose of enforcing the provisions of this Declaration, and may go upon each Unit to remove or repair any existing cause of a violation thereof. If the Owner required to cure the violation fails to do so, the Association shall have the right to cure such violation, and all costs incident thereto, including court costs and reasonable attorney's fees, shall become the personal obligation of the Owner and be a lien against his Unit in the same fashion as if said sums represented monies due for unpaid assessments.

14. COMPLIANCE AND DEFAULT.

Each Owner shall be governed by and shall comply with the terms of this Declaration, all exhibits hereto, the Articles of Incorporation and By-Laws of the Association, and the regulations adopted pursuant to those documents, and all of such as they may be amended from time to time. Failure of an Owner to comply with such documents and regulations shall entitle the Declarant, the Association, and/or other Owners to all appropriate legal and equitable relief.

14.1 Negligence. An Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees.

14.2 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of an Owner to comply with the terms of this Declaration, the Articles of Incorporation and the By-Laws of the Association, any exhibit to this Declaration, or any rules or regulations adopted pursuant to any of the foregoing, and all other such documents, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the court including costs and fees on appeal or certiorari.

14.3 No Waiver of Rights. The failure of the Declarant, the Association, or any Owner to enforce any covenant or restriction of this Declaration or of the Articles of Incorporation of the Association, shall not constitute a waiver of the right to do so thereafter.

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Covenants, Conditions & Restrictions of LAVA FALLS AT ENTRADA the 8th day of NOV., 2002.

DECLARANT:

SUN REALTY CORPORATION,
a Utah corporation

By: *Henry Isaksen*
President

ASSOCIATION:

LAVA FALLS AT ENTRADA PROPERTY OWNERS ASSOCIATION, INC.

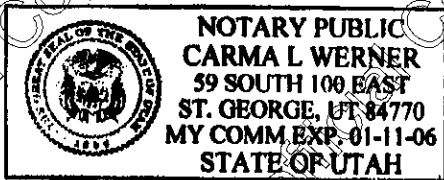
By: *Henry Isaksen*
President

CORPORATE ACKNOWLEDGMENT

STATE OF UTAH

COUNTY OF WASHINGTON

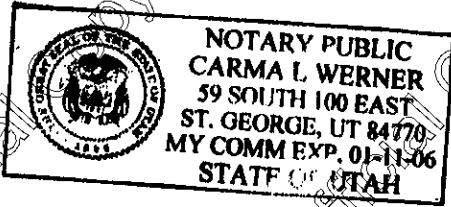
On the 8th day of NOV, 2002, personally appeared before me Henry Isaksen, Jr. and Mary Ann Isaksen, the President and Secretary, respectively, of SUN Realty Corporation, a Utah corporation, who being by me duly sworn did say that they executed the foregoing Declaration of Covenants, Conditions & Restrictions on behalf of said corporation and being authorized and empowered to do so by a resolution of the Board of Directors, and they did duly acknowledge to me that such corporation executed the same for the uses and purposes stated therein.



Carma L Werner
Notary Public
Residing at: *St. George ut 84770*

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On the 8th day of Nov, 2002, personally appeared before me Henry [Signature] the President of Lava Falls at Entrada Property Owners Association, Inc., a Utah corporation, who being by me duly sworn did say that he executed the foregoing Declaration of Covenants, Conditions & Restrictions on behalf of said corporation and being authorized and empowered to do so by a resolution of the Board of Directors, and they did duly acknowledge to me that such corporation executed the same for the uses and purposes stated therein.



Carma L. Werner
Notary Public

File No. 90404

EXHIBIT "A" - LEGAL DESCRIPTION

Beginning at a point on the South right of way line of Pioneer Parkway, said point being North 89°18'30" East, 1345.68 feet along the Center Section Line of Section 10, Township 42 South, Range 16 West, Salt Lake Base and Meridian, to the 1/16 Corner, a found brass cap and South 00°24'12" East, 1369.54 feet along the 1/16 line said point of beginning being on a 467.00 foot radius curve to the left (radius point bears South 00°47'31" East) and running thence South 00°24'12" East, 395.70 feet to the Northeast Corner of LAVA COVE PHASE I AMENDED; thence South 89°40'48" West 455.00 feet; thence South 56°26'20" West, 129.99 feet to a point on a 1483.19 foot non-tangent curve to the left (radius point bears South 55°37'37" West); thence 3.31 feet along the arc of said curve through a central angle of 00°07'40" to a point of reverse curvature of a 360.00 foot radius curve to the right; thence 112.43 feet along the arc of said curve through a central angle of 17°53'35" to a point of compound curvature of a 20.00 foot radius curve to the right; thence 30.62 feet along the arc of said curve through a central angle of 87°43'38" to the South right of way line of Pioneer Parkway being a point of reverse curvature of a 533.00 foot radius curve to the left; thence 298.62 feet along the arc of said curve through a central angle of 32°06'03" to a point of reverse curvature of a 467.00 foot radius curve to the left; thence 409.08 feet along the arc of said curve through a central angle of 50°11'23" to the point of beginning.

AR

PROOFREAD

EXHIBIT "B"

SANDPOINT AT ENTRADA

A parcel of land situated in the Southwest Quarter of Section 10, Township 42 South, Range 16 West, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point N. 89°18'30" E. 1345.68 feet along the center section line of said Section 10, to a found 1/16 corner and S. 00°24'12" E., 1303.54 feet along the 1/16 section line and S. 89°14'02" W. 0.21 feet from the West ¼ corner of said Section 10 (found BLM brass cap) said point of beginning being on the Northerly right-of-way line of 2000 North Street at the beginning of a 533.00 foot radius curve to the left (radius point bears S. 0°45'58" E.); thence 467.13 feet along the arc of said curve through a central angle of 50°12'55" to a point of reverse curvature with a 467.00 foot radius curve to the right, radius point bears N. 50°58'53" W.; thence 282.96 feet along the arc of said reverse curve through a central angle of 34°43'00"; thence S. 73°44'07" W. 74.58 feet; thence departing said right-of-way line, N. 0°11'19" W. 363.06 feet; thence N. 89°14'02" E. 711.87 feet to the point of beginning.

Contains 2.6462 acres

