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

FOR

SUMMIT RIDGE  
A PLANNED COMMUNITY DEVELOPMENT

in

Utah and Juab Counties, Utah

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THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SUMMIT RIDGE (the "Master Declaration") is made on this 16 day of December, 2000, by SUMMIT RIDGE DEVELOPMENT, LLC, a Utah limited liability company ("Declarant") and is approved and accepted by Grantors, as hereafter defined.

RECITALS:

A. Declarant has entered into option or contractual agreements for the purchase of certain real property from South County Development, L.C., a Utah limited liability company ("South County"), the Shirl L. Ekins Family Irrevocable Trust (the "Ekins Family Irrevocable Trust") and the State of Utah acting through the School and Institutional Trust Lands Administration ("SITLA"). South County, the Ekins Family Irrevocable Trust and SITLA may hereafter be referred to together as "Grantors." The real property owned by Grantors and subject to this Declaration (the "Grantor Property") is more particularly described on Exhibit A-1, attached hereto and incorporated herein by this reference

B. The property described on the attached Exhibit A-2 is presently owned by (i) UTAH S.H.O.P., LLC, a Utah limited liability company (the "Shop Company"), (ii) Darlene and Daryl J. Kay, Trustees of the Daryl J. Kay Family Trust (the "Kay Family Trust"), and (iii)

the Shirl L. Ekins Family Trust (the "Ekins Family Trust"), each parcel of which is more particularly described on Exhibit A-2, attached hereto and incorporated herein by this reference and all of which may together hereafter be referred to as the "Additional Property". The owners of the Additional Property may hereafter together be referred to as the "Additional Property Owners". The Additional Property Owners agree to subject the Additional Property to this Master Declaration.

C. Willis H. and Coy Morgan (the "Morgan") own certain undevelopable property located in Utah County, State of Utah, as more particularly described on Exhibit A-3 attached hereto and incorporated herein by this reference (the "Morgan Property"), which Morgans have agreed to subject to this Master Declaration.

D. The Grantor Property, the Additional Property and the Morgan Property may hereafter be collectively referred to together as the ("Property"), and more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

E. A planned community development known as SUMMIT RIDGE (the "Project") will be developed on the Property as shown on the Summit Ridge Development Plan attached as Exhibit B and incorporated by this reference. The Project contains neighborhood areas and commercial areas and will include a mixture of single-family, multi-family, commercial, industrial and recreational uses. The Project also contains Common Elements, some of which may be used and enjoyed by the general public.

F. In furtherance of a common plan of development for the Project, Declarant, Grantors, the Additional Property Owners and Morgan, intend to adopt these master covenants, conditions and restrictions affecting the Property and to reserve easements across certain portions of the Property for the benefit of other portions of the Property and any After-Acquired Property. Grantors agree to convey the Grantor Property, each pursuant to its respective agreement with Declarant, subject to these master covenants, conditions, and restrictions, and subject to and together with such easements herein provided, all of which shall run with the title to the Property.

G. Declarant has created the Summit Ridge Master Association to which Declarant in due course will delegate and assign (i) the powers of owning, maintaining and administering the Common Elements, (ii) the duties of administering and enforcing this Master Declaration, and (iii) the duties of collecting and disbursing the assessments and charges hereinafter created in connection with the operation, maintenance, repair and replacement of the Common Elements and the functions and obligations of the Master Association created hereunder.

H. Declarant or the Additional Property Owners may also create separate Condominium Associations covering the multi-family, commercial and industrial portions of the Project, which Condominium Associations will maintain common areas (separate from the Common Elements) within the boundaries of those projects, and provide for the management and operation of the Condominium Association, administer and enforce the terms of any Condominium Declaration, and levy and collect assessments, including assessments of the Master Association allocated to the Condominium Association by this Master Declaration.

General

1.1 General Purposes. Declarant and the Additional Property Owners intend to develop the Property as a community to be known as Summit Ridge which will contain neighborhood and commercial areas which will include a mixture of single-family, multi-family, commercial, industrial, and recreational uses. Declarant and the Additional Property Owners intend that this Master Declaration establish and provide for the continued maintenance of the Project as an attractive and desirable community.

1.2 Densities and Entitlements. The densities and entitlements for the Project are generally defined in the Annexation and Development Agreement between Declarant, Grantors, the Additional Property Owners and Morgan (all together, the "Land Owners") and the City of Santaquin, dated \_\_\_\_\_ 2000 which sets forth the right to develop the Project to include up to Three Thousand Three Hundred Twenty-Two (3,322) residential units, plus 1,800,000 square feet of commercial and industrial buildings. Additional residential units and commercial development may be approved for After-Acquired Property. More particularly, and subject to possible reallocations of residential density, the Project will consist generally of the following:

- (a) Single Family Residential Detached Homes;
- (b) Multi-Family Uses; and
- (c) Commercial Uses.

1.3 After-Acquired Property. Subject to any approvals required from the City, Declarant reserves the right to subject the After-Acquired Property to this Master Declaration by the recordation of a supplemental declaration. No amendment to this Master Declaration will be required to effect such action. Declarant shall identify in the supplemental declaration the number of additional Lots and Units to be added to the Project, the number of votes to be allocated to the After-Acquired Property and the number of Assessment Units to be allocated to the After-Acquired Property. Upon recordation of the supplemental declaration, the subject After-Acquired Property shall be deemed added to the Property and the number of Lots, Units, votes and Assessment Units shall be automatically increased to include the After-Acquired Property's Lots, Units and other items for purposes of this Master Declaration. The supplemental declaration may modify any of the covenants, conditions and restrictions otherwise applicable to the Property in the supplemental declaration where such changes are deemed necessary, in the discretion of the Declarant, to address a unique condition affecting or relating to the After-Acquired Property that is the subject of the supplemental declaration or to more fairly allocate the benefits and obligations of membership within the Master Association.

1.4 Master Association and Neighborhood Associations. Declarant has created the Summit Ridge Master Association as a Utah non-profit corporation. The members of the Master Association will be Declarant, the Owners of Lots and Condominium Associations. The votes

shall be allocated among those Members as set forth in Section 3.14 below. Declarant or the Owners of Lots in any Neighborhood may also create a Voluntary Neighborhood Association of Lot Owners but such association shall not have any voting rights hereunder. Declarant intends to delegate and assign the power of owning, maintaining and administering the Common Elements and the duties of administering and enforcing this Master Declaration and of collecting and disbursing the assessments and charges hereinafter created to the Master Association.

1.5 Dedication. In order to further the general purposes stated above, Declarant, the Land Owners and Morgans hereby declare that all of the Property, and any of the After-Acquired Property hereafter made subject to this Master Declaration by the recordation of a supplemental declaration, shall at all times be owned, held, sold, conveyed, occupied, used, and enjoyed subject to the provisions of this Master Declaration and to the covenants, conditions, restrictions, equitable servitudes, reservations, easements, assessments, charges, and liens provided, referred to or incorporated herein, all of which shall run with the Property (and any of the After-Acquired Property made subject hereto), and all of which shall burden, benefit, and be binding upon Declarant Grantor, the Land Owners and Morgans and all other persons or entities having any right, title or interest in the Property (and any of the After-Acquired Properties made subject hereto), or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives.

1.6 Right to Develop. The foregoing notwithstanding, no provision of this Master Declaration is intended or shall be construed to prevent or limit the rights to develop the Project and to exercise the rights reserved by Declarant and the Additional Property Owners as hereinafter provided.

## ARTICLE 2

### Definitions

2.1 Unless otherwise expressly provided herein, capitalized words and phrases used in this Master Declaration shall have the following meanings:

“Additional Property” means that property within the Summit Ridge Project Area described on the attached Exhibit A-2.

“Additional Property Owners” means the owner of any parcel of Additional Property as set forth in Recital B above, as such group may be modified by subsequent transfer of any parcel of Additional Property (except an individual lot sale).

“After-Acquired Property” means any parcel or parcels of real property other than property in the Project acquired by Declarant after the execution of this Declaration which are, at the date of this Declaration, adjacent to the Summit Ridge Project Area.

“Annexation and Development Agreement” shall mean that certain agreement described in Section 1.2.

"Articles" shall mean the Articles of Incorporation of the Summit Ridge Master Association, as such Articles may be amended from time to time.

"Base Common Assessment" shall have the meanings set forth in Section 3.24.

"Board" shall mean the Board of Trustees of the Master Association, elected in accordance with the Articles and Bylaws of the Master Association.

"Bylaws" shall mean the Bylaws of the Summit Ridge Master Association, as such bylaws may be amended from time to time.

"Capital Improvement Assessment" shall mean the charge against each Owner and the Owner's Lot and, if applicable, against each Condominium Association and each Unit, representing the portion of the costs to be paid to the Master Association for the installation, construction or reconstruction of any capital improvement on any portion of the Common Elements which the Master Association may from time to time authorize.

"Change in Control Date" shall mean the date on which the Declarant no longer holds any Class C Membership in the Master Association.

"City" means Santaquin City, a third class city of the State of Utah.

"Commercial Lot" shall mean any Lot which is designated for the purpose of conducting a commercial business.

"Commercial Space" shall mean the Commercial Lot and any Unit or other area which may be used, leased, or rented for the purpose of conducting commercial business. Commercial Space includes, without limitation, areas used for retail or wholesale sales, industrial uses, restaurants, barber and beauty shops, fitness facilities, child care facilities, warehouse facilities, real estate sales facilities and recreational activity sales offices. Commercial Space may take the form of condominium units.

"Commercial Unit" shall mean a condominium unit to be used as Commercial Space.

"Common Assessment" shall mean the charge against each Owner and the Owner's Lot, Unit or Multifamily Housing Complex, representing the portion of the Common Expenses which is to be paid by such Owner or other obligor to the Master Association, as more particularly set forth in Section 3.24.

"Common Elements" shall mean all the real property, improvements, facilities and equipment owned and/or managed by the Master Association, or owned by another Person subject to a lease, license, easement or other arrangement in favor of the Master Association. The Common Elements shall exclude all property dedicated to the City and the common areas of any Neighborhood except to the extent covered by an easement in favor of the Master Association. The Common Elements include, without limitation, to the extent of the Master Association's interest therein, roads, walkways, paths, hiking and bicycle trails, street lights,

signs, open space areas, landscaping and landscaping improvements, basins, bridges, retaining walls, drainage devices, swales, stormwater conveyance facilities, and detention basins. The Common Elements within the Property will be specified on the Summit Ridge Development Plan and in supplemental declarations covering each portion of the Property or in other separately recorded documents identifying Common Elements or specifying an interest of the Master Association with respect to a portion of the Property. Common Elements shall also include any communications systems, electronic or fiberoptic network or any security system operated by the Master Association for the benefit of Owners.

"Common Expenses" shall mean the expenses (including allocations for Reserves) incurred or assessed by the Master Association in fulfilling its duties.

"Condominium Association" means a Neighborhood Association, the members of which are condominium unit owners and which represents those Unit Owners within the Master Association through its membership in the Master Association. A Condominium Association does not exist for assessment purposes unless and until a condominium project within the Neighborhood is created by the recording of a survey map.

"Condominium Declaration" shall mean the declaration of covenants, conditions and restrictions and reservation of easements for a particular Condominium Association, as such declaration may be amended from time to time.

"Declarant" shall mean Summit Ridge Development, LLC, a Utah limited liability company, and its successors and assigns to whom Summit Ridge Development, LLC assigns, in whole or in part, the rights of Declarant hereunder by an express written assignment. Declarant may convey all or a portion of the Property for purposes of development with or without assigning its rights as Declarant under this Declaration. Each Neighborhood Association may have a separate Declarant for the purposes of any Voluntary Neighborhood Declaration or Condominium Declaration without affecting Declarant's rights hereunder.

"Declarant Control Period" shall mean the period commencing on the date on which the Master Association is formed and ending on the Change of Control Date.

"Denominator" shall have the meaning set forth in Section 3.24.

"Design Guidelines" shall mean the Summit Ridge Design Guidelines, adopted by the Board in accordance with the Bylaws and this Master Declaration, as amended from time to time.

"Design Review Committee" shall mean the Design Review Committee for the Project created pursuant to Section 6.1 hereof.

"Developed Parcel" shall mean any parcel of land within the Project which has been platted; provided that any parcel platted by Declarant or any Additional Property Owner shall not become a Developed Parcel until one year following recording of the Plat. In the event any parcel is transferred or conveyed by Declarant or any Additional Property Owner without a Plat

separating such parcel into lots, such parcel shall become a Developed Parcel one (1) year following the transfer, with the number of units in such parcel determined as indicated on the Summit Ridge Development Plan.

"Development Phase" shall mean any separate parcel of Summit Ridge property purchased by Declarant from any of Grantors, the Additional Property Owners or separately transferred to any third party developer.

"Grantor Property" shall mean the real property described on Exhibit A-1.

"Grantors" shall mean South County, the Ekins Family Irrevocable Trust and SITLA.

"Guest" shall mean any family member, tenant or invitee of an Owner, or any family member, tenant or guest of such a person or of the Master Association.

"Improvement" shall mean all structures and appurtenances thereto of every type and kind, including, without limitation, buildings, out buildings, walkways, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees and shrubs, and related fixtures and equipment.

"Individual Assessment" shall mean the charge against a particular Owner and the Owner's Lot, Unit or Multifamily Housing Complex directly attributable to the Owner, equal to (i) the charge to such Owner for particular items, services, or benefits provided by the Master Association at such Owner's request, or (ii) the costs incurred by the Master Association for corrective action performed pursuant to the provisions of this Master Declaration, plus interest thereon and fees (including attorney's fees) and costs.

"Land Owners" means South County, the Ekins Family Irrevocable Trust, SITLA, Shop Company, Kay Family Trust, Ekins Family Trust and Morgan.

"Lot" shall mean a Residential Lot or Commercial Lot as shown on a Plat.

"Master Association" shall mean the Summit Ridge Master Association formed by Declarant under the Utah Non-Profit Corporation and Cooperative Association Act, and such association's successors and assigns.

"Master Declaration" shall mean this Master Declaration of Covenants, Conditions, and Restrictions, and Reservation of Easements, as amended from time to time.

"Master Rules" shall mean the Master Rules and Regulations for the Project adopted by the Board in accordance with the Bylaws, as amended from time to time.

"Member" shall mean a member in the Master Association including the Owner of any Residential Lot, or Commercial Lot, a Condominium Association or the Declarant during the Declarant Control Period.

"Mortgage" shall mean any mortgage or deed of trust or other conveyance of a Lot or Unit given to secure the performance of an obligation, and which will be void and reconveyed upon the completion of such performance. The term "deed of trust" or "trust deed" when used herein shall be synonymous with the term "Mortgage".

"Mortgagee" shall mean a person to whom a Mortgage is made and shall include the beneficiary of a deed of trust. The term "first Mortgagee" shall include any Mortgagee who, by virtue of the Owner's Mortgage holds a first and prior lien upon any Lot or Unit superior to the lien of any other Mortgagee.

"Mortgagor" shall mean a person who mortgages the Owner's Lot or Unit to another (i.e., the maker of a Mortgage), and shall include the trustor of a deed of trust.

"Multifamily Housing Complex" shall mean any residential multifamily housing improvement containing more than four residential units, excluding any Condominium Unit.

"Neighborhood" shall mean any separate subdivision or Development Phase within the Project or well-defined area generally identified in the Summit Ridge Development Plan.

"Neighborhood Association" shall mean the homeowners association for any Voluntary Neighborhood Association or any Condominium Association in the Project. A Voluntary Neighborhood Association is an association of Lot Owners which has no right to vote as a unit and whose members have independent voting rights. A Condominium Association is an association of Unit Owners which has voting rights as a unit and whose members have no independent voting rights.

"Open Space Area" shall mean a portion of the Property that is the subject of a use Restriction and specifically identified on recorded Plats or recorded Use Restrictions within the Project.

"Overall Special Assessment" shall mean the charge against each Owner and the Owner's particular Lot, and, if applicable against each Condominium Association and each Unit, representing the portion of the costs to be paid by the Owner or other obligor to the Master Association for unbudgeted expenses or expenses in excess of those budgeted.

"Owner" shall mean the person holding title of record to any Lot or Unit or parcel of property within the Project, including buyers under executory contracts of sale, but excluding those persons having such interest merely as security for the performance of an obligation. For purposes of Membership in the Master Association, voting in the Master Association and being obligated to pay assessments levied against Lots by this Master Declaration, the term "Owner" shall refer only to Owners of Lots, and not Declarant or Land Owners in connection with ownership of the parcels described in Exhibits A-1 or A-2 or the owner of any After-Acquired Property. Owners of Units shall not be members of the Master Association but shall be members of Condominium Associations and shall be assessed by and vote in connection with those Condominium Associations.



"Plans and Specifications" shall mean plans and specifications to be submitted to the Design Review Committee as provided in Section 6.2.

"Plat" shall mean a recorded subdivision plat or record of survey map covering commercial or residential Lots, or any Multifamily Housing Complex on the Property.

"Project" shall have the meaning set forth in the Recitals above.

"Public Rights" shall mean the rights of the public to use the portions of the Property dedicated to the City and the Common Elements on the Property to the extent described herein or in any recorded instrument reflecting such public rights over any portion of the Property.

"Property" shall have the meaning set forth in the Recitals above. The term "Property" shall also later include any of the After-Acquired Property that is made subject to this Master Declaration by the recordation of a supplemental declaration, which inclusion shall be effective from and after the date of recordation of a supplemental declaration.

"Reserves" shall mean those reserves anticipated in Section 3.17 below.

"Residential Lot" shall mean a Lot for single family residential use.

"Residential Unit" shall mean a Unit to be used for residential, rather than commercial purposes.

"SITLA" shall mean the state of Utah acting through the State Institutional Trust Lands Administration.

"Summit Ridge Development Plan" shall mean the Summit Ridge Development Plan for the Project as the same may be amended from time to time. The Summit Ridge Development Plan is attached as Exhibit B for general reference purposes only and is not intended to set forth the final approved configuration of all elements of the Project.

"Trail" shall mean a bicycle, or hiking trail or foot path or a bridal path situated on the Property.

"Undeveloped Parcel" shall mean a parcel designated for future development on a recorded Plat, which identifies the number of Undeveloped Residential Units to be allocated to each such parcel.

"Undeveloped Residential Unit" shall mean a unit of residential density allocated to a specified portion of the Property and which has not been included in a recorded Plat other than a plat creating an Undeveloped Parcel or included in a record of survey map. Undeveloped Residential Units are used for the purpose of identifying certain voting and other rights of Declarant and shall be voted by Declarant as set forth in Section 3.14(c). As of the date of this Master Declaration, the total number of Undeveloped Residential Units on the Property is 3322. When a Developed Parcel is created, the number of Undeveloped Residential Units shall be

reduced by the number of Residential Lots or Residential Units covered by the recorded Plat or map, or if none, as indicated in the Summit Ridge Development Plan.

"Unit" shall mean a 'condominium unit' on the Property as that term is defined in the Utah Condominium Ownership Act. The term "Unit" includes Commercial Units and Residential Units unless otherwise specified.

"Use Restriction" shall mean any dedication, conservation easement, open space preservation agreement or other restriction of use by which Declarant, any Land Owner or the Master Association dedicates a certain portion of the Property for continued use as open space and/or for outdoor recreational uses, as the same may be amended from time to time.

"Voluntary Neighborhood Association" means a Neighborhood Association of Lot Owners formed for any purpose or function not inconsistent with the Master Declaration.

"Voluntary Neighborhood Declaration" shall mean the declaration of covenants, conditions, and restrictions and reservation of easements for a particular Voluntary Neighborhood Association, as such declaration may be amended from time to time.

### ARTICLE 3

#### Summit Ridge Master Association

3.1 Relationship of Associations. The Summit Ridge Master Association shall be the Master Association for the Project and shall do such things as are within its powers and as may reasonably be required to maintain the Project and its Common Elements as an attractive and desirable community. The Members of the Master Association shall be Declarant, the Owners of Lots, and the Condominium Associations. A separate Condominium Association will be formed for each Neighborhood containing Condominium Units. Declarant or the Owners of Lots within any Neighborhood shall have the right to form a Voluntary Neighborhood Association for the Neighborhood, but such Association shall not have membership in the Master Association, other than as provided for in Section 3.13 below. The members of a Neighborhood Association shall be Declarant or its delegate and the Owners of Lots or Units in that Neighborhood. The duties and powers of the Master Association shall relate to the Property as a whole, while the duties and powers of a particular Neighborhood Association shall relate only to its particular Neighborhood.

3.2 Duties and Powers of Master Association. The Master Association, acting through the Board, shall have the powers and duties provided in the Articles and Bylaws and such additional powers as shall be reasonable and necessary for the Master Association to accomplish the purposes of this Master Declaration.

3.3 Operation and Maintenance. The Master Association shall be responsible for the operation, management, regulation, maintenance, repair and replacement of the Common Elements except to the extent any such functions are assumed by another entity. In addition, the Master Association may operate, manage, maintain, and repair other areas and facilities within the Project as the Board may determine to be in the best interests of the Owners and the Project

generally and to the extent necessary to comply with any maintenance agreements entered into between Declarant or the Master Association and any governmental entity. Without limiting the foregoing, the Master Association shall operate, manage, regulate, maintain, repair and replace:

- (a) All private roads, walkways, drainage and stormwater devices, bridges, tunnels, gates and gate houses, parking areas and facilities, recreational amenities, and other facilities in the Common Elements, including, without limitation, cleaning and periodic resurfacing, snow removal, sanding and salting, trash removal, regulating speed, regulating access through the control gates, revegetation, and the placement of signs.
- (b) To the extent owned by the Master Association, wells, water lines, storm drainage and water systems, and related equipment and facilities.
- (c) Trees, shrubs, plants and other vegetation in the Common Elements and any Open Space Area owned by the Master Association.
- (d) Any surface, subsurface, or above-surface Common Elements including Trails or other Common Elements situated on or crossing any Lot.
- (e) To the extent of the Master Association's interest therein, any Commercial Spaces or any Commercial Lot.

3.4 Health and Safety. Neither Declarant nor the Master Association have any obligation to provide services for the maintenance of health and safety within the Project, but the Master Association may, in its sole discretion, provide such services including, without limitation, providing facilities, services, and/or personnel for fire protection, emergency, medical services, security, the collection and disposal of solid waste and refuse, and animal control.

### 3.5 Administration and Enforcement.

3.5.1 Master Association. The Master Association shall have the power to:

- (a) Grant easements or rights-of-way required by utilities to serve the Project.
- (b) Employ or contract with a manager to perform all or any part of the duties and responsibilities of the Master Association, and delegate its power to committees, officers and employees.
- (c) Take such actions as may reasonably be necessary or desirable to comply with and enforce the Use Restrictions.
- (d) Contract with such Persons as may reasonably be necessary or desirable to effectuate the purposes of this Master Declaration, including, without limitation, contractors to collect and dispose of solid waste and refuse, contractors to operate a shuttle or other transportation system within the Project, contractors to maintain the landscaping, contractors to provide security services, and the like.

(e) Own and maintain or dedicate Open Space Areas, and grant and impose restrictive covenants, conditions, restrictions, recreational and trail easements and conservation easements with respect to Open Space Areas owned by the Master Association.

(f) Take such actions as may reasonably be necessary or desirable to enforce the terms and provisions of the Articles, the Bylaws, this Master Declaration, Design Guidelines, or any Neighborhood Declaration, including, without limitation, the power to:

(i) After thirty (30) days' written notice, without being liable to any Owner or Neighborhood Association, enter upon any Lot, Unit or Neighborhood common area, for the purpose of enforcing by peaceful means the provisions of this Master Declaration, the Design Guidelines, or any Voluntary Neighborhood Declaration or Condominium Declaration, or for the purpose of maintaining or repairing any such Lot, Unit or Neighborhood common area if for any reason whatsoever the Owner thereof or other responsible person fails to maintain or repair any such Lot, Unit or Neighborhood common area as required by this Master Declaration.

(ii) After thirty (30) days written notice, without being liable to any Owner, enter upon any Lot, Unit or Neighborhood common area, for the purpose of removing any fire hazard on any Lot, Unit or Neighborhood common area which the Owner or other responsible person refuses to remove immediately.

3.5.2 Enforcement of Design Guidelines. The City shall also have the power, but neither the duty nor obligation, to enforce the Design Guidelines, and by its signature below acknowledges such authority.

3.6 Insurance. The Master Association shall maintain such policy or policies of liability and fire insurance with respect to the Common Elements and personal property owned by the Master Association as provided herein.

3.7 Assessments. The Master Association shall levy and collect all assessments as provided herein.

3.8 Rules and Design Guidelines. The Master Association shall adopt and may from time to time amend Master Rules and Design Guidelines for the Project in order to effectuate this Master Declaration and the purposes of the Project.

3.9 Transportation. The Master Association may provide facilities, services, and/or personnel for the operation of shuttle and other transportation to, from, and within the Project.

3.10 Recreation. The Master Association may provide, operate, and maintain recreational facilities and programs for Owners and guests including, without limitation, clubhouses, spa facilities, the Trails, and other recreational amenities.

3.11 Promotion and Marketing. In addition to the Declarant, the Master Association may conduct programs that do not conflict with the Declarant, for the promotion of the Project as an attractive and desirable community.

3.12 Telecommunications Systems and Access. The Master Association may provide security systems and monitoring services, satellite and cable television facilities and services, other telecommunications systems and access to communications programming within the Project, including internet access via cable or telephone facilities, other audio or video program services, and other telecommunications devices.

3.13 Membership in the Master Association.

(a) Membership Classes. Every Owner of a Lot in the Project shall be a Class A Member of the Master Association. Each Condominium Association shall be a Class B Member of the Master Association. Declarant shall be a Class C Member in the Master Association for so long as it holds any Undeveloped Residential Units.

(b) Class A Membership Appurtenant. The Class A membership of an Owner of a Lot shall not be assignable, except to the successor-in-interest of the Owner, and every Class A membership in the Master Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. Ownership of a Lot shall be the sole qualification for Class A membership in the Master Association.

(c) Transfer of Class A Membership. The Class A membership held by any Owner of a Lot shall not be transferred, pledged, encumbered or alienated in any way, except upon the sale of the Lot giving rise to such membership, and then only to the purchaser of such Lot. Any attempt to otherwise transfer or sever a Class A Membership shall be null and void, and will not be reflected upon the books and records of the Master Association. In the event an Owner of a Lot shall fail to refuse to transfer the Class A membership registered in the Owner's name to the purchaser of the Owner's Lot upon transfer of fee title thereto, the Board shall have the right to record the transfer upon the books of the Master Association. The Board shall have the right to charge a reasonable Specific Assessment against any Owner, and the Owner's Lot, equal to the cost to the Master Association of effectuating any such transfer of the Owner's Class A membership upon the books of the Master Association.

3.14 Voting. The three (3) classes of membership in the Master Association shall be entitled to the following voting rights.

(a) Class A. Every Owner of a Residential Lot shall be a Class A Member and shall be entitled to one (1) vote in the Master Association with respect to such Lot. The Owner of any Multifamily Housing Complex shall be entitled to one (1) vote for each five units therein for which a certificate of occupancy has been issued. The Owner of any Commercial Lot, shall be entitled to one vote for each 10,000 square feet of structural improvements on a Commercial Lot for which a certificate of occupancy has been issued.

When more than one Person owns any Lot ("co-owner"), all such co-owners shall be Members and may attend any meetings of the Master Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such co-owners may from time to time all designate in writing one such co-owner to vote. Where no voting co-owner is designated or if such designation has been revoked, the votes for such Lot shall be exercised as the majority of the co-owners of the Lot mutually agree. Unless the Board receives a written objection from a co-owner, it shall be conclusively presumed that the voting co-owner is acting with the consent of the other co-owners. No votes shall be cast for any Lot where the majority of the co-owners present in person or by proxy and representing such Lot cannot agree to said vote or other action. All agreements and determinations lawfully made by the Master Association in accordance with the voting procedures established herein, or by the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns. The voting and non-voting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot. Said voting rights shall be subject to the restrictions and limitations provided in the Master Declaration and in the Articles and Bylaws. The number of Class A Members shall increase by the number of Lots in any After-Acquired Property.

(b) Class B. The votes of each Condominium Association shall be cast by authorized representatives of the Condominium Association, which representatives shall be entitled to attend any meetings of the Master Association. Any residential Condominium Association shall be entitled to one (1) vote in the Master Association for each five condominium units and any commercial Condominium Association shall be entitled to one vote in the Master Association for each 50,000 square feet of structural improvement on the property in that association for which certificates of occupancy have been issued. The votes of each Condominium Association may be cast in total or split at the discretion of the Condominium Association. In the event there are Condominium Units included in any After-Acquired Property, the number of Class B votes shall increase by (i) 1/5 of the number of added residential Condominium Units or (ii) one vote per 50,000 square feet of additional Commercial Space, as the case may be.

(c) Class C. Declarant shall be a Class C Member of the Master Association and shall be entitled to one half (0.5) of a vote for each Undeveloped Residential Unit held by it. The Class C membership with respect to Undeveloped Residential Units shall terminate with respect to any Undeveloped Residential Unit at the time of transfer or conveyance of affected property to a third party.

3.15 Voting. Unless a greater than simple majority of the membership is specified as being required in the Articles or unless any decision is specified in the Bylaws or this Master Declaration as requiring the approvals of a particular class of Members, any provision requiring the vote or approval of the Members shall require the approval of a simple majority of all Members votes present in person or by proxy at a meeting of the Members at which a quorum is present. In the event any provision of this Master Declaration or the Articles or Bylaws requires the approval of a particular class of membership of the Master Association such requirement shall be deemed to require a simple majority of all votes of the class present in person or by proxy at a meeting of the Members at which a quorum of the class is present.

3.16 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action by the Members shall be sent to all Members (who have provided a written notice of address to the Master Association) not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast fifty-one percent (51%) of all votes of the Master Association (or all votes of a particular class of Membership, if applicable) eligible to be cast at said meeting shall constitute a quorum as to all Members (or that class of membership). If the required quorum is not present, another meeting may be called by giving not less than ten (10) days notice in advance of the meeting, and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the voting power of the entire membership or membership class in question. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

3.17 Assessments. The Master Association shall have the right to levy and collect Common Assessments, Individual and Overall Special Assessments and Capital Improvement Assessments as provided in this Section. Assessments on Units may be levied on and delivered to the Condominium Association or to individual Unit Owners, at the discretion of the Master Association, so long as duplicate levies are not made. Unless specified otherwise herein, any reference in this Section 3.17 to assessment of a Unit shall also be deemed to include the Condominium Association.

(a) Purpose of Common Assessments. The Common Assessments levied by the Master Association shall be used to promote the common health, safety, benefit, recreation and welfare of the Owners, to meet any obligations imposed on, incurred or assumed by the Master Association, to cover costs, including overhead and administrative costs, for the operation of the Association and the operation, management, maintenance, repair, and replacement of the Common Elements, and to establish impound accounts as may be required by any governmental entity. The Common Assessments may also be used to establish adequate Reserves for maintenance, repair, and replacement of the Common Elements. Common Assessments shall be levied against each Lot, Unit or Multifamily Housing Complex and the Owner thereof, and shall be payable in such manner and at such times, including monthly or quarterly installments, as the Board may determine.

(i) Basis of Common Assessments. The total Common Assessments shall be based on advance estimates of cash requirements by the Master Association to provide for payment of all estimated expenses growing out of or connected with the operation of the Association and the operation, management, maintenance, and repair of the Common Elements, which estimates may include, among other things, expenses of snow removal, taxes, special assessments, premiums for all insurance which the Master Association is required or permitted to maintain pursuant thereto, repairs and maintenance, wages for Master Association employees, compensation of a manager, legal and accounting fees, the creation of reasonable Reserves, surplus and/or sinking funds for the replacement of capital items and other purposes, and any other expenses and liabilities which may be incurred by the Master Association for the benefit of the Owners. Common Assessments shall be made on a calendar year basis. The amount of the Common Assessments shall be initially proposed by the Board, and presented to a meeting of the Owners for approval. Notice of the proposed assessment for the ensuing year shall accompany

the notice of the meeting, and shall be mailed to each Owner (who has provided a written notice address to the Master Association) not later than thirty (30) days prior to the date set for said meeting. Said notice shall also set forth the estimated Base Common Assessment for each Owner for the calendar year covered by said assessments, determined as provided in Section 3.24. Common Assessments representing particular cost items may, but shall not be required to, be allocated to particular Residential or Commercial Lots, Units or Multifamily Housing Complex, depending on the extent of benefit received by the particular Lots, Units or Multifamily Housing Complex in question (as determined by the Board in the exercise of its discretion), and therefore, Common Assessments may not be the same for all Lots or all Units.

(ii) Reserves. Common Assessments may include reasonable amounts as determined by the Board collected as Reserves for the future periodic maintenance, repair and replacement of all or a portion of the Common Elements, or for any other purpose as determined by the Board. All amounts collected as Reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected. Said amounts shall be segregated from and not commingled with any other funds of the Master Association. Such Reserves shall be deemed a contribution to the capital account of the Master Association by the Members.

(b) Purpose of Individual Special Assessments. Special Assessments levied by the Master Association shall be levied against a particular Lot, Unit or Multifamily Housing Complex and the Owner thereof, to cover costs, including overhead and administrative costs, for:

(i) Providing particular services, items, or benefits to a Lot, Unit or Multifamily Housing Complex at the request of the Owner thereof pursuant to a list of snow removal, landscape maintenance, and handyman services, and which assessments may be levied in advance of providing such special services.

(ii) Enforcing any provision of the Articles, Bylaws, this Master Declaration, any Neighborhood Declaration, the Master Rules, or the Design Guidelines against any Owner, or of bringing any Lot, Unit or Multifamily Housing Complex into compliance with such requirements.

(iii) Maintenance, repairs, or replacements of or within the Common Elements arising out of or caused by the willful or negligent act or omission of an Owner or Condominium Association or the guests of any of them.

(c) Purpose of Overall Special Assessments. Overall Special Assessments shall be levied from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise provided in the Articles, Bylaws, or in this Master Declaration, or Overall Special Assessment shall require the affirmative vote or written consent of a majority of Members. Overall Special Assessments shall be levied against each Lot or Unit and the Owner thereof, to each then existing Multifamily Housing Complex and shall be payable in such manner and at such times, including installments over time, as the Board may determine.



(d) Purpose of Capital Improvement Assessments. A Capital Improvement Assessment may be levied from time to time for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of or upon the Common Elements, including fixtures and personal property related thereto; provided, however, that any such assessment in excess of One Hundred Thousand Dollars (\$100,000) shall require the affirmative vote or written consent of a majority of Members. Capital Improvement Assessments shall be levied against each Lot, Unit, Multifamily Housing Complex or Condominium Association and the Owner thereof and shall be payable in such manner and at such times, including installments over time, as the Board may determine.

3.18 Creation of the Lien and Personal Obligation of Assessment. Declarant and each Land Owner, for each Lot, Unit or Multifamily Housing Complex owned by it, hereby covenants and agrees, and each Owner of any such property, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Master Association all Common Assessments, Individual Special Assessments, Overall Special Assessments, and Capital Improvement Assessments levied as provided herein, and each such assessment together with interest, costs and reasonable attorney's fees for the collection thereof, shall be a charge on the property and shall be a continuing lien upon such property against which such 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 property at the time when the assessment fell due. The Master Association shall have lien rights on each individual Unit in a Condominium Association, which rights shall be superior to the lien rights of the Condominium Association; and the lien rights of each Condominium Association to lien the property of individual Unit owners are hereby assigned to the Master Association.

3.19 Adjustment of Assessments. The Master Association may phase-in its budget for assessment purposes during the first three years after the commencement of assessment under Section 3.25 with approximately equal monthly additions so that the amount of the budget (determined based on assumed full operation) collected in the first month will be one-thirty sixth (1/36) of the normal monthly assessment under the full budget, the amount collected in the second month will be two-thirty sixths (2/36) of the normal monthly assessment, and so on, until the full normal monthly amount is collected in the thirty-sixth month. The Master Association shall reduce its expenditures to not exceed its collections in these phase-months. Further, in the event that a Plat is recorded, or any After-Acquired Property is made subject to this Master Declaration, the Board shall have the power to make equitable and reasonable adjustments in the amount of assessments (or installments thereof) so as to take into account (i) any increases in assessments payable to the Master Association resulting from the inclusion of any new Lot, Unit, Multifamily Housing Complex or Condominium Association, in the annexation of any After-Acquired Property, and (ii) any increases in Common Expenses resulting from the inclusion of any new Lot, Unit, Multifamily Housing Complex or Condominium Association within the annexation of the After-Acquired Property.

3.20 No Offsets. All assessments shall be payable in the amount specified by the assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Master Association is not properly exercising its duties and

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powers as provided in this Master Declaration, or (ii) an Owner or Condominium Association has made or elects to make no use of the Common Elements.

3.21 Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Master Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Utah now in effect from time to time hereafter.

3.22 Limitations on Certain Increases in Common and Overall Special Assessments. Any provision of this Master Declaration to the contrary notwithstanding, the Board shall not in any fiscal year of the Master Association, without the affirmative vote or written consent of a majority of all Member votes, levy a Common Assessment per Lot which is more than ten percent (10%) greater than the Common Assessment for such Lot or Unit for the immediately preceding fiscal year of the Master Association. Any provision of this Master Declaration to the contrary notwithstanding, the Board shall not in any fiscal year of the Master Association, without the affirmative vote or the written consent of a majority of all Members votes, levy a Overall Special Assessment against each Lot or Unit which, when aggregated as to all Lots and Units, exceeds ten percent (10%) of the Common Expenses of the Master Association for such fiscal year. The foregoing to the contrary notwithstanding, the Board may increase Common Assessments and Overall Special Assessments which are subject to the foregoing limitations in an "emergency situation" which is defined as any one of the following: (i) an extraordinary expenditure or the increase of an impound account balance required by order of court or any governmental entity with jurisdiction on any portion of the Project; (ii) an extraordinary expenditure necessary to operate, repair or maintain the Common Elements or any other property for which the Master Association is responsible where a threat to personal safety on the Common Elements or on such other property is discovered or where the expenditure is required as a condition to the confirmation of insurance on any portion of the Project or required by a governmental entity or an agreement with a governmental entity (including without limitation the operation and maintenance of traffic controls and gates); and (iii) an extraordinary expenditure necessary to repair or maintain the Common Elements or any other property for which the Master Association is responsible that could not have been reasonably foreseen by the Board in preparing its budget (however, prior to the imposition and collection of an assessment under this Subsection (iii), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of the assessment).

3.23 Multiple Assessments Levied Against Lot Resulting from Merger or Combination. Whenever two or more adjacent Lots of an Owner are combined, then the resulting combined new Lot shall be considered a single Lot for all purposes except that for voting and assessments purposes it shall be assessed as two Lots and shall have two Class A Memberships appurtenant to the combined Lot.

3.24 Common Assessments. The Board shall set a base common assessment amount for each calendar year (the "Base Common Assessment") determined pursuant to the provisions of Section 3.17 above. The Base Common Assessment shall be charged and adjusted as follows:

(a) Residential Lots. The Base Common Assessment shall be assessed on all residential lots between the size of 10,000 square feet up to ½ acre. For lots between ½ acre and one acre the Base Common Assessment shall be increased by 10%. For lots in excess of 1 acre the Base Common Assessment shall be increased by 25%. For lots less than 10,000 square feet, the Base Common Assessment shall be decreased by 5% for each 1,000 square feet less than 10,000 square feet to a maximum reduction of 20% for a Lot 6,000 square foot or less.

(b) Commercial Lots. The Base Common Assessment shall be assessed on all commercial lots up to one acre. For lots exceeding 1 acre, the Base Common Assessment will be increased by 5% for each acre in excess of the one acre minimum up to a maximum of 70% for a Lot consisting of 15 or more acres.

(c) Condominium Units. The Master Association shall set and assess a separate Base Common Assessment for Condominium Units, both residential and commercial.

(d) Multifamily Housing Complex. The Master Association shall set and assess a separate Base Common Assessment for Multifamily Housing Complexes.

3.25 Date of Commencement of Assessments. Common and other assessments shall commence (i) on the first day of the month following the day that is 30 days after the recording of a Plat, or (ii) one year following the recording of any Plat recorded by Declarant or any Additional Property Owner (unless such property is transferred or conveyed within the year period, in which case, the assessment shall begin on the day that is 30 days after the recording of the transfer document). The first Common Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Master Association and in accordance with the phase-in provisions of Section 3.19. In the event the amount budgeted to meet Common Expenses for the then current fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may either reduce the amount of Common Assessments or may abate collection of Common Assessments as it deems appropriate. Nothing in this Section shall require the Board either to abate or reduce the amount of Common Assessments. Notwithstanding the foregoing, (i) neither an abatement nor a reduction in the amount of Common Assessments shall be permitted so long as Declarant is possessed with or controls a majority of the total voting power of the Master Association and of the Board, and (ii) when Declarant no longer is possessed with or controls a majority of the total voting power of the Master Association or the Board, an abatement or reduction in Common Assessments shall only be permitted during a particular fiscal year if the same does not result in a reduction of the quantity or quality of services to the Master Association from those contemplated by the Common Expenses budget for that particular fiscal year.

3.26 Reports to Members. The Board shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Master Association for each calendar year, and shall cause to be distributed a copy of each such statement to each Member. The Board shall prepare and distribute to the membership of the Master Association at the time of delivery of notice of each proposed Common Assessment pursuant to Section 3.17, a written, itemized estimate of the expenses to be incurred by the Master Association during such

year in performing its functions under this Master Declaration, less any expected income and accounting for any surplus from the prior year's assessments.

3.27 Excess Funds. At the end of any calendar year of the Master Association, the Board may determine that all excess funds of the Master Association, over and above the amounts used for any purpose, may be returned to the Members proportionately, or may be retained by the Master Association and used for Reserves, to supplement any required impound account or to reduce the following year's Common Assessments.

3.28 Remedies for Non-payment of Assessments: Any installment of a Common Assessment, Overall Special Assessment, or Capital Improvement Assessment not paid within thirty (30) days after the due date shall bear interest from the due date of such installment to the date paid at the rate of eighteen percent (18%) per annum. If any installment of an assessment is not paid within thirty (30) days after it is due, the Owner responsible therefor may be required further by the Board to pay a late charge of Five Dollars (\$5.00) or five percent (5%) of the amount of the delinquent installment, whichever is greater. The Master Association may bring a legal action of law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Unit. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or by abandonment of the Owner's property.

(a) Notice of Default. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days have expired following the date of Notice of Default is deposited in the United States mail, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Master Association in the office of the appropriate County Recorder. Said Notice of Default must recite a good and sufficient legal description of the Lot, the record Owner or reputed Owner thereof, the amount claimed (which may at the Master Association's option include interest on the unpaid assessment at eighteen percent (18%) per annum, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Default shall be signed and acknowledged by an officer of the Master Association, and said lien shall be prior to any declaration of homestead recorded after the date on which this Master Declaration is recorded. The lien shall continue until fully paid or otherwise satisfied.

(b) Foreclosure Sale. Any sale provided for above may be conducted by the Board, its attorney or other persons authorized by the Board in accordance with the provisions of the Utah Code Annotated, 1953 as amended, applicable to the exercise of powers of sale in deeds of trust, by foreclosure as a mortgage, or in any other manner permitted by law. The Master Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease mortgage and convey the same.

(c) Curing of Default. Upon the timely curing of any default for which a Notice of Default was filed by the Master Association, the offices of the Master Association shall record an appropriate Release of Lien, upon payment by defaulting Owner of a fee, to be determined by the Master Association to cover cost of preparing and recording such release.

(d) Certificate as to Indebtedness. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Lot created hereunder shall be conclusive upon the Master Association and the Owners as to the amount of such indebtedness as the date of the certificate, in favor of all persons who rely thereon in good faith.

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

3.29 Title to the Common Elements. Upon recording of a subdivision plat creating any individual lot in an Undeveloped Parcel, Declarant or the Land Owner, as the case may be, hereby agrees that it will convey or assign (where Declarant or the Land Owner owns less than fee title) all of its right, title and interest in and to the Common Elements for the Undeveloped Parcel to the Master Association, free and clear of all encumbrances and liens, except for the following:

- (a) Easements, conditions and reservations set forth in this Master Declaration or any Plat.
- (b) Any use restrictions;
- (c) Liens for taxes and assessments;
- (d) the terms of other easements, and reservations interest in the Owner's chain of title, excluding financial liens; and
- (e) The Public Rights.

3.30 Taxes on Common Elements. Taxes or assessments levied or assessed against or upon the Common Elements shall be paid by the Master Association and shall constitute a portion of Common Expenses. Each Owner shall execute such instruments and take such action as may be reasonably specified by the Master Association to obtain separate real estate tax assessments on the Owner's Lot. If any taxes or assessments may, in the opinion of the Master Association, nevertheless be a lien on more than one Lot, such taxes or assessments may be paid by the Master Association, and each Owner shall be obligated to pay or reimburse the Master Association for, as the case may be, the taxes and assessments assessed by the County Assessor or other taxing authority against the Owner's Lot.

3.31 Damage or Destruction to Common Elements. Damage to or destruction of all or any portion of the Common Elements shall be handled in the following manner, notwithstanding any provision in this Master Declaration to the contrary:

- (a) In the event of damage or destruction to any Common Element, and if the insurance proceeds are sufficient to effect total restoration, then the Master Association shall

cause such Common Element to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are insufficient to effect total restoration, then the Master Association shall cause such Common Element to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Capital Improvement Assessment against each of the Owners, in accordance with the provisions of this Master Declaration.

3.32 Loan to Master Association. The Declarant shall be permitted to make a loan to the Master Association for purposes of funding all expenses of the Master Association prior to the collection of sufficient funds from assessments to pay such expenses. Such loan shall be made on commercially reasonable terms and at an interest rate not to exceed the prime rate as quoted in the Wall Street Journal on the date of the loan. Any such loan shall be evidenced by a promissory note, and Declarant is hereby authorized to execute such note on behalf of the Master Association.

## ARTICLE 4

### Easements and Third Party Rights

4.1 Easements Reserved by Declarant. Declarant and all Land Owners hereby reserve the easements provided in this Section 4.1.

4.1.1 Construction Easements and Related Rights. Declarant and all Land Owners hereby reserve for the benefit of Declarant and the Master Association these rights from time to time.

(a) to construct, maintain, repair and replace any improvements necessary or required for the full development of the Project on property owned by Declarant, on the Common Elements and on portions of Lots outside of the building areas of Lots designated on the Plat;

(b) to establish and use nonexclusive perpetual utility and other easements, leases, permits or licenses on, over, upon, across, above, under and through the Common Elements for uses including, but not limited to access roads, paths, sidewalks and Trails; any facilities necessary or used for transit purposes, including means of transportation to, from and within the Project; clubhouses; shuttle stops and related structure and signage; mailbox structure; gardens, sprinkler systems and other landscaping changes, improvements and appurtenances (including without limitation, removal of trees and other vegetation subject to any necessary governmental approvals); ponds and water tanks; drainage facilities; monuments; recreational area and facilities; parking areas; ducts, shafts and flues; conduit installation areas (including any fiber optic network); storage facilities for supplies and equipment; earth walls and other road way supports; lights; signage; and

(c) to create other interests, reservations, exceptions and exclusions for the best interest of the Master Association and for the benefit of any Owner or all Owners;

provided that any such action taken and any easement, lease, permit or license, interest, reservation, exception or exclusion established does not unreasonably impair the use of the Common Elements or the building areas of Lots designated on the Plat for their respective intended purposes.

4.1.2 Landscaping and Drainage Easements. Declarant hereby reserves for itself and the Master Association an easement across the Property except the portions thereof occupied by Improvements and within all Common Elements;

(a) to revegetate, beautify or maintain portions of the Property located adjacent to road rights of way;

(b) to beautify and maintain portions of the Property to the extent necessary, in Declarant's judgment, to mitigate through landscaping, any potential negative visual impact of the Project;

(c) to revegetate distributed portions of the Property in order to control erosion, to beautify the Property or to restore Property to a natural condition after damage by natural or man-made causes;

(d) to preserve, improve, maintain, restore and revegetate natural and man-made storm drainage ways across the Property, including the building areas of the Property which include drainage ways, and to convey water in those drainage ways; and

(e) to construct, operate, maintain, repair and replace storm detention and water quality structures on the Property, including within the building areas of Lots or Units where necessary to adequately control surface water.

No Owner of a Lot or Unit shall interfere with the established drainage pattern over the Owner's Lot or Unit. For purposes of this Master Declaration, "established drainage" on any Lot or Unit is defined as the drainage pattern and facility in existence at the time that such Lot or Unit is conveyed to a purchaser by Declarant.

This paragraph reserving rights to landscape or revegetate shall not create an obligation on the part of Declarant or the Master Association to landscape or revegetate any portion of the Property. Further, in the event any such landscaping or revegetation is undertaken by Declarant or the Master Association, the Declarant or the Master Association shall not be obligated to guarantee the survival of or to maintain any landscaping or vegetation installed.

4.1.3 Easements for the Benefit of Owners. Declarant hereby reserves for the benefit of all the Owners, the following described perpetual non-exclusive easements over all portions of Lots located outside of the building envelope designated on the Plats, and over the Common Elements, for the use and enjoyment of the Lots and Units in accordance with this Master Declaration: easements, including any necessary access rights for the installation, maintenance and repair of utilities and services whether publicly or privately supplied, for drainage over, across and upon adjacent Lots and Units for water from normal use of adjoining

Lots, for the installation and maintenance of Trails, for the construction, maintenance and repair of earth walls, slopes, retaining walls and other Common Element supports, and for installation, maintenance and repair of other Common Elements structures and improvements. Such easements may be used by Declarant, its successors, and the Master Association for such purposes reasonably necessary for the use and enjoyment of the Lots and Units and the Common Elements. Declarant further expressly reserves for the benefit of the Master Association easements of access, ingress and egress, over the Lots and Units and the Common Elements, for the purpose of maintaining, repairing and installing water and other utility lines, sewer pipelines and laterals if necessary, in accordance with the provisions of this Master Declaration, and as otherwise provided by law. Declarant also reserves any other easements referred to on any Plat as reserved by Declarant or for the benefit of the Master Association or for the use and enjoyment of Owners of Lots or Units.

4.1.4 Easements for Offices. Declarant hereby reserves the right to construct and maintain offices, prefabricated structures, booths or other structures for administrative, sales and promotional purposes.

4.2 Easements for Benefit of Master Association. Declarant hereby grants to the Master Association, its licensees, invitees, lessees, successors and assigns, a nonexclusive, perpetual easement on, over, upon, across, above, under and through the Property and each portion thereof to (i) exercise any right held by the Master Association under this Master Declaration or any other association documents, and (ii) perform any obligation imposed upon the Master Association by this Master Declaration or any other association documents. Notwithstanding the foregoing, the Master Association shall not enter upon any Lot or Unit without reasonable prior notice of the Owner of the Lot or Unit, except in cases of emergency.

4.3 Other Easements. The Property shall be subject to the following additional easements:

(a) Easements on Plats and of Record. The Property shall be subject to all easements shown on the Plat, and to all easements of record.

(b) Easements for Parking. Temporary guest or recreational parking shall be permitted within the Common Elements only within spaces and areas clearly marked for this purpose. Spaces shall be shown by signs or markings on the paved area. The Master Association is hereby empowered to establish "parking" and "no parking" areas within the Common Elements, as well as to enforce these parking limitations by all means lawful for such enforcement including the removal of any violating vehicle by those so empowered.

(c) Easements for City and County Public Service Use. Declarant hereby reserves and covenants for itself and all future Owners within the Project, easements for city, county, state and federal public services, and for public utilities, including but not limited to, the right of the police to enter upon any part of the Common Elements for the purpose of enforcing the law.



(d) Cable Television. Declarant hereby reserves easements in, upon, over, across and through the Property for the installation of a cable television and/or antenna system, and a fiber optic network, together with the right to cause the Master Association or the City to own all improvements, facilities and equipment thereof including but not limited to any building therefor, equipment therein, pipes, cables, lines and conduits therefor, and any antenna therefor mounted on or in the vicinity of such building (including dish-antenna), and also together with the right to grant and transfer such easements; provided, however, such easements shall not unreasonably interfere with the use and enjoyment by the Members of, or ingress to or egress from or access to, their Lots or Units or the Common Elements.

4.4 Nature of and Creation of Easements. Unless otherwise set forth herein, any easement reserved in this Declaration shall be deemed to be nonexclusive, and each easement in favor of an Owner shall be deemed to be appurtenant to and for the benefit of the Lot or Unit owned by such Owner. Any and all easements reserved in this Declaration shall be deemed to be in full force and effect upon recordation of this Declaration whether or not referred to, reserved and/or granted in any instrument of conveyance.

## ARTICLE 5

### Owners' Property Rights and Obligations

5.1 Owners' Easements of Enjoyment. Every Owner and the Owner's Guests shall have a non-exclusive right and easement of ingress and egress and of enjoyment in, to and over the Common Elements which right and easement shall be appurtenant to and shall pass with the title of each said Owner's Lot or Unit, subject to the following provisions:

- (a) The right of the Master Association to establish uniform rules and regulations pertaining to the use of the Common Elements and any facilities thereon.
- (b) The Public Rights.
- (c) The covenants, restrictions and requirements of the Use Restrictions.
- (d) The right of the Master Association in accordance with the Articles, Bylaws and this Master Declaration, to borrow money for the purpose of improving the Common Elements and in aid thereof, and 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 so granted by the Master Association shall be subordinated to the rights of the Owners hereunder.
- (e) The right of the Master Association to suspend the voting rights and rights to use the Common Elements, except for ingress and egress to the Owner's Lot or Unit, by an Owner for any period during which any assessment against the Owner's Lot or Unit remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any single infraction of the Master Rules.

(f) The right of the Master Association to dedicate, release, alienate, lease or transfer all or any part of the Common Elements to any public or private entity, agency, authority or utility for such purposes and subject to such conditions as may be agreed to by 66% of all Member votes.

(g) The right of the Master Association to reconstruct, replace or refinish any improvement or portion thereof upon the Common Elements.

(h) The right of the Master Association to plant and maintain trees, shrubs, ground cover and other vegetation upon any portion of the Common Elements or on the Lots under Section 4.1(b).

(i) The right of the Owner of the mineral estate underlying any part of the Property to exercise the Owner's reserved rights with respect thereto:

5.2 No Exemption from Liability. No Owner may exempt himself or herself from personal liability for assessments to be levied by the Master Association, nor release the Lot or Unit or other property owned by him or her from the liens and charges thereof, by waiver of the use and enjoyment of the Common Elements or the facilities thereon or by abandonment of the Owner's Lot or Unit.

5.3 Maintenance Obligations of Owners. Subject to the duty of the Master Association to provide for maintenance as provided in Section 3.3, it shall be the duty of each Owner, at the Owner's sole cost and expense, subject to the provisions of this Master Declaration regarding Design Review Committee approval, to maintain, repair, replace and restore the Owner's Lot or Unit in a neat, sanitary and attractive condition. In the event that any Owner shall permit any improvement, which it is the responsibility of such Owner to maintain, to fall into disrepair or not to be so maintained so as to create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Master Declaration, the Board shall have the right, but not the duty, upon thirty (30) days' prior written notice to the Owner of such Lot or Unit, to correct such condition and to enter upon such Owner's Lot or Unit to make such repairs or to perform such maintenance and the cost thereof shall be charged to the Owner. Said cost shall be a Specific Assessment and shall create a lien enforceable in the same manner as other assessments set forth in this Master Declaration.

## ARTICLE 6

### Design Control

6.1 Design Review Committee. The Design Review Committee shall consist of not less than five (5) members. The term of office shall be two (2) years commencing July 1 of each year; provided, however, that the terms of the initial members of the Design Review Committee shall commence on their appointment and continue through July 1 of year three (3). The Committee shall consist of a chair and two other members selected annually by the Declarant with the two remaining members being selected annually by the Board of the Master

Association. At such time as ninety percent (90%) of the total number of the permitted Units and lots are subdivided and sold or on the twentieth anniversary of the date hereof, whichever comes later, the chair and four members of the Design Review Committee shall be selected by the Board. In addition to its five members, the Design Review Committee may utilize professional consultants including an architect, a landscape architect, and a civil engineer. These professional consultants shall be jointly nominated and selected by the Board of the Master Association. The Design Review Committee shall have and exercise all of the powers, duties and responsibilities set out in this Master Declaration. The Design Review Committee shall meet on such schedules as may be established by the Chairman of the Design Review Committee. A majority of its Members shall constitute a quorum and the majority vote of a quorum present at the meeting shall be sufficient to approve action. Meetings may occur telephonically and actions may be approved by unanimous written consent of all Committee Members.

6.2 Approval by Design Review Committee. No Improvements of any kind, including, without limitation, dwelling houses, swimming pools, ponds, parking areas, mail boxes, fences, walls, tennis courts, garages, driveways, antennae, satellite dishes, flag poles, curbs, and covered walks shall ever be erected, altered, or permitted to remain on any lands within the Property, nor shall any excavating, clearing, removal of trees or shrubs, landscaping or other alteration of existing site conditions be done on any lands within the Property, unless the complete plans and specifications therefor complying with Design Guidelines requirements ("Plans and Specifications") are approved by the Design Review Committee prior to the commencement of such work. The Design Review Committee shall consider the materials to be used on the external features of said buildings or structures, including exterior colors, harmony of external design and existing structures within the Project, the building bulk or mass of said buildings or structures within the Project, the building bulk or mass of said buildings or structures, the location with respect to topography, existing trees and finished grade elevations, and harmony of landscaping with the natural setting and surroundings, and shall ascertain whether the Improvements conform to the Design Guidelines then in effect, this Master Declaration, and the applicable Neighborhood Declaration. The complete Plans and Specifications must be submitted and will be reviewed in accordance with the process described in the Design Guidelines. In the event of a conflict between the Design Guidelines and the applicable regulations or ordinances of any governmental entity having jurisdiction, the latter shall prevail.

6.3 Fee. The Design Review Committee may charge such fee or fees for its review of Plans and Specifications as shall be determined from time to time by the Board or as provided in the Design Guidelines. Such fee or fees shall be reasonable in relation to the work performed and shall be applied uniformly.

6.4 Inspection by Design Review Committee. The Design Review Committee shall have the authority and right at any time and from time to time at any reasonable hour to inspect Improvements under construction for the purpose of determining whether the same comply in all respects with the applicable Plans and Specifications as approved by it, but it shall have no duty to make such inspections.

6.5 Variances. The Design Review Committee has the authority to deviate from the requirements contained in the Design Guidelines in extenuating circumstances, when following this Master Declaration or the applicable Neighborhood Declaration would create an unreasonable hardship or burden for an Owner. An affirmative vote of two-thirds (2/3) of the members of the Design Review Committee must be gained for a variance to be granted. The Design Review Committee does not, however, have authority to allow deviation from the requirements of the city or county having jurisdiction over the subject property.

6.6 General Requirements. The Design Review Committee shall exercise its best judgment to see that all improvements, construction, landscaping, and alterations on the lands within the Project conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siting, height, topography, grade and finished grade elevation in keeping with the Design Guidelines, this Master Declaration and any applicable Neighborhood Declaration.

6.7 Ultimate Responsibility. Each Owner shall at all times conform and comply with all approved Plans and Specifications for the Improvements on such Owner's Lot and otherwise conform and comply in all respects with the Design Guidelines, this Master Declaration, and any applicable Neighborhood Declaration, as well as with all applicable laws, ordinances, building codes, rules, regulations, orders and the like of any governmental agency having jurisdiction.

6.8 Plans. The Design Review Committee shall disapprove any plans submitted to it which are not sufficient for it to exercise the judgment required of it by these covenants.

6.9 Written Records. The Design Review Committee shall keep and safeguard complete written records of all applications for approval submitted to it (including one set of all Plans and Specifications so submitted) and of all actions of approval or disapproval and all other actions taken by it under the provisions of this instrument which records shall be maintained for a minimum of five years after the approval or disapproval.

6.10 Procedure of Appeal. In the event Plans and/or Specifications submitted to the Design Review Committee are disapproved or deemed disapproved, the Owner may appeal such disapproval or deemed disapproval in writing to the Board; provided, however, a written notice of appeal specifying the grounds for appeal consisting of any alleged failure by the Design Review Committee to properly apply the Design Guidelines or provisions of this Master Declaration shall be received by the Board not more than thirty (30) days following such disapproval or deemed disapproval. Within thirty (30) days following receipt of such notice of appeal, the Board shall render a written decision determining whether the Design Review Committee properly applied the Design Guidelines, or the provision of this Master Declaration. In the event the Board fails to render such decision within said thirty (30) day period, such disapproval or deemed disapproval of the Design Review Committee shall be deemed to have been affirmed by the Board.

6.11 Non-Liability of Design Review Committee Members. Neither Declarant, the Design Review Committee, any member thereof, nor any duly authorized representative thereof shall be liable to the Master Association, any Neighborhood Association, or to any Owner for

any loss, damage or injury arising out of or in any way connected with the performance of the Design Review Committee's duties hereunder unless due to the willful misconduct or bad faith of the Design Review Committee. The Design Review Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of compliance with the Design Guidelines, this Master Declaration, any applicable Neighborhood Declaration, aesthetic considerations, and the overall benefit or detriment which would result to the immediate vicinity and the Project generally. The Design Review Committee shall take into consideration the aesthetic aspects of the designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes. This clause shall be inapplicable to the extent necessary if any, to actually obtain insurance coverage required by Article 8.

6.12 Variance in Exterior Appearance and Design in Event of Reconstruction. Any Owner whose Lot or Unit has suffered damage may apply for approval to the Design Review Committee for reconstruction, rebuilding or repair of the Owner's Lot or Unit in a manner which will provide for an exterior appearance and design different from that which existed prior to the date of the casualty. Application for such approval shall be made in writing together with full and complete Plans and Specifications showing the proposed reconstruction and the end result thereof. The Design Review Committee shall grant such approval only if the design proposed by the Owner would result in a finished structure in compliance with the then applicable Design Guidelines.

## ARTICLE 7

### Restrictions on all Property

7.1 Zoning Regulations. No lands within the Property shall ever be occupied or used by or for any building or purpose or in any manner which is contrary to the Annexation and Development Agreement, this Master Declaration, or the applicable Neighborhood Declaration.

7.2 No Mining, Drilling or Quarrying. Except for a water well approved by the Master Association, no Owner or Land Owner shall conduct mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock, and earth, on the surface of the Property.

7.3 No Business Uses. Except as approved by the Master Association, the Residential Lots and Residential Units within the Project shall be used exclusively for residential living purposes, including condominium and related facilities for overnight stay, such purposes to be confined to approved residential buildings within the Project. No Residential Lots or Residential Units within the Project shall ever be occupied or used for any commercial or business purposes provided, however, that nothing in this Section 7.3 shall be deemed to prevent (a) Declarant or its duly authorized agent from using any Residential Lot or Residential Unit owned by Declarant as a sales office or model, or (b) any Owner or the Owner's duly authorized agent from renting or leasing said Owner's Residential Unit for residential use or, in the case of hotel or lodge Units,

overnight accommodations, (c) any home business use approved by the Master Association, or (d) the use of Commercial Space or a Commercial Lot for commercial purposes.

7.4 Restriction of Signs. With the exception of a sign no larger than six (6) square feet identifying the architect and a sign of similar dimension identifying the prime contractor to be displayed only during the course of construction, and a sign no larger than three (3) square feet for the Owner to advertise the Owner's Lot or Unit for sale, no signs or advertising devices shall be permitted on single family residences, including, without limitation, commercial, political, informational or directional signs or devices, except signs approved in writing by the Design Review Committee in accordance with the Design Guidelines as to size, materials, color and location: (a) as necessary to identify ownership of the Lot or Unit and its address; (b) as necessary to give directions; (c) to advise of rules and regulations; (d) to caution or warn of danger; and (e) as may be required by law. Any approved signs shall be located at a location approved by the Design Review Committee. The Design Review Committee may develop comprehensive sign regulations. The Declarant may erect such signs in a size and color as it deems appropriate for the advertising and sale of the Project.

7.5 Restrictions on Animals. No animals other than ordinary household pets may be kept or allowed to remain on any Lot or Unit. Such ordinary household pets may not be kept or allowed to remain on any Lot or Unit unless and until written authorization is obtained from the Board, and no more than two ordinary pets shall be allowed on any Lot or Unit. The Board, in its sole discretion, shall have the right to revoke such authorization at any time in its sole discretion and shall have the power to require any Owner or Guest to remove any animal or other pet belonging to it which is not disciplined or which constitutes an undue annoyance or a danger to other Owners, their Guests, or others. Areas permitting livestock are exempt from this provision.

7.6 Underground Utility Lines. All water, gas, electrical, telephone, and other permanent utility lines within the limits of the Property must be buried underground and may not be exposed above the surface of the ground.

7.7 Service Yards. All equipment, service yards or storage piles on any Lot or Unit shall be kept screened by approved planting or fencing so as to conceal them from the view of neighboring Lots and Units, access roads and area surrounding the Property. The service yards shall be approved in advance by the Design Review Committee in accordance with any applicable provision of the Design Guidelines.

7.8 Maintenance of Property. All Lots and Units and all improvements on any Lot or Unit shall be kept and maintained by the Owner thereof in clean, safe, attractive and sightly condition and in good repair.

7.9 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot or Unit nor shall anything be done or placed on any Lot or Unit which is or may become a nuisance or cause significant embarrassment, disturbance or annoyance to others.

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

7.11 No Unsightliness. No unsightliness shall be permitted upon any of the Property. Without limiting the generality of the foregoing, (a) any unsightly structures, facilities, equipment, tools, boats and vehicles other than automobiles shall be enclosed within an approved building or appropriately screened from view, except equipment and tools when in actual use for construction, maintenance or repairs; (b) no trailers, mobile homes, tractors, truck campers or trucks other than pickup trucks shall be kept or permitted to remain upon the Property; (c) no vehicle, boat or equipment shall be constructed, reconstructed, repaired or abandoned upon the Property; (d) no lumber, grass, shrub or tree clippings, plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on the Property, except in approved service yards meeting the requirements of Section 7.7 and any requirements of the Design Guidelines and the Design Review Committee; (e) refuse, garbage and trash shall be placed and kept at all times in a covered container and such container shall be kept within an enclosed structure or appropriately screened from view; (f) hanging, drying or airing of clothing or household fabrics shall not be permitted on Lots or Units if visible from buildings, Lots, Units, or areas surrounding the Property.

7.12 No Annoying Lights, Sounds or Odors. No light shall be emitted from any Lot or Unit which is unreasonably bright or causes unreasonable glare or does not comply with the Master Rules or Design Guidelines; no sound shall be emitted from any Lot or Unit which is unreasonably loud or annoying, including without limitation, speakers, horns, whistles, bells or other sounds devices, except security and fire alarm devices used exclusively to protect the Property or improvements thereon; and no odors shall be emitted from any Lot or Unit which are noxious or offensive to others.

7.13 Septic Tanks. No septic tank shall be installed until written approval by the Design Review Committee and all governmental health authorities having jurisdiction is obtained.

7.14 Master Rules. No Owner shall violate the Master Rules adopted from time to time by the Master Association or rules adopted from time to time by any Neighborhood Association. No such rules shall be established which violate the intention or provisions of this Master Declaration or which shall unreasonably restrict the use of any Lot or Unit by the Owner thereof.

7.15 Drainage. No Owner shall have the right to alter or obstruct the then normal flow of runoff water or storm drainage into, from or across any of the Lots or Units in the absence of specific approval of the Design Review Committee and the City.

7.16 Trails. No Owner shall have the right to alter or obstruct the maintenance, use or enjoyment of any Trail adjacent to any Lot or Unit.

7.17 Parking. Parking of vehicles shall be allowed only in parking areas approved by the Design Review Committee.

7.18 Protection of Vegetation. No tree of four (4) inch caliper or greater measured 3" above the natural soil line shall be removed without the prior approval of the Design Review Committee pursuant to the Design Guidelines. Vegetation shall be placed and maintained on all Lots and in the common areas of all condominium projects as provided in the Design Guidelines and the landscaping plan approved by the Design Review Committee.

7.19 Stilt Housing. No stilt housing may be constructed on any Lot.

7.20 Excavations. Except for excavations made in the exercise of reserved mining rights (see Section 5.1(i) above), no excavation shall be made on lands subject to any Plat or Development Parcel Plant without the approval of the Design Review Committee and any governmental entity with jurisdiction over such activity.

7.21 Occupancy. No Lots shall be used for human occupancy, either temporarily or permanently, until a certificate of occupancy is issued by the City of Santaquin.

## ARTICLE 8

### Insurance

8.1 Common Elements. The Master Association shall maintain fire and extended coverage insurance for no less than one hundred percent (100%) of the maximum insurable value of insurable improvements on the Common Elements. The insurance coverage shall name as the insured the Master Association for the benefit of the Owners. Premiums for all insurance carried by the Master Association are Common Expenses and shall be included in the Common Assessment made by the Master Association.

8.2 Fidelity Coverage. The Master Association shall maintain fidelity coverage against dishonest acts on the part of managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Members. The fidelity bond or insurance must name the Master Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Master Association's estimated annual operating expenses and total reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

8.3 Waiver of Subrogation. The Master Association hereby waives and releases all claims against the Board, the Owners, the Declarant, 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 or of a breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

8.4. Liability Insurance. The Master Association shall maintain a comprehensive policy of public liability insurance covering all of the Common Elements. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Master Association or other Owners. Coverage shall have limits of liability of not less than \$2,000,000 per occurrence for personal injury and/or property damage.

8.5 Other Insurance and General. The Master Association shall also maintain Worker's Compensation Insurance as required by law and may maintain other liability insurance as it may deem desirable, insuring each Owner and the Master Association, Board and any manager, from liability in connection with the Common elements, the premiums for which are Common Expenses included in the Common Assessments made against the Owners. Such insurance policies shall have severability of interest clauses or endorsements which shall preclude the insurer from denying the claim of any Owner because of the negligent acts of the Master Association or other Owners.

## ARTICLE 9

### Enforcement.

9.1 Remedies and Enforcement. Declarant, the Master Association, and any Owner shall have the right to enforce this Master Declaration, the Design Guidelines and the Articles and Bylaws by appropriate proceedings at law or in equity, including the right to enjoin a violation hereof or thereof; provided, however, that the Master Association shall have the exclusive right to enforce the liens and remedies provided herein with respect to the levy, collection, and enforcement of liens for Common Assessments, Specific Assessments, Overall Special Assessments, and Capital Improvement Assessments. The City shall also have the right to enforce the Design Guidelines, including the right to enjoin any violation thereof.

9.2 Attorneys Fees and Costs. Any judgment rendered in any action or proceeding to enforce this Master Declaration, the Design Guidelines, the Articles, or Bylaws shall include a sum for attorneys' fees in an 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.

9.3 Nuisance. Any act or omission resulting in a breach of this Master Declaration, the Design Guidelines, or the Articles or Bylaws is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such act or omission and may be exercised by Declarant, the Master Association, or any Owner.

9.4 Cumulative Remedies. All rights, options, and remedies of Declarant, the Master Association, or any Owner for the enforcement of this Master Declaration, the Design

Guidelines, the Articles or Bylaws shall be deemed cumulative and none of such rights, options, or remedies shall be deemed exclusive.

9.5 Waiver. The failure to enforce any of the covenants contained in this Master Declaration, the Design Guidelines, the Articles, or Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

9.6 Personal Covenant. To the extent the acceptance of a conveyance of a Lot or Unit creates a personal covenant between the Owner of such Lot or Unit, other Owners, or the Master Association, such personal covenant shall terminate and be of no further force or effect from and after the date such Owner ceases to be the Owner of such Lot or Unit except for the payment of moneys which came due to the Master Association during the period of such ownership.

## ARTICLE 10

### Mortgage Protection Clause

10.1 Mortgage Protection. Notwithstanding any and all provisions of this Master Declaration, the Articles, or the Bylaws to the contrary (and to the extent the provisions of this Article 10, conflict with other provisions of this Master Declaration, the Articles or the Bylaws, this Article 10 shall control):

(a) Each first Mortgagee of a mortgage encumbering any Lot or Unit, at the Owner's written request, is entitled to written notification from the Master Association of any default by the Mortgagor of such Lot or Unit in the performance of such Mortgagor's obligations under this Master Declaration, the Articles, or the Bylaws, which default is not cured within sixty (60) days.

(b) Each first Mortgagee of a mortgage encumbering any Lot or Unit, together with such mortgagee's successors and assigns (including a purchaser of a Lot or Unit from or through a mortgagee), which obtains title to such Lot or Unit pursuant to the remedies provided in such mortgage, or by foreclosure of such Mortgage, or by deed of lieu of foreclosure shall take title to such Lot or Unit free and clear and shall not be liable for any claims of unpaid assessments or charges against such Lot or Unit which accrued prior to the acquisition of title to such Lot or Unit by the Mortgagee.

10.2 Consent of Lender Required. Unless one hundred percent (100%) of first Mortgagees and Members hold seventy-five percent (75%) of the voting rights in the Master Association and all of the Class C Memberships have given their prior written approval, neither the Master Association nor the Owners shall:

(a) Abandon Common Elements. By act or omission seek to abandon or materially change the use of the Common Elements or any of the improvements thereon which are owned by the Master Association. The foregoing shall not prohibit or require consent to changes on the Common Elements or the ownership thereof where the Common Elements generally remain usable for their intended purposes without material impairment as contemplated

in this Master Declaration. The granting of easements for public utilities or for other public purposes, open spaces conveyances and restrictions and ski-related transactions consistent with the intended use of such property by the Master Association and actions taken pursuant to government requirements shall not be deemed a violation of this clause.

(b) Fire and Extended Coverage Insurance. Fail to maintain fire and extended coverage on insurable Common Elements property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the maximum insurable value.

(c) Fire and Extended Coverage Insurance. Use hazard insurance proceeds for losses to any Common Elements for other than the repair, replacement or reconstruction of such Common Elements.

10.3 Right to Pay. 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 Elements property and may pay any over due premiums on hazard insurance policies, or secure making such payments shall be reimbursed immediately by the Master Association. The Master Association shall, upon request of any first Mortgagee, issue an agreement to make reimbursement in full to all first Mortgagees.

#### 10.4 Amendment.

(a) Neither this Master Declaration nor the Articles nor Bylaws will be amended in such a manner that the rights of any Mortgagee will be materially adversely affected.

(b) Neither Article 6, this Article 10, nor the subordination of assessments in favor of mortgages provisions earlier in the Master Declaration can be amended without the consent of all first Mortgagees.

### ARTICLE 11

#### General Provisions

11.1 Protection of Lenders. A breach of this Master Declaration or the Articles or Bylaws shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lot or Unit or the improvements thereon; provided, however, that any subsequent Owner of such property shall be bound by this Master Declaration, the Articles and Bylaws, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise.

11.2 Successors and Assigns. Except as otherwise provided herein, this Master Declaration shall be binding upon and shall inure to the benefit of Declarant, the Master Association, and each Owner and their respective heirs, personal representatives, successors and assigns.

11.3 Limited Liability. Neither Declarant, the Master Association, the Board, the Design Review Committee nor any manager, officer, director, member, agent or employee of

any of the same shall be liable to any party for any injury, damage, loss, cost or expense suffered by reason of any action or for failure to act with respect to any matter if the action taken or failure to act was in good faith and without notice.

11.4 Duration of Declaration. Any provision, covenant, condition or restriction contained in this Master Declaration which is subject to the common law rule sometimes referred to as the "rule against perpetuities," shall continue and remain in full force and effect for the period of twenty years or until this Master Declaration is terminated as hereinafter provided, whichever first occurs. All other provisions, covenants, conditions and restrictions contained in this Master Declaration shall continue and remain in full force and effect until January 1, 2050, provided however, that unless at least one year prior to said time of expiration, there is recorded an instrument directing the termination of this Master Declaration, executed by the Owners of not less than ninety percent (90%) of the Lots and Units and all first Mortgagees then subject to this Master Declaration, said other provisions, covenants, conditions and restrictions shall continue automatically for an additional ten years and thereafter for successive period of ten years unless, at least one year prior to expiration of any such extended period of duration, this Master Declaration is terminated by recorded instrument directing termination signed by the Owners of not less than ninety percent (90%) of the Lots and Units and all first mortgages then subject to this Master Declaration as aforesaid.

11.5 Lease of a Lot or Unit. Any agreement for the leasing or rental of a Lot or Unit (hereinafter in this Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Master Declaration, the Articles, the Bylaws, the Master Rules and Design Guidelines, and any applicable Neighborhood Declaration. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any owner who shall lease the Owner's Lot or Unit shall be responsible for assuring compliance by such Owner's lessee with this Master Declaration, the Articles, the Bylaws, the Master Rules and Design Guidelines, and applicable Neighborhood Declaration. Failure by an Owner to take legal action, including the institution of proceedings in Unlawful Detainer against his lessee who is in violation within ten (10) days after receipt of written demand so to do from the Board, shall entitle the Master Association, through the Board, to take any and all such action, including the institution of proceedings in Unlawful Detainer on behalf of such Owner against the Owner's lessee. Any expenses incurred by the Master Association, including attorneys' fees and costs of suit, shall be repaid to it by such Owner. Failure by such Owner to make such repayment within ten (10) days after receipt of a written demand therefor shall entitle the Board to levy a Specific Assessment against such Owner. In the event such Specific Assessment is not paid within thirty (30) days of its due date, the Board may resort to all remedies of the Master Association for the collection thereof including those set forth in Article 3.

11.6 Use of Funds Collected by the Master Association. All funds collected by the Master Association, including assessments, reserves and contributions to the Master Association paid by Owners, if any, shall be held by the Master Association in a fiduciary capacity to be expended in their entirety for not-for-profit purposes of the Master Association in managing, maintaining, caring for, preserving and architecturally controlling the Property and for other permitted purposes as set forth in this Master Declaration. No part of said funds shall inure to

the benefit of any Member (other than as a result of the Master Association managing, maintaining, caring for, preserving and architecturally controlling the Property and other than as a result of expenditures made for other permitted purposes set forth in this Master Declaration). Contributions to the Master Association paid by Owners, if any, shall be maintained in a segregated account.

11.7 No Perimeter Fencing: Public Use of Trails. Declarant does not propose to enclose the entire perimeter of this Property with fencing and Owners and occupants of the Property are therefore hereby placed on notice of the Public Rights.

11.8. Amendment. Subject to the other provisions of this Master Declaration, including without limitation, the rights of first Mortgagees pursuant to Article 10, and subject to the prior consent of Santaquin City, this Master Declaration may be revoked or amended as follows:

(a) The Declarant may amend these CCR's at any time until 95% of the developable acreage of the Summit Ridge Project Area as set forth in the Summit Ridge Development Plan is sold. Consent of the members of the association shall not be required until the 95% level is reached.

(b) Subsequent to the sale of 95% of the developable acreage of the Summit Ridge Project Area as set forth in the Summit Ridge Development Plan, this Master Declaration and amendments thereto may be amended by affirmative vote or written consent of not less than two thirds (66 2/3%) of all Member votes and the consent of the Class C Member.

(c) An amendment or revocation which only requires the execution of an instrument by Declarant shall be effective when executed by Declarant and recorded in the office of the Utah and Juab County Recorders. An amendment which requires the affirmative vote or written consent of the Members as provided above shall be effective when executed by the President and Secretary of the Master Association who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the Utah and Juab County Recorders.

(d) Notwithstanding the foregoing, any provision of the Articles, the Bylaws, or this Master Declaration, which expressly requires the approval of a specified percentage or specified percentages of the voting power of the Master Association or first Mortgagees for action to be taken under said provision can be amended only with the affirmative vote or written consent of not less than the same percentage or percentages of the voting power of the Master Association and/or first Mortgagees. Any amendment subject to this provision shall be effective after the specified approval has been given and that fact has been certified in a writing executed by the President and the Secretary of the Master Association.

(e) A copy of the Design Guidelines has been attached to this Master Declaration for informational purposes only. It is not intended to be incorporated by reference into, or made a part of, this Master Declaration. Therefore, the Design Guidelines may be amended without also amending this Master Declaration, and the Master Declaration may be amended without also amending the Design Guidelines. In this regard, if the Design Guidelines

are amended, then the amended version of the Design Guidelines shall be the controlling and operative Design Guidelines without any requirement that the amendment be recorded rather than the unamended version of the Design Guidelines attached to this Master Declaration.

(f) Notwithstanding the powers of amendment granted herein, no part, paragraph, or portion of this Declaration directly affecting the City can be amended, altered, changed, added upon, or deleted without the written concurrence of Santaquin City.

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

11.10 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in any Lot or Unit in the Project does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained, referred to or incorporated herein, whether or not any reference to this Master Declaration is contained in the instrument by which such person acquired an interest in said Lot or Unit.

11.11 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail or by facsimile. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours 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 Master Association for the purpose of service of such notice, or to the residence of such person if no mailing address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association. Any notice sent by facsimile shall be deemed delivered upon receipt of a facsimile confirmation sheet; provided that all such notices shall also be sent by one of the other methods set forth hereunder within twenty-four hours of the initial facsimile delivery.

11.12 Unsegregated Real Property Taxes. Until such time as real property taxes have been segregated by the appropriate County Assessor for any portion of the Property subdivided by a Plat, the same shall be paid by the respective Owners of Lots or Units therein. In connection with such payment, the proportionate share of such tax or installment thereof for a particular Lot or Unit in such portion of the Property shall be determined by multiplying the tax or installment in question by a fraction the numerator of which is the estimated value of such Lot or Unit and all improvements thereon and the denominator of which is the total estimated value of all Lots or Units within such portion of the Property and all improvements thereon. For purposes hereof, the Board shall obtain a determination as to such estimated values from a qualified appraiser selected by it. The Master Association may levy a Specific Assessment against any Owner who fails to pay the Owner's share of any real property taxes pursuant to this Section.

11.13 Interpretation. The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Project. The article and section headings have been inserted for convenience only, and shall not be

considered or referred to in resolving questions of interpretation and 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. The term "person" shall refer to a person or entity. The terms "recorded and recordation" shall refer to recording as the official records of the Utah or Juab County Recorder's office.

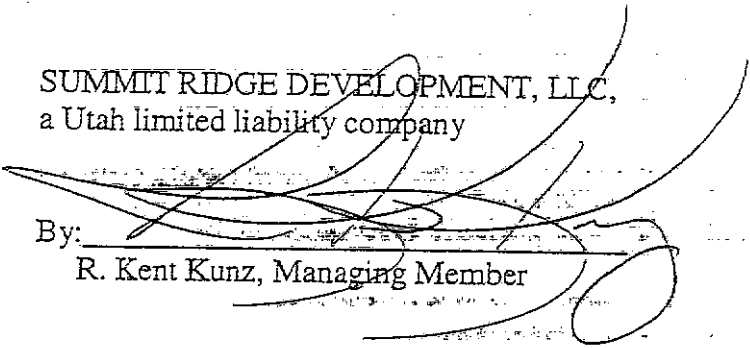
11.14 Severability. Invalidity or unenforceability of any provision of this Master Declaration in whole or in part shall not affect the validity or enforceability of any other provision of this Master Declaration.

11.15 Exemption of the City. The City and City-Owned property shall be exempt from all obligations and burdens imposed by this Declaration; provided that the City shall consult with the Design Review Committee with respect to buildings to be constructed in the Project area.. City-Owned property shall not be assessed, and any property interest dedicated or conveyed to the City shall be free and clear of any lien or encumbrance created or allowed by this Declaration.

11.16 Failure to Execute. The failure of the owner of any property described herein to execute this document shall not invalidate this Master Declaration with respect to any of the property which has been subjected to the terms and conditions set forth herein through execution of this document by its owner.

IN WITNESS WHEREOF, the parties hereto have executed this Master Declaration the day and year first above written.

SUMMIT RIDGE DEVELOPMENT, LLC,  
a Utah limited liability company

By:   
R. Kent Kunz, Managing Member

APPROVED BY SANTAQUIN CITY with respect to Section 3.5.2 above:

SANTAQUIN CITY

By: *LaDue Scovill*  
LaDue Scovill, Mayor

ATTEST: City Recorder

By: *Susan Farnsworth*  
Susan Farnsworth, City Recorder

APPROVED AS TO FORM:

*Brett B. Rich*  
Mitchell D. Maughan, City Attorney  
*Brett B. Rich*

LAND OWNERS:

SOUTH COUNTY DEVELOPMENT, L.C.

By: *W. Lee*  
Its: *W. Lee*

SHIRL L. EKINS FAMILY TRUST

By: *Shirl L. Ekins, Trustee*  
Shirl L. Ekins, Trustee

SHIRL L. EKINS FAMILY IRREVOCABLE TRUST

By: *Lori Ann Ekins Dunn, Trustee*  
Lori Ann Ekins Dunn, Trustee



STATE OF UTAH, ACTING THROUGH  
THE SCHOOL AND INSTITUTIONAL  
TRUST LAND ADMINISTRATION

By: David T. Tom  
Its: DIRECTOR

UTAH S.H.O.P., LLC, a Utah limited liability company

[Signature]  
GENERAL

By: Don Larsen  
Its: Managing Member

DARYL J. KAY FAMILY TRUST

By: Darlene Kay  
Darlene Kay, Trustee

By: Daryl J. Kay  
Daryl J. Kay, Trustee

[Signature]  
COY MORGAN

Willis Howard Morgan  
WILLIS H. MORGAN

STATE OF UTAH )

COUNTY OF UTAH )

: ss.

On this 7<sup>th</sup> day of Dec August, 2000, before me, LADUE SCOVILL, the undersigned Notary Public, personally appeared LADUE SCOVILL, personally known to me, and acknowledged he is the Mayor of Santaquin City, and further acknowledged to me that this document was executed on behalf of the City for the purposes set forth herein.

Witness my hand and official seal.

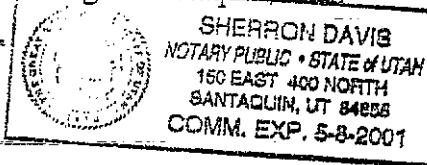
*Sherron Davis*

Notary Public  
Residing in Santaquin, Utah

STATE OF UTAH )

COUNTY OF Utah )

: ss.

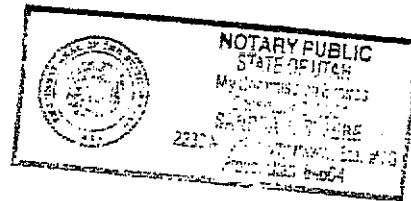


On this 30<sup>th</sup> day of August, 2000, before me, Sandra J. Steere, the undersigned Notary Public, personally appeared R. KENT KUNZ, personally known to me, and acknowledged that he is the Managing Member of SUMMIT RIDGE DEVELOPMENT, LLC, and further acknowledged that this document was executed on behalf of the limited liability company named herein for the purposes set forth herein.

Witness my hand and official seal.

*Sandra J. Steere*

Notary Public, State of Utah  
Residing in Utah

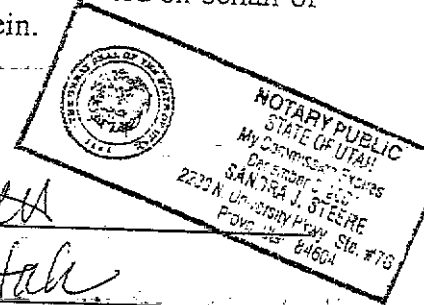


STATE OF UTAH )  
COUNTY OF Utah ) :ss

On this 30<sup>th</sup> day of August, 2000, before me, Sandra J. Steere the undersigned Notary Public, personally appeared Hal M. Maatzen personally known to me, and acknowledged that he is the Member Manager of SOUTH COUNTY DEVELOPMENT, L.C., and further acknowledged that this document was executed on behalf of the limited liability company named herein for the purposes set forth herein.

Witness my hand and official seal.

Sandra J. Steere  
Notary Public, State of Utah  
Residing in Orion, Utah

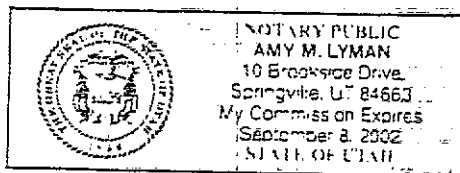


STATE OF UTAH )  
COUNTY OF Utah ) :ss

On this 30<sup>th</sup> day of August, 2000, before me, Amy M. Lyman the undersigned Notary Public, personally appeared SHIRL L. EKINS, personally known to me, who acknowledged to me that he executed this document as a Trustee of the SHIRL L. EKINS FAMILY TRUST, on behalf of the trust, and acknowledged to me that the trust executed this document for the purposes set forth herein.

Witness my hand and official seal.

Amy M. Lyman  
Notary Public  
Residing in Santaquin, Utah

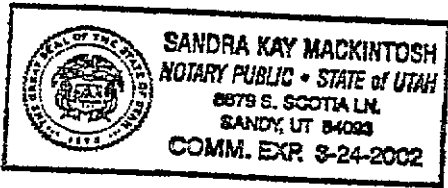


STATE OF UTAH )

COUNTY OF Salt Lake ) : ss.

On this 17<sup>th</sup> day of Sept., 2000, before me, Lori Dunn, the undersigned Notary Public, personally appeared LORI ANN EKINS DUNN, personally known to me, who acknowledged to me that she executed this document as Trustee of the SHIRL L. EKINS FAMILY IRREVOCABLE TRUST, on behalf of the trust, and acknowledged to me that the trust executed this document for the purposes set forth herein.

Witness my hand and official seal.

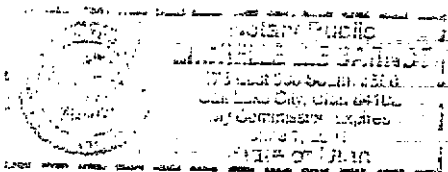


Sandra Kay Mackintosh  
Notary Public  
Residing in Salt Lake County, Utah

STATE OF UTAH )

COUNTY OF Salt Lake ) : ss.

On this 21<sup>st</sup> day of OCTOBER, 2000, before me, Michelle Barnett, the undersigned Notary Public, personally appeared David T. Terry, personally known to me to be the Director of the STATE OF UTAH, ACTING THROUGH THE SCHOOL AND INSTITUTIONAL TRUST LAND ADMINISTRATION, on behalf of the State of Utah named herein, and acknowledged to me that the State of Utah executed this document for the purposes set forth herein. Witness my hand and official seal.



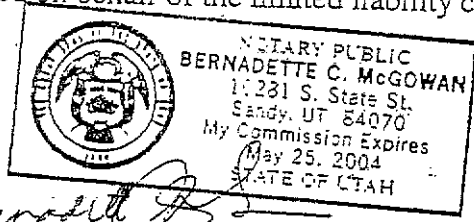
Michelle Lee Barnett  
Notary Public  
Residing in SLC, UT

STATE OF UTAH )

COUNTY OF \_\_\_\_\_ :ss

On this 31st day of August, 2000, before me, BERNADETTE MCGOWAN the undersigned Notary Public, personally appeared DON LARSEN personally known to me, and acknowledged that he is the MANAGING MEMBER of UTAH S.H.O.P., LLC, and further acknowledged that this document was executed on behalf of the limited liability company named herein for the purposes set forth herein.

Witness my hand and official seal.



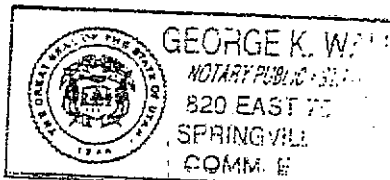
Bernadette C. McGowan  
Notary Public, State of Utah  
Residing in UTAH

STATE OF UTAH )

COUNTY OF Utah : ss.

On this 1st day of September, 2000, before me, George K. Waller the undersigned Notary Public, personally appeared DARLENE KAY, personally known to me who acknowledged to me that she executed this document as Trustee of the Daryl J. Kay Family Trust for the purposes set forth herein.

Witness my hand and official seal.



George K. Waller  
Notary Public  
Residing in Springville, Utah

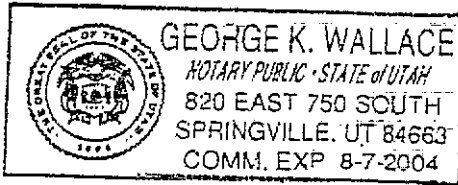
STATE OF UTAH )

ENT 94243:2001 PG 46 of 57

COUNTY OF Utah ) : ss.

On this 1<sup>st</sup> day of September, 2000, before me, George K. Wallace, the undersigned Notary Public, personally appeared DARYL J. KAY, personally known to me who acknowledged to me that he executed this document as Trustee of the Daryl J. Kay Family Trust for the purposes set forth herein.

Witness my hand and official seal.



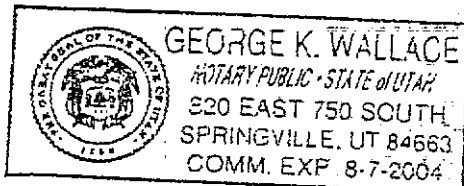
George K. Wallace  
Notary Public  
Residing in Springville, Utah

STATE OF UTAH )

COUNTY OF Utah ) : ss.

On this 31<sup>st</sup> day of August, 2000, before me, George K. Wallace, the undersigned Notary Public, personally appeared COY MORGAN, personally known to me who acknowledged to me that she executed this document for the purposes set forth herein.

Witness my hand and official seal.



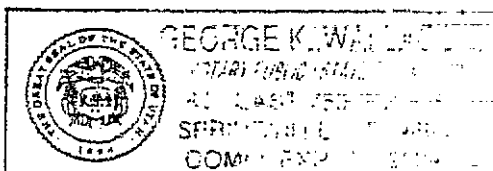
George K. Wallace  
Notary Public  
Residing in Springville, Utah

STATE OF UTAH )

COUNTY OF Utah ) : ss.

On this 31<sup>st</sup> day of August, 2000, before me, George K. Wallace, the undersigned Notary Public, personally appeared WILLIS H. MORGAN, personally known to me who acknowledged to me that he executed this document for the purposes set forth herein.

Witness my hand and official seal.



George K. Wallace  
Notary Public  
Residing in Springville, Utah

NOT LEGIBLE FOR MICROFILM

**EXHIBIT A**

**LEGAL DESCRIPTION OF  
THE PROPERTY**

**EXHIBIT A**  
**(Entire Summit Ridge Project Area)**

ENT 94243:2001 PG 48 of 57

Property situated in Utah and Juab Counties in the State of Utah and more particularly described as follows:

**WEST PARCEL**

Beginning at the Southeast Corner of Section 16, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence S89°46'12"W along the Section line 2621.27 feet to the South ¼ Corner of Section 16; thence S89°46'13"W along the Section line 2621.01 feet to the Southwest Corner of Section 16; thence N0°33'02"W along the Section line 2677.35 feet to the West ¼ Corner of Section 16; thence N4°36'19"W along the Section line 2643.61 feet to the Southwest Corner of Section 9; thence N0°56'29"W along the Section line 2627.55 feet to the West ¼ Corner of Section 9; thence N0°54'43"W along the Section line 2629.64 feet to the Southwest Corner of Section 4; thence N0°11'38"W along the Section line 2684.79 feet to the West ¼ Corner of Section 4; thence N89°23'49"E along the ¼ Section line 2656.93 feet to the Center of Section 4; thence S0°12'46"E along the ¼ Section line 2640.84 feet to the North ¼ Corner of Section 9; thence N89°20'52"E along the Section line 2692.74 feet to the Southwest Corner of Section 3; thence N0°40'50"W along the Section line 1319.24 feet; thence N89°49'45"E 1316.48 feet; thence S0°35'46"E 441.35 feet; thence N89°42'00"E along a fenceline 600.00 feet; thence N89°43'00"E along a fenceline 866.00 feet; thence S89°39'00"E 119.27 feet to the westerly right-of-way line of the Union Pacific Railroad; thence Southwesterly along the arc of a 1965.00 foot radius non-tangent curve (radius bears: S57°42'49"E) 499.98 feet through a central angle of 14°34'42" (chord: S24°59'50"W 498.63 feet); thence S89°03'00"W 52.70 feet; thence Southwesterly along the arc of a 2015.00 foot radius non-tangent curve (radius bears: S72°46'17"E) 447.70 feet through a central angle of 12°43'48" (chord: S10°51'49"W 446.77 feet); thence S89°55'46"E along the Section line 50.15 feet to a point located N89°55'46"W 36.08 feet from the North ¼ Corner of Section 10; thence Southwesterly along the arc of a 1965.00 foot radius non-tangent curve (radius bears: S85°23'19"E) 107.28 feet through a central angle of 3°07'41" (chord: S3°02'51"W 107.27 feet); thence S1°29'00"W 377.70 feet; thence along the arc of a 2855.00 foot radius curve to the right 322.59 feet through a central angle of 6°28'26" (chord: S4°43'13"W 322.42 feet); thence N86°30'00"W 30.09 feet; thence Southwesterly along the arc of a 2825.00 foot radius non-tangent curve (radius bears: N81°59'43"W) 495.91 feet through a central angle of 10°03'28" (chord: S13°02'01"W 495.27 feet); thence S18°03'45"W 60.75 feet, the previous 10 (ten) courses along said right-of-way; thence West 1059.13 feet; thence South 2,640.00 feet; thence East 626.87 feet to the westerly right-of-way line of the Union Pacific Railroad; thence N87°51'23"E 200.39 feet to the easterly right-of-way of said Railroad; thence S1°26'00"W along said right-of-way 5371.43 feet; thence N64°07'19"W 67.13 feet; thence N61°08'00"W 47.10 feet; thence N60°48'41"W 83.05 feet; thence N62°24'35"W 26.28 feet to said westerly right-of-way; thence N62°24'35"W 179.92 feet; thence N67°55'10"W 285.97 feet; thence N76°39'17"W 140.80 feet; thence S87°08'15"W 80.10 feet; thence N68°32'14"W 113.09 feet; thence N67°00'36"W 48.34 feet; thence N62°08'32"W 94.16 feet; thence N61°34'44"W 48.32 feet; thence N41°02'50"W 90.99 feet; thence N45°34'02"W 89.28 feet; thence N33°28'51"W 82.55 feet; thence N33°17'14"W 117.98 feet; thence N35°51'49"W 155.33 feet; thence N31°19'11"W 201.03 feet; thence N36°31'35"W 396.51 feet; thence N31°23'47"W 67.52 feet; thence N89°42'18"W along the Section line 62.48 feet to the East ¼ Corner of Section 16; thence S1°26'07"E along the Section line 2725.41 feet to the point of beginning.

Contains: 1,898.82 acres



**EAST PARCEL**

Beginning at a point located  $N0^{\circ}05'18''W$  along the Section line 662.03 feet from the Southwest Corner of Section 11, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence  $N89^{\circ}23'55''E$  1322.56 feet; thence  $S0^{\circ}22'12''E$  along the  $1/16^{th}$  Section (40 acre) line 166.00 feet to the westerly right-of-way line of a Interstate 15 frontage road; thence Southwesterly along the arc of an 1800.00 foot radius non-tangent curve (radius bears:  $N58^{\circ}10'46''W$ ) 582.02 feet through a central angle of  $18^{\circ}31'35''$  (chord:  $S41^{\circ}05'02''W$  579.49 feet; thence  $S61^{\circ}59'00''W$  337.00 feet to a right-of-way marker; thence  $S71^{\circ}41'52''W$  286.24 feet; thence Southwesterly along the arc of an 897.72 foot radius non-tangent curve (radius bears:  $S22^{\circ}17'42''E$ ) 1096.78 feet through a central angle of  $70^{\circ}00'00''$  (chord:  $S32^{\circ}42'18''W$  1029.83 feet) to a right-of-way marker; thence  $S2^{\circ}17'42''E$  234.82 feet; thence along the arc of an 874.16 foot radius curve to the left 503.48 feet through a central angle of  $33^{\circ}00'00''$  (chord:  $S14^{\circ}12'18''W$  496.55 feet) to a right-of-way marker; thence  $S30^{\circ}42'18''W$  1526.35 feet; thence  $S30^{\circ}15'38''W$  686.95 feet, the previous 8 (eight) courses along said frontage road; thence  $N89^{\circ}56'17''W$  928.35 feet; thence  $S48^{\circ}27'55''W$  315.74 feet; thence  $N0^{\circ}06'19''W$  633.53 feet; thence  $N89^{\circ}06'00''W$  686.49 feet to the easterly right-of-way line of the Union Pacific Railroad; thence  $N1^{\circ}26'00''E$  along said right-of-way 4566.13 feet; thence  $S89^{\circ}07'43''E$  492.94 feet to a point on the  $1/4$  Section line of Section 10; thence  $N0^{\circ}19'10''W$  along the  $1/4$  Section line 152.42 feet; thence  $S89^{\circ}59'30''E$  along the extension of, and along an existing fenceline, 2665.72 feet to a point on the Section line; thence  $S0^{\circ}05'18''E$  along the Section line 819.82 feet to the point of beginning.

Contains: 351.06 acres

**EXHIBIT A-1**

Property situated in Utah County, Utah and more particularly described as follows:

South County Development, LLC:

**PARCEL 1**  
(WEST OF RAILROAD)

A portion of Sections 9, 10, 15, & 16, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at the West  $\frac{1}{4}$  Corner of Section 9, T10S, R1E, S.L.B. & M.; thence  $N0^{\circ}54'43''W$  along the Section line 2629.64 feet to the Northwest Corner of said Section; thence  $N88^{\circ}26'59''E$  along the Section line 2658.47 feet to the North  $\frac{1}{4}$  Corner of said Section; thence  $N89^{\circ}20'52''E$  along the Section line 2692.74 feet to the Northeast Corner of said Section; thence  $S1^{\circ}41'57''E$  along the Section line 1311.72 feet; thence  $S89^{\circ}05'26''W$  674.56 feet; thence  $S1^{\circ}38'14''E$  1314.72 feet to the  $\frac{1}{4}$  Section line; thence  $N88^{\circ}50'04''E$  along the  $\frac{1}{4}$  Section line 675.94 feet to the East  $\frac{1}{4}$  Corner of said Section 9; thence  $S89^{\circ}29'08''E$  along the  $\frac{1}{4}$  Section line 1220.71 feet to a fence line; thence  $S0^{\circ}19'30''E$  169.20 feet; thence  $S2^{\circ}37'00''E$  91.00 feet; thence  $S0^{\circ}38'00''E$  1020.00 feet; thence  $S1^{\circ}26'00''E$  90.31 feet; thence  $N89^{\circ}50'00''E$  184.95 feet; thence  $N89^{\circ}41'00''E$  456.00 feet to the westerly right-of-way line of the Union Pacific Railroad, the previous 6 (six) courses along said fence line; thence  $S1^{\circ}26'00''W$  along said Railroad 5246.31 feet; thence  $N62^{\circ}24'35''W$  179.92 feet; thence  $N67^{\circ}55'10''W$  285.97 feet; thence  $N76^{\circ}39'17''W$  140.80 feet; thence  $S87^{\circ}08'15''W$  80.10 feet; thence  $N68^{\circ}32'14''W$  113.09 feet; thence  $N67^{\circ}00'36''W$  48.34 feet; thence  $N62^{\circ}08'32''W$  94.16 feet; thence  $N61^{\circ}34'44''W$  48.32 feet; thence  $N41^{\circ}02'50''W$  90.99 feet; thence  $N45^{\circ}34'02''W$  89.28 feet; thence  $N33^{\circ}28'51''W$  82.55 feet; thence  $N33^{\circ}17'14''W$  117.98 feet; thence  $N35^{\circ}51'49''W$  155.33 feet; thence  $N31^{\circ}19'11''W$  201.03 feet; thence  $N36^{\circ}31'35''W$  396.51 feet; thence  $N31^{\circ}23'47''W$  67.52 feet; thence  $N89^{\circ}42'03''W$  62.48 feet to the East  $\frac{1}{4}$  Corner of Section 16; thence  $S89^{\circ}14'48''W$  along the  $\frac{1}{4}$  Section line 1315.10 feet; thence  $N0^{\circ}49'29''W$  along the  $\frac{1}{16}^{\text{th}}$  Section (40 acre) line 2646.18 feet; thence  $S89^{\circ}05'31''W$  along the Section line 1352.37 feet to the North  $\frac{1}{4}$  Corner of said Section 16; thence  $N1^{\circ}27'13''W$  along the  $\frac{1}{4}$  Section line 2642.17 feet to the Center  $\frac{1}{4}$  Corner of Section 9; thence  $S88^{\circ}50'04''W$  along the  $\frac{1}{4}$  Section line 2683.37 feet to the point of beginning.

Contains: 780.17 acres

**PARCEL 3**  
(BETWEEN I-15 & RAILROAD)

Beginning at a point located  $N0^{\circ}05'18''W$  along the Section line 662.03 feet from the Southwest Corner of Section 11, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence  $N89^{\circ}23'55''E$  1322.56 feet; thence  $S0^{\circ}22'12''E$  along the  $1/16^{th}$  Section (40 acre) line 166.00 feet to the westerly right-of-way line of a Interstate 15 frontage road; thence Southwesterly along the arc of an 1800.00 foot radius non-tangent curve (radius bears:  $N58^{\circ}10'46''W$ ) 582.02 feet through a central angle of  $18^{\circ}31'35''$  (chord:  $S41^{\circ}05'02''W$  579.49 feet); thence  $S61^{\circ}59'00''W$  337.00 feet to a right-of-way marker; thence  $S71^{\circ}41'52''W$  286.24 feet; thence Southwesterly along the arc of an 897.72 foot radius non-tangent curve (radius bears:  $S22^{\circ}17'42''E$ ) 1096.78 feet through a central angle of  $70^{\circ}00'00''$  (chord:  $S32^{\circ}42'18''W$  1029.83 feet) to a right-of-way marker; thence  $S2^{\circ}17'42''E$  234.82 feet; thence along the arc of an 874.16 foot radius curve to the left 503.48 feet through a central angle of  $33^{\circ}00'00''$  (chord:  $S14^{\circ}12'18''W$  496.55 feet) to a right-of-way marker; thence  $S30^{\circ}42'18''W$  1109.81 feet, the previous 7 (seven) courses along said frontage road; thence West 1731.23 feet; thence  $S0^{\circ}06'20''E$  526.23 feet; thence  $N89^{\circ}06'00''W$  680.97 feet to the easterly right-of-way line of the Union Pacific Railroad; thence  $N1^{\circ}26'00''E$  along said right-of-way 4566.13 feet; thence  $S89^{\circ}07'43''E$  492.94 feet to a point on the  $1/4$  Section line of Section 10; thence  $S0^{\circ}19'10''E$  along the  $1/4$  Section line 352.32 feet; thence  $N89^{\circ}43'53''E$  2663.69 feet to a point on the Section line; thence  $S0^{\circ}05'18''E$  along the Section line 327.97 feet to the point of beginning.

Contains: 288.45 acres.

EXHIBIT A-2

Utah S.H.O.P., L.L.C.

That certain property located in the State of Utah, County of Utah and more particularly described as:

Commencing at a point located South 2711.86 feet and West 868.97 feet from the Northeast corner of Section 15, Township 10 South, Range 1 East, SLM, Utah Central Zone; thence South 31 deg. 22'44" West 714.78 feet; thence South 28 deg. 28'47" West 388.22 feet; thence North 89 deg. 56' 17" West 924.06 feet; thence South 48 deg. 27'55" West 323.10 feet; thence North 00 deg. 06'20" West 1164.73 feet; thence East 1725.37 feet to the point of beginning.

Daryl J. Kay and Darlene Kay as Trustees of the Daryl J. Kay Family Trust

That certain property located in the State of Utah, County of Utah and more particularly described as:

Commencing North 15 CH from the Southeast Corner of Section 10, Township 10 South Range 1 East, Salt Lake Base & Meridian; thence North 7.5 CH; thence West 40 Ch; thence South 7.5 CH; thence East 40 CH to Beginning.

The Shirl L. Ekins Family Trust

That certain property located in the State of Utah, County of Utah and more particularly described as:

The North 1/2 of the SW 1/4 of Section 4, Township 10 South Range 1 East,  
SLM

The East 1/2 of the SW 1/4 of Section 9, Township 10 South Range 1 East,  
SLM

**EXHIBIT B**

**SUMMIT RIDGE DEVELOPMENT PLAN**

NOT LEGIBLE FOR MICROFILM



NOT LEGIBLE FOR MICROFILM

**EXHIBIT C**

**LEGAL DESCRIPTION OF  
THE ANNEXED PARCELS**

**EXHIBIT C**

The land previously annexed into Santaquin City land located in the Summit Ridge Project Area situated in the State of Utah, County of Utah described as follows:

Beginning at a point located South 231.03 feet and West 4870.30 west from the Northeast Corner of Section 14, Township 10 South, Range 1 East, Salt Lake Base and Meridian; thence S71°41'13"W 19.42 feet; thence along the arc of an 898.51 foot radius curve to the left 1097.74 feet (chord: S32°40'23"W 1030.73 feet); thence S02°19'37"E 235.03 feet; thence along the arc of an 874.93 foot radius curve to the right 503.92 feet (chord: S14°10'23"W 496.99 feet); thence S30°17'48"W 1130.46 feet; thence S31°22'44"W 714.78 feet; thence S28°28'47"W 388.22 feet; thence N89°56'17"W 924.06 feet; thence S48°27'55"W 323.10 feet; thence N00°06'20"W 638.39 feet; thence N89°06'00"W 687.24 feet; thence N01°38'36"E 585.39 feet; thence N01°19'17"E 738.79 feet; thence N01°22'18"E 761.59 feet; thence N01°30'09"E 1145.78 feet; thence N01°31'42"E 424.16 feet; thence N01°19'53"E 616.35 feet; thence N01°16'55"E 267.85 feet; thence N01°26'54"E 26.65 feet; thence S89°07'30"E 521.10 feet; thence North 155.26 feet; thence East 2640.00 feet; thence South 797.49 feet; thence East 1353.39 feet; thence South 102.31 feet; thence S36°23'31"W 262.97 feet; thence along the arc of a 1223.24 foot radius curve to the right 363.54 feet (chord: S42°41'14"W 362.20 feet); thence S61°03'41"W 202.76 feet; thence S67°54'59"W 411.12 feet to the point of beginning.

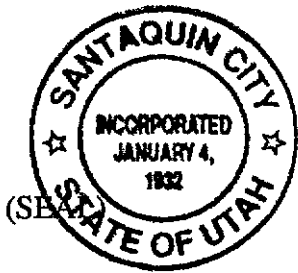
Contains: 350.69 acres




STATE OF UTAH )  
 ) ss.  
COUNTY OF UTAH )

I, SUSAN FARNSWORTH, City Recorder of Santaquin City, Utah, do hereby certify and declare that the above and foregoing is a true, full, and correct copy of the Master Declaration of Covenants and Restrictions and of Easements for Summit Ridge a Planned Community Development in Utah and Juab Counties, Utah as accepted by Santaquin City on December 6, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of Santaquin City, Utah this 22<sup>nd</sup> day of August, 2001.



  
SUSAN FARNSWORTH  
Santaquin City Recorder