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Draper City Recorder
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Draper, UT 84020

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RASHELLE HOBBS

Recorder, Salt Lake County, UT

MILLER HARRISON LLC

BY: eCASH, DEPUTY - EF 88 P.

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS
FOR
SUNCREST**

a Planned Community

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR SUNCREST**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SUNCREST (the “**Declaration**”) is adopted by Draper City (the “**Declarant**”) and is effective as of the date it is recorded in the Salt Lake County and Utah County Recorder’s Offices.

RECITALS

- A. This Declaration affects the real property located in Salt Lake and Utah Counties, State of Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated herein by reference.
- B. By executing and recording this Declaration, the Declarant declares that the property described in Exhibit A and any Additional Land made subject to this Declaration in the future by amendment or supplement, shall constitute the master planned mixed use community of SunCrest (the “**Project**”).
- C. The SunCrest Project was originally made subject to that certain document entitled, Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest, a Planned Community, recorded on December 28, 1999 as Entry No. 7543075 in the Salt Lake County Recorder’s Office, and on December 22, 2000 as Entry No. 101565:2000 in the Utah County Recorder’s Office (the “**Enabling Declaration**”);
- D. The First Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest, a Planned Community” was recorded on October 11, 2002 as Entry No. 8383413 in the Salt Lake County Recorder’s Office.
- E. The Second Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest, a Planned Community” was recorded on August 9, 2010 as Entry No. 11006709 in the Salt Lake County Recorder’s Office.
- F. The Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest, a Planned Community” was recorded on June 11, 2014 as Entry No. 11864363 in the Salt Lake County Recorder’s Office.
- G. This Declaration and any supplement thereto shall run with the title to all property within SunCrest, shall govern the development and use of such Project, and shall be binding upon the Declarant and current and future owners of any portion of SunCrest, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of SunCrest. This Declaration shall also be binding upon the SunCrest Owners Association Inc., its successors and assigns.
- H. By taking title to property in SunCrest, all Owners join in and accept the intent, purposes, and objectives of this Declaration and agree to be bound by it. Each party bound by the terms of this Declaration acknowledges the benefits received from its existence and the Declarant’s prior actions and accepts these benefits and the burdens that accompany this Declaration.

- I. The SunCrest Owners Association, Inc. (the “**Master Association**”) owns the Community Areas of SunCrest and holds to power to and administer and enforce this Declaration as set forth herein.
- J. This Declaration is adopted to clarify and define the rights of the Master Association, the Owners, and the Declarant in and to SunCrest, and provide for a general plan for managing SunCrest in furtherance of the effort to efficiently and economically provide a quality living environment and protect and enhance the value of SunCrest.
- K. This Declaration replaces the Enabling Declaration in its entirety and all amendments thereto.
- L. The recording of this Declaration shall confirm that Declarant has turned over full control of the Master Association to the Owners and Board of Trustees to be governed and operated as provided herein, and other Governing Documents.
- M. Pursuant to Section 18.3 of the Enabling Declaration, the undersigned hereby certifies that: (i) all of the requirements to amend the Enabling Declaration have been satisfied, (ii) that the Class B Membership exists for the approval of this Declaration, (iii) Declarant approves the unilateral amendment of the Enabling Declaration pursuant to its Class B authority, and (iv) that such amendment does not materially adversely affect the substantive rights of any Owner, nor does it adversely affect title to any property within SunCrest.

NOW, THEREFORE, pursuant to the Recitals set forth above and incorporated herein and subject to the benefits and covenants set forth below, the Declarant hereby adopts this Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest.

ARTICLE I

DEFINITIONS

The following words, phrases or terms used in this Declaration (including that portion hereof headed "Recitals") shall have the following meanings:

1.1 "Additional Land" shall mean, refer to, and consist of any real property located not more than five (5) miles from the exterior boundaries of the property described in Exhibit A and that is annexed into the Project in accordance with the provisions of this Declaration. This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any portion of the Additional Land unless and until such portion is added to the existing SunCrest Project.

1.2 "Annual Assessment" shall mean the charge levied and assessed each year against each Lot or Parcel and the Owner thereof pursuant to Section 7.2, hereof.

1.3 "Apartment Development" and/or "Apartment Development Use" shall mean a Parcel or portion thereof which is dedicated for such purpose in a Neighborhood Declaration, Supplemental Declaration or in the Master Land Use Plan, and is comprised of Rental Apartments and surrounding areas which are intended, as shown by the site plan therefor approved by the Municipal Authority and the Design Review Board or otherwise, as one integrated apartment operation under the same ownership.

1.4 "Articles" shall mean the Articles of Incorporation of the Master Association as the same may from time to time be amended or supplemented.

1.5 "Assessable Property" shall mean any Lot or Parcel, except such part or parts thereof as may from time to time constitute Exempt Property.

1.6 "Assessment" shall mean an Annual Assessment, Special Assessment and/or Maintenance Charge imposed by the Master Association.

1.7 "Assessment Lien" shall mean the lien created and imposed by Article VII.

1.8 "Assessment Period" shall mean the term set forth in Section 7.2.5.

1.9 "Association Expenses" shall mean Community Expenses incurred by the Association for administration of the Association, as well as those expenses for: (i) the purchase, ownership, leasing, construction, operation, use, administration, maintenance, improvement, repair or replacement of Association facilities, including expenses for taxes, insurance, operating reserves, and emergency funds; (ii) providing, establishing, creating or managing a facility, activity, service, or program for the benefit of Owners, tenants, Community Areas, the Burdened Property, or property governed by the Association; or (iii) other facilities, activities, services, or programs that are required or permitted under the Association's Governing Documents.

1.10 "Benefited Owner" and "Benefited Owners" shall mean an individual Owner or group of Owners specifically described and identified in this Declaration, a Neighborhood Declaration, a Supplemental Declaration or a Plat, who owns or own one or more Lot(s) or Parcel(s) that are benefited by a Limited Use Driveway reserved, pursuant to the terms and conditions of this Declaration, or such Neighborhood Declaration, Supplemental Declaration or Plat, for the exclusive use, occupancy and benefit of such Owner or group of Owners to which such Limited Use Driveway is adjacent and to which the same is required for access to such Lot(s) or Parcel(s).

1.11 "Board" or "Board of Trustees" shall mean the governing board with primary authority to operate and manage the affairs of the Master Association.

1.12 "Bylaws" shall mean the Bylaws of the Master Association as the same may from time to time be amended or supplemented. The Bylaws are attached hereto as Exhibit B. No amendment to the Bylaws shall be effective until it is recorded.

1.13 "Burdened Property" shall mean the property, Lot or Parcel that is subject to the Reinvestment Fee Covenant described herein at Section 7.7, and for which the Reinvestment Fee shall be dedicated to benefit.

1.14 "Church Use" shall mean use of property within SunCrest by a church or religious organization for a permanent church facility including a chapel used for religious services and which may be used for church cultural and recreational activities. Residential Areas and Commercial Areas may not be utilized for Church Use, except as permitted by a Neighborhood Declaration, Supplemental Declaration or the Master Association. No Dwelling Unit may be utilized for Church Use.

1.15 "Cluster Residential Development" and/or "Cluster Residential Use" shall mean Lots in planned unit developments or subdivisions with Dwelling Units intended for Single Family occupancy and may include those types of residential housing arrangements known as townhouses, clustered housing, duplexes, zero-lot line housing and similar arrangements, together with related areas intended for the use and enjoyment of the Owners and Residents of the Lots in the cluster development.

1.16 "Commercial or Commercial Area(s)" shall mean any Parcel or portion thereof owned or leased by one Person or a group of Persons, which is used for one or more commercial purposes, including, but not limited to the following: Apartment Development, Shopping Center Development, General Commercial Development, Office/Industrial Development, Resort, Hotel

or Motel Development or at the option of the Master Association, Timeshare Development, and other areas used for commercial or other non-Residential purposes. Commercial Areas shall not include any Community Areas owned by the Master Association or other Community Areas owned by a Neighborhood Association or owned in common by Residential Condominium Unit Owners. At such time as an Apartment Development is converted to a Residential Condominium Development, the property shall cease to be a Commercial Area and shall thereafter be a Residential Area.

1.17 “Commercial Condominium Development” and/or “Commercial Condominium Development Use” shall mean a Condominium Development intended for commercial use.

1.18 “Common Expenses” mean all sums spent to administer, maintain, or replace the Common Areas; expenses agreed upon as common expenses by the Board; expenses authorized by the Governing Documents or the Community Association Act as common expenses; and any other expenses necessary for the common benefit of the Owners.

1.19 “Community Area(s)” shall mean (a) all Master Association Land including (i) the Village Green Park as identified on the Master Land Use Plan which is utilized as the SunCrest entrance area excluding the Welcome Center Building, land and adjacent parking and (ii) entry monument areas including the entry monuments related to projects subject to Neighborhood Declarations and/or Supplemental Declarations constructed by developers or Merchant Builders; (b) all areas identified as open space on the Master Land Use Plan, including the Trail System, which may or may not be dedicated to the public or to a Municipal Authority, but only until such open space is dedicated to a Municipal Authority; (c) all land within SunCrest which by this Declaration or other recorded instrument is made available for use by Members of the Master Association including enhanced parkways and median strips and areas between roadways and lots even if owned by a Municipal Authority; (d) all land within SunCrest indicated on a Plat, Neighborhood Declaration or Supplemental Declaration that is to be used for landscaping, drainage, and/or flood control for the benefit of SunCrest and/ or the general public; (e) all land or right-of-way easements within SunCrest which are dedicated to the public or to a Municipal Authority, but which such Municipal Authority or other governmental agency requires the Master Association to maintain; (f) areas on a Lot or Parcel within easements granted to the Master Association or its Members for the location, construction, maintenance, repair and replacement of a wall, which easement may be granted or created on a Plat or Neighborhood Declaration or Supplemental Declaration or by a Deed or other conveyance accepted by the Master Association.

1.20 “Community Association Act” or “Act” shall mean Utah Code §§ 57-8a-1 *et seq.*, as amended or replaced from time to time.

1.21 “Community Expense Fund” shall mean and refer to the fund created or to be created pursuant to the provisions of Article VII of this Declaration and into which all monies of the Master Association shall be deposited. Separate and distinct funds shall be maintained for operating expenses and capital or reserve expenses which together shall constitute the Community Expense Fund.

1.22 “Community Expenses” shall mean and refer to those costs and expenses arising out of or connected with the maintenance and operation of SunCrest and the Master Association as described in Article VII hereof and which determine the Assessments made to Owners.

1.23 “Condominium Development” shall mean a condominium ownership regime established under the laws of the State of Utah including both Residential and Commercial Condominium Developments.

1.24 "Condominium Unit" shall mean a condominium unit (as defined under Utah Code §§ 57-8-1 *et seq.*) including its appurtenant interest in all Community Areas, established under Utah law. Such term shall not include a Rental Apartment in an Apartment Development.

1.25 "Covenants" shall mean the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements set forth herein.

1.26 "Declarant" shall mean Draper City, a Utah municipal corporation, and the successors and assigns of Declarant's rights and powers hereunder.

1.27 "Declaration" shall mean this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SUNCREST, as amended, supplemented, or restated from time to time.

1.28 "Deed" shall mean a deed or other instrument conveying the fee simple title in a "Lot" or "Parcel".

1.29 "Delinquent Member" shall mean an Owner who fails to pay any Assessment within sixty (60) days of becoming due.

1.30 "Design Guidelines" means those design guidelines for development of all the real property subject to this Declaration as established by the Board of Trustees, and/or the Design Review Board from time to time. The Master Association reserves the right to modify the Design Guidelines. The Design Guidelines shall impose certain restrictions with respect to a Dwelling Unit's mandatory minimum and maximum square footage. The Design Guidelines also include certain signage guidelines for development of all the real property subject to this Declaration. There is no assurance that such Design Guidelines will not change from time to time and they may change with respect to Parcels or Lots, subject to this Declaration.

1.31 "Design Review Board" shall mean the committee created pursuant to Article XI.

1.32 "Development Guidelines" shall mean those development guidelines for SunCrest which relate to the development and construction of roadways, major infrastructure and other matters related to both off-site and on-site development of Parcels and Lots, but excluding the guidelines for construction of Dwelling Units and Buildings on Lots and Parcels which are governed and controlled by the Design Guidelines. The Development Guidelines are an exhibit to the Master Development Agreement with Draper City.

1.33 "Dwelling Unit" shall mean any building or portion of a building situated upon a Lot or Parcel designed and intended for use and occupancy as a residence by a Single Family.

1.34 "Eligible Mortgagee" shall mean and refer to a Mortgagee which has requested notice of certain matters from the Master Association in accordance with Section 17.1 of this Declaration.

1.35 "Exempt Property" shall mean the following parts of SunCrest:

(a) All land and Improvements owned by or dedicated to and accepted by the United States, a Municipal Authority, or any political subdivision thereof, for as long as any such entity or political subdivision is the owner thereof or for so long as said dedication remains effective including all Municipal Authority Property and all property utilized for General Public Uses;

(b) All Master Association Land for as long as the Master Association is the Owner thereof;

(c) All land utilized for Church Use;

(d) All Exempt Property described herein shall be exempt from Assessments and Membership in the Master Association and its associated privileges and responsibilities, but shall nevertheless be subject to all other provisions of this Declaration, including but not limited to, the use restrictions and architectural controls.

1.36 "FHA" shall mean and refer to the Federal Housing Administration.

1.37 "FHLMC" shall mean the Federal Home Loan Mortgage Corporation.

1.38 "First Mortgage" means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

1.39 "First Mortgagee" means any person named as a Mortgagee under a First Mortgage, or any successor to the interest or any such person under a First Mortgage.

1.40 "FNMA" shall mean and refer to Federal National Mortgage Association.

1.41 "General Commercial Development" or "General Commercial Use" shall mean those types of developments and uses in a Commercial Area designated by the Design Guidelines and/or Master Land Use Plan as General Commercial, including but not limited to Commercial Condominium Developments, Shopping Center Use, Office/Industrial Use, Resort, Hotel and Motel Use or any other development denominated as General Commercial Use by the Master Association, including Timeshare Use.

1.42 "General Public Uses" shall mean those types of uses designated by the Master Land Use Plan as General Public Uses including but not limited to school sites and parks conveyed, assigned, or transferred by Deed or other written instrument to a Municipal Authority.

1.43 "Governing Documents" shall mean this Declaration and such recorded amendments, Neighborhood Declaration(s), Supplemental Declaration(s), the Bylaws, the Articles, the SunCrest Rules, the Design Guidelines, the Development Guidelines and the Board's resolutions.

1.44 "Improvement(s)" shall mean any improvement now or hereafter constructed in SunCrest and includes anything which is a structure for purposes of applicable Municipal Authority law including but not limited to building, structure, shed, covered patio, fountain, pool, radio or television antenna or receiving dish, tree, shrubbery, paving, curbing, landscaping, tank, fence, mailbox, sign, newspaper vending and distribution machines, overnight delivery service drop boxes, any excavation or fill having a volume exceeding ten (10) cubic yards and any excavation, fill, ditch, diversion, dam, or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel.

1.45 "Land Use Classification" shall mean the classification to be established by the Master Association pursuant to Section 4.1, which designates the type of Improvements which may be constructed on a Lot, Parcel or Master Association Land and the purposes for which such Improvements and surrounding land may be utilized.

1.46 "Lease" shall mean a written lease or sublease for the leasing or rental of an Apartment or other Residential or Commercial property.

1.47 "Limited Community Area(s)" shall mean a portion of the Community Areas designated by this Declaration, a Neighborhood Declaration or a Supplemental Declaration, and as may be shown on a Plat, for the exclusive use of one or more, but fewer than all of the Lots or Parcels. Limited Community Areas shall include, without limitation, all areas identified by this

Declaration, a Neighborhood Declaration, a Supplemental Declaration or on a Plat or other recorded instrument as Limited Use Driveways within SunCrest. Unless the Board authorizes otherwise in this Declaration or by a Neighborhood Declaration or a Supplemental Declaration, Limited Community Areas shall constitute Master Association Land that the Master Association now or hereafter owns in fee.

1.48 "Limited Use Driveway(s)" shall mean all areas identified by this Declaration, a Neighborhood Declaration or a Supplemental Declaration, and as may be shown on a Plat, for the exclusive use, occupancy and benefit of one or more Benefited Owners of the Lots or Parcels to which they are adjacent and to which they are required for access to such Lots or Parcels. Unless the Board authorizes otherwise in this Declaration or by a Neighborhood Declaration or a Supplemental Declaration, Limited Use Driveways shall constitute Master Association Land that the Master Association now or hereafter owns in fee. The Master Association shall maintain, repair, replace and service such Limited Use Driveways in accordance with the provisions of this Declaration, unless the Board authorizes the delegation of such responsibility in this Declaration or by a Neighborhood Declaration or by a Supplemental Declaration. Each Benefited Owner, for each Lot that he or she owns, shall be liable for an equal share of the maintenance, repair, replacement and service costs associated with the Limited Use Driveways, and for all Assessments levied by the Master Association associated with the same, as further described in this Declaration.

1.49 "Lot" shall mean (a) any area of real property within SunCrest designated as a Lot on any recorded Plat and limited by a Neighborhood Declaration and/or Supplemental Declaration to either Single Family Residential Use or Cluster Residential Use and (b) any Condominium Unit within SunCrest which is limited to Single Family Residential Use by a Neighborhood Declaration and/or Supplemental Declaration.

1.50 "Maintenance Charges" shall mean any and all costs assessed to an Owner or a group of Owners for the performance of maintenance, repair, or replacement of facilities appurtenant to Limited Community Areas or Limited Use Driveways that only benefit the Owner or group of Owners, which facilities do not benefit, or are not used by the other Owners in SunCrest.

1.51 "Manager" shall mean such person or entity retained by the Board of Trustees to perform certain functions of the Board pursuant to this Declaration or the Bylaws. The Manager for the Master Association may carry out delegated responsibilities of the Master Association as required herein.

1.52 "Master Association" shall mean SunCrest Owners Association, Inc. or any of its successors. The Master Association may be incorporated as a Utah nonprofit corporation. If incorporated, it shall be entitled to the rights, obligations, and benefits of the Utah Revised Nonprofit Corporation Act (Utah Code §§ 16-6a-101, *et. seq.*) as amended from time to time. Failure of the Master Association to maintain its corporate status will not result in the dissolution of the Master Association. The Master Association may renew its corporate status, reinstate its corporate status, or re-incorporate without Owner approval.

1.53 "Master Association Land" shall mean such part or parts of SunCrest, together with the buildings, structures and Improvements thereon, and other real property which the Master Association now or hereafter owns in fee for as long as the Master Association is the owner of the fee.

1.54 "Master Association Use" shall mean those portions of SunCrest intended for the use and benefit of the Master Association and its Members.

1.55 "Master Development Agreement(s)" shall mean (a) that certain Master Development Agreement for the SunCrest Master Planned Community - A Planned Unit Development dated August 24, 1999, entered into with Draper City and (b) any other development agreement entered into between the Master Association and any Municipal Authority with respect to development of SunCrest. Any land conveyed, assigned, or transferred by Deed or other written instrument to any Municipal Authority under any Master Development Agreement shall be Exempt Property and subject to the Design Guidelines, and the design review process conducted by the Design Review Board pursuant to Article XI.

1.56 "Master Land Use Plan" shall mean the map, site plan and other documents showing and/or identifying the various SunCrest Land Use Classifications and density allocations applicable to various Parcels as approved by the applicable Municipal Authority and the Master Association, as the same may from time to time be amended, a copy of which shall be on file at all times in the office of the Master Association. The Master Association reserves the right to modify the Master Land Use Plan from time to time by a majority vote of the Board. Such modifications may include, among others, the addition or deletion of Land Use Classifications.

1.57 "Member" shall mean any person holding a Membership in the Master Association pursuant to this Declaration.

1.58 "Membership" shall mean a Membership in the Master Association and the rights granted to the Owners pursuant to Article VI to participate in the Master Association.

1.59 "Merchant Builder" shall mean a Person who acquires a Parcel or a group of five or more Lots in SunCrest for the purpose of improving and constructing Dwelling Units or other Improvements thereon for resale to the general public or other development purposes; provided, however, that the term "Merchant Builder" shall not mean or refer to Declarant or its successors.

1.60 "Mortgage" shall mean any mortgage, deed of trust, or other document pledging any portion of a Lot or Parcel or interest therein as security for the payment of a debt or obligation.

1.61 "Mortgagee" shall mean a beneficiary of a Mortgage as well as a named Mortgagee.

1.62 "Municipal Authority" shall mean the applicable governmental entity or municipality which has jurisdiction over a part of SunCrest including, without limitation, Salt Lake County, Utah County, and Draper City.

1.63 "Municipal Authority Property" shall mean all real property which is from time to time conveyed, assigned, or transferred by Deed or other written instrument to the applicable Municipal Authority, including but not limited to community parks, mini parks, portions or all of the Trail System, public streets including medians and enhanced parkways, retention basins and drainage facilities and open space areas.

1.64 "Neighborhood" shall mean two or more Lots or Parcels which share interests other than those common to all Lots or Parcels. By way of illustration and not limitation, a Single Family Residential Development, a Cluster Residential Development, a Residential Condominium Development or a Commercial Area might each be designated as separate Neighborhoods, or a Neighborhood may be comprised of more than one housing or use type with other features in common. In addition, each Parcel intended for development that has not been subdivided into residential Lots shall constitute a Neighborhood. Where the context permits or requires, the term

"Neighborhood" shall also refer to a Sub-Association which in some instances may be established to act on behalf of the Owners within the Neighborhood. Neighborhood boundaries may be established and modified as provided herein.

1.65 "Neighborhood Declaration" shall mean a declaration recorded pursuant to Section 4.1 of this Declaration. A Neighborhood Declaration shall contain restrictions on use and establish a Land Use Classification for each Parcel covered by the Neighborhood Declaration as described in Section 4.1 of this Declaration. The Neighborhood Declaration shall identify the density allocated to the property it covers. It is contemplated that a Neighborhood Declaration will be, in contrast to a Supplemental Declaration, a more comprehensive and detailed document such as a condominium declaration or restrictive covenants which more specifically regulate a Neighborhood.

1.66 "Neighboring Property" is any property or street within SunCrest (including annexed property) other than the specific property in reference.

1.67 "Non-Conforming Member" shall mean an Owner whose behavior or use of his Lot or Parcel of the Master Association's Community Areas does not conform to the Master Association's Governing Documents. See Section 10.5.

1.68 "Office/Industrial Development" and/or "Office/Industrial Use" shall mean those types of developments and uses in a Commercial Area designated by the Design Guidelines and/or Master Land Use Plan as Office/Industrial.

1.69 "Owner" shall mean any Person(s) who is (are) record holder(s) of legal, beneficial or equitable title to the fee simple interest of any Lot or Parcel according to the County records of Salt Lake or Utah Counties.

1.70 "Parcel" shall mean an area of real property within SunCrest limited by a Neighborhood Declaration or Supplemental Declaration or the Master Land Use Plan to one of the following Land Use Classifications: Apartment Development, Residential Condominium Development (but only until the condominium regime therefor is recorded), Shopping Center Development, Commercial Condominium Development, General Commercial Development, Office/Industrial Development, Resort, Hotel and Motel Development, or Timeshare Development. The term Parcel shall also include those areas of land within SunCrest which a Neighborhood Declaration or Supplemental Declaration or the Master Land Use Plan designates for Single Family Residential Use or Cluster Residential Use but which have not yet been subdivided into Lots and related amenities and rights-of-way, but any such areas shall cease to be a Parcel upon the recordation of a Plat or other instrument covering the area and creating Lots and related amenities. A Parcel shall not include a Lot, any Exempt Property or any Master Association Land but, in the case of staged developments, shall include areas not yet included in a Plat, condominium property regime or other recorded instrument creating Lots and related amenities. A Parcel with a Land Use Classification of Apartment Development shall cease to be a Parcel if the Apartment Development is converted to a Residential Condominium Development.

1.71 "Person" shall mean a natural individual, a corporation, limited liability company, partnership or any other entity with the legal right to hold title to real property.

1.72 "Plat" shall mean any subdivision plat or record of survey map affecting SunCrest filed in the office of the County Recorder of Salt Lake County, or Utah County, as such may be amended from time to time, including but not limited to any such Recorded Plats or maps respecting all or any portion of the Additional Land.

1.73 "Recording" or "Record" shall mean placing an instrument of public record in the office of the County Recorder of Salt Lake County, and/or Utah County, as applicable, and "Recorded" shall mean having been so placed of public record.

1.74 "Reinvestment Fee" or "Reinvestment Fee Covenant" shall mean a maintenance fee charge or expense charged by the Master Association to be paid by either a buyer purchasing or an Owner selling a Lot or Parcel in SunCrest, upon and as a result of a transfer of the Lot or Parcel as described in Section 7.7. The fee shall be dedicated to benefitting the burdened property, including payment for, but not limited to, common planning, facilities, and infrastructure; obligations arising from an environmental covenant; community programming; resort facilities; open space; recreation amenities; charitable purposes; Master Association Expenses; and/or any other purpose identified in Utah Code § 57-1-46 as amended.

1.75 "Rental Apartments" shall mean Dwelling Units within a permanent Improvement consisting of four (4) or more commercially integrated Dwelling Units under single ownership upon one or more contiguous Parcels, each of which is designed and utilized, otherwise than as a hotel or on some other transient basis, for rental or leased for Residential purposes to non-Owners.

1.76 "Resident" shall mean:

(a) Each buyer under a contract of sale covering any part of the Assessable Property, regardless of whether the contract is recorded, and each tenant or lessee actually residing or conducting a business on any part of the Assessable Property; and

(b) Members of the immediate family of each Owner, lessee, tenant and of each buyer referred to in subparagraph (a) actually living in the same household with such Owner, lessee, tenant or buyer.

Subject to SunCrest Rules as the Master Association may hereafter specify (including the imposition of special non-resident fees for use of the Master Association Land if the Master Association shall so direct), the term "Resident" also shall include the on-site employees, guests or invitees of any such Owner, lessee, buyer or tenant, if and to the extent the Board in its absolute discretion by resolution so directs.

1.77 "Residential Condominium Development" and/or "Residential Condominium Development Use" shall mean a Condominium Development intended for Single Family Residential Use.

1.78 "Residential" or "Residential Areas" shall include Single Family Residential Developments, Cluster Residential Developments, Residential Condominium Developments, and at the option of the Master Association, Timeshare Developments and all common recreational areas and facilities associated with any of the foregoing and other non-Commercial Areas.

1.79 "Resort, Hotel or Motel Development" and/or "Resort, Hotel or Motel Use" shall mean any area within SunCrest approved by the Master Association and the applicable Municipal Authority for use as a Resort, Hotel, or Motel Development.

1.80 "Shopping Center" shall mean any area within SunCrest approved by the Master Association and the applicable Municipal Authority for use as a Shopping Center.

1.81 "Single Family" shall mean a group of one or more persons, each related to the other by blood, marriage or legal adoption, or a group of persons not all so related, who maintain a common household in a Dwelling Unit.

1.82 "Single Family Residential Development" and/or "Single Family Residential Use" shall mean Lots in a planned unit development or subdivision intended for Single Family occupancy in Dwelling Units, together with related areas intended for the use and enjoyment of the Owners and Residents of such Lots.

1.83 "Special Assessment" shall mean any assessment levied and assessed pursuant to Section 7.4.

1.84 "Special Service Districts" shall mean one or more special service districts which may be established to provide SunCrest with, among other things, waste water treatment and disposal services, fire protection service, road maintenance, emergency services, special lighting facilities for nonstandard street lights, culinary water and facilities including pump stations, snow plowing and school bus stop shelters.

1.85 "Sub-Association" shall mean any Utah nonprofit corporation or unincorporated association, or its successor in interest, the membership of which is composed of the Owners of a Parcel or Lots subject to one or more Neighborhood Declarations and/or Supplemental Declarations. Subject to Master Association approval, any Merchant Builder or Neighborhood may, but shall not be required to, Record a Neighborhood Declaration against a Neighborhood development or may organize such Sub-Association under the conditions set forth in this Declaration.

1.86 "SunCrest" shall mean, refer to, and consist of the parcels of real property situated in Salt Lake County, Utah, and/or Utah County, Utah described in Exhibit A which is attached hereto and incorporated herein by this reference and the development to be completed thereon, together with any Additional Land hereafter annexed pursuant to the provisions of this Declaration. The SunCrest project includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith.

1.87 "SunCrest Rules" shall mean the rules, resolutions, regulations, policies, and Design Guidelines, etc. for SunCrest adopted by the Board.

1.88 "Supplemental Declaration" shall mean an amendment or supplement to this Declaration filed pursuant to Article XVI which subjects Additional Land to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described thereon, including but not limited to, designation of certain Lots or Parcels as Neighborhoods thereon. Neighborhood Declarations may or may not be Recorded in addition to or as a part of a Supplemental Declaration in the Master Association's sole, exclusive, and subjective discretion, however, it is possible, but not required, that certain Lots or Parcels may be subject to both a Neighborhood Declaration and a Supplemental Declaration. It is contemplated that a Supplemental Declaration will be, in contrast to a Neighborhood Declaration, a relatively short document adding property to SunCrest, identifying Land Use Classifications, and designating Neighborhoods and/or Voting Groups.

1.89 "Timeshare Development" or "Timeshare Use" shall mean any such development as defined under Utah Code § 57-19-2(16) or successor statutes.

1.90 "Trail System" shall mean the system of trails for SunCrest which is established from time to time by the Declarant and/or the Master Association and which may be identified on the Master Land Use Plan or on any Plat for SunCrest. The Trail System may be owned by the Master Association and/or conveyed, assigned, or transferred by Deed or other written instrument to the appropriate Municipal Authority.

- 1.91 "Trustee" shall mean a duly qualified and elected member of the Board of Trustees.
- 1.92 "Use" shall mean one or more specific types of property development and classification as set forth in Section 4.1 of this Declaration.
- 1.93 "VA" shall mean the Veterans Administration.
- 1.94 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall standing on Neighboring Property, on the level of the base of the object being viewed.

ARTICLE II

PROPERTY SUBJECT TO SUNCREST DECLARATION

2.1 Submission. The SunCrest Project and the Governing Documents are hereby submitted to the provisions of the Utah Community Association Act.

2.2 General Declaration Creating SunCrest. All of the real property within the SunCrest Project, together with any Additional Land annexed pursuant to this Declaration, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration as amended or modified from time to time. In addition, some real property within SunCrest may be subject to Recorded Neighborhood Declarations and/or Recorded Supplemental Declarations as applicable and as amended from time to time. As portions of SunCrest are developed and sold to Merchant Builders for development, the Master Association or its designated nominee may Record one or more Neighborhood Declarations and/or Supplemental Declarations covering such property. Said Neighborhood Declarations and/or Supplemental Declarations will specify the Land Use Classification and permitted uses of property described therein and will incorporate this Declaration and establish such additional covenants, conditions and restrictions as may be appropriate for that property. This Declaration and all subsequent Neighborhood Declarations and Supplemental Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of SunCrest and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of Sun Crest and every part thereof. All of this Declaration and applicable Neighborhood Declarations and Supplemental Declarations shall run with SunCrest and shall be binding upon and inure to the benefit of the Master Association, all Owners and Residents and their successors in interest. Nothing in this Declaration shall be construed to prevent the Master Association from modifying the Master Land Use Plan or any portions thereof as to which a Neighborhood Declaration and/or Supplemental Declaration has not been recorded. This Declaration shall not be construed to prevent the Master Association from dedicating or conveying portions of SunCrest, including but not limited to streets or roadways, for uses other than as a Lot, Parcel, or Master Association Land.

2.3 Municipal Authority Property. From time to time, the Master Association may, in the Board's sole and exclusive discretion and without the vote of the Members, convey, assign, or transfer by Deed or other written instrument certain Community Areas to a Municipal Authority. Once any such Community Areas are conveyed, assigned or transferred to a Municipal Authority, they shall be Exempt Property and shall constitute Municipal Authority Property. It is contemplated that from time to time certain open space areas, the Trail System and other real property and facilities, may be conveyed, assigned, or transferred by Deed or other written instrument to a Municipal Authority, which conveyances are authorized pursuant to this Declaration.

2.4 Special Service Districts. In connection with the development of SunCrest, it is contemplated that Special Service Districts will be formed in order to provide SunCrest with various services and facilities including but not limited to waste water treatment and disposal services, fire protection service, road maintenance, emergency services, special lighting facilities for non-standard street lights, culinary water and facilities including pumping stations, snowplowing and school bus stop shelters. Each Special Service District shall be a body politic and corporate and a quasi-municipal public corporation of the State of Utah. The Special Service Districts shall have the right and authority to levy taxes, charges, and/or assessments upon owners of taxable property within the Special Service Districts. The Special Service Districts will have the power, among other things, to contract, to acquire and construct facilities and to finance the cost thereof by the issuance of bonds and to establish rates and charges that enable the Special Service Districts to operate such facilities as are necessary to fulfill its purposes. It is contemplated that all of Sun Crest will be part of one or more Special Service Districts and each Owner and Resident will be subject to all charges levied by them.

ARTICLE III

EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMUNITY AREAS

3.1 Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Community Areas which shall be appurtenant to and shall pass with the title to every Lot and Parcel, subject to the following provisions:

3.1.1 The right of the Master Association to suspend the voting rights and right to the use of the Community Areas by any Member (i) for any period during which any Assessment against his Lot or Parcel remains delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of this Declaration, a Neighborhood Declaration, a Supplemental Declaration, the SunCrest Rules or applicable Design Guidelines, or (iii) for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period.

3.1.2 The right of the Master Association to dedicate or transfer all or any part of the Master Association Land to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Master Association.

3.1.3 The right of the Master Association to regulate the use of the Community Areas through the SunCrest Rules and to prohibit access to those Community Areas, such as landscaped rights-of-ways, not intended for use by the Members. The SunCrest Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Community Areas or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Owners and Residents.

3.1.4 The right of the Master Association, its Board, employees, agents, and contractors to have non-exclusive easements to use the Community Areas to perform their duties as assigned by the Governing Documents.

3.1.5 The right of the applicable Municipal Authority and any other governmental or quasi-governmental body having jurisdiction over the SunCrest to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within SunCrest for purposes of providing police and fire protection, transporting school children and providing other governmental or municipal service.

3.1.6 The right of the Master Association to charge reasonable admission and other fees for the use of the recreational facilities situated upon the Community Areas.

3.1.7 The right of the Master Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Community Areas and facilities.

3.2 Easements for Encroachments. If any part of a Dwelling Unit or Improvement built in substantial accord with the boundaries for such Dwelling Unit or Improvement as depicted on a Plat (or in other approved documents depicting the location of such on the Lot or Parcel) encroaches or shall encroach upon the Community Areas, or upon an adjoining Lot or Parcel, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Community Areas encroaches or shall encroach upon a Lot of a Dwelling Unit or Parcel of an Improvement, easement for such encroachment and for the maintenance of the same shall and does exist. Each Owner shall have an unrestricted right of ingress or egress to and from its Lot or Parcel.

3.3 Easements for Swale Maintenance and Flood Water. Various Community Areas, Lots and Parcels have lengthy depressions in the surface of the soil, similar to a ditch, with sides that are gently sloped toward the center and covered with vegetation, and which are designed to carry water away from any Community Area, Lot or Parcel, as depicted upon a Recorded Plat, or otherwise found on such properties ("Swale"). All Owners of Lots or Parcels wherein Swales are located shall (a) install, keep, maintain, and replace the Swale's surface in order to prevent flooding; (b) maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. Notwithstanding the foregoing, the Master Association reserves for itself and its successors, assigns, and designees, a perpetual, nonexclusive right and easement, but not the obligation, to enter upon the Swales located within any Community Area, Lot or Parcel for the purpose of maintaining, repairing, cleaning, or altering drainage and water flow, and shall have an access easement over and across any Community Area, Lot or Parcel (but not the Dwelling Units or other buildings thereon) abutting or adjacent to any portion of any Swale to the extent reasonably necessary to exercise its rights under this Section. All persons entitled to utilize these easements shall use reasonable care in, and repair any material damage resulting from, the use of such easements. Nothing herein shall be construed to make the Master Association or any other Person liable for damage resulting from flooding due to heavy rainfall, excessive spring run-off, or natural disasters. Swales and drainage areas are for the purpose of natural flow of water only. Owners or Residents are strictly prohibited from disrupting the drainage pattern and shall not interfere with, obstruct, rechannel, construct upon, alter, build-in, fill-in, or impair any Swale or the drainage pattern over his or her Lot or Parcel from or to any other Lot or Parcel as that pattern may be established by a Merchant Builder, or other developer.

3.4 Easements for Utilities. There is hereby created an easement at specific locations approved by the Master Association upon, across, over and under the Community Areas for reasonable ingress, egress, installation, replacement, repair or maintenance of all utilities, including, but not limited to, gas, water, sewer, telephone, cable television and electricity. By this easement, it shall be expressly permissible for the providing utility company to install and maintain the necessary equipment at such locations on the Community Areas but no sewers, electrical lines, water lines or other utility or service lines may be installed or located on the Community Areas, except as initially approved by the Board.

3.5 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Community Areas. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the Owners and Residents of the Lots and Parcels and their guests, families, tenants and invitees. Further, certain pathways or trails around and/or through SunCrest may be developed and maintained from time to time as part of hiking and/or bicycling trail systems serving the public in addition to Owners and Residents; in such instances, members of the public shall also have the right to use such trails for the purposes for which they are developed and maintained, subject to reasonable, non-discriminatory rules and regulations as the Board may adopt from time to time and subject to applicable requirements and regulations of Salt Lake County and/or Utah County and any other governmental body or agency having jurisdiction. There is also hereby created an easement upon, across and over the Community Areas and all private streets, private roadways, private driveways and private parking areas within SunCrest for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. The Board shall have the right to relocate and/or reconfigure any and all such easements from time to time as it sees fit without the consent of any Owners (but subject to any necessary approvals of Salt Lake County and/or Utah County or any other governmental body or agency having jurisdiction thereover including in particular, but without limitation, the easements granted herein for police, fire, medical and other emergency vehicles and personnel). Subject to the limitations contained in this Declaration, and notwithstanding anything contained in this Declaration to the contrary, each Owner shall have the non-exclusive right to use and enjoy the Community Areas as described in this Section, and each specific Owner or Benefited Owner shall have the exclusive right to occupy and use any Limited Community Area or Limited Use Driveway designated for exclusive use by such Owner or Benefited Owner or group of Owners or Benefited Owners as described and identified by this Declaration, or in a Neighborhood Declaration, a Supplemental Declaration or a Plat.

3.6 Delegation of Use. Each Member shall, in accordance with this Declaration and the SunCrest Rules and the limitations therein contained, be deemed to have delegated his or her right of enjoyment in the Community Areas to the members of his or her family, his or her tenants or lessees, his or her guests or invitees or to his or her tenant's family, guests or invitees.

3.7 Association Easement. The Master Association, its Board, employees, agents, and contractors shall have non-exclusive easements to use all of the Community Areas to perform their duties as assigned by the Governing Documents.

ARTICLE IV
LAND USE CLASSIFICATIONS
PERMITTED USES AND RESTRICTIONS

4.1 Land Use Classifications. As portions of SunCrest are readied for development and sale to Merchant Builders, the Land Use Classifications, restrictions, easements, rights-of-way and other matters, including new or different uses and restrictions therefor and including any number of sub-classifications thereof for any special uses, shall be fixed by the Master Association and such uses may be set forth in a Neighborhood Declaration and/or Supplemental Declaration which shall be recorded for that portion of SunCrest. Any such Neighborhood

Declaration or Supplemental Declaration shall be construed as a supplement to this Declaration and fully a part hereof for all purposes to the same extent as if all of the provisions thereof were set forth in this Declaration. In exercising its authority to record Neighborhood Declarations and/or Supplemental Declarations, the Master Association may impose new Land Use Classifications or new restrictions, so long as such are generally in conformance with then existing uses and restrictions applicable to SunCrest and with the scheme of development contemplated by the Master Land Use Plan and this Declaration. The Land Use Classifications for Lots, Parcels and Master Association Land established by a Neighborhood Declaration or Supplemental Declaration shall not be changed except as specifically permitted by this Declaration. The contemplated Land Use Classifications are as follows:

- 4.5.1 Single Family Residential Use;
- 4.5.2 Cluster Residential Use;
- 4.5.3 Residential Condominium Development Use, which may be converted to Apartment Development Use upon approval of the Board;
- 4.5.4 Apartment Development Use, which may be converted to Residential Condominium Development Use upon approval of the Board;
- 4.5.5 General Commercial Use;
- 4.5.6 Shopping Center Use;
- 4.5.7 Office/Industrial Use;
- 4.5.8 Master Association Use, which may include Community Areas;
- 4.5.9 Resort, Hotel or Motel Use;
- 4.5.10 General Public Uses approved by the Master Association;
- 4.5.11 Church Use; and
- 4.5.12 Limited Community Areas.

Unless otherwise specifically provided in this Declaration, the definitions and characteristics of such Land Use Classifications, and specific permitted and prohibited uses in such Land Use Classifications, shall be determined in the applicable Neighborhood Declaration or Supplemental Declaration and shall be within the complete discretion of the Master Association. All Neighborhood Declarations and Supplemental Declarations shall be subject to the zoning laws of applicable Municipal Authority and the Master Development Agreements.

4.2 Covenants, Conditions, Easements and Restrictions Applicable to Lots and Parcels Within All Land Use Classifications. The following covenants, conditions, restrictions and reservations of easements and rights shall apply to all Lots and Parcels, the Owners and lessees thereof, and all Residents, whether or not a Neighborhood Declaration or Supplemental Declaration has been recorded on said property and regardless of the Land Use Classification of such property.

4.2.1 Architectural Control. No Improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping, equipment (recreational or otherwise), outbuilding or other work which in any way alters the exterior appearance of any property within SunCrest, or the Improvements located thereon, from its natural or improved state shall be made or done without the prior approval of the Design Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall,

residence or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the Design Review Board. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, equipment or outbuilding, including exterior color scheme, and all changes in the grade of Lots or Parcels, shall be subject to the prior written approval of the Design Review Board. No changes or deviations in or from the plans and specifications once approved by the Design Review Board shall be made without the prior written approval of the Design Review Board.

4.2.2 Animals. Unless otherwise designated in the SunCrest Rules, no animal, bird, or fish, other than a reasonable number of generally recognized house or yard pets as determined solely by the Board, shall be maintained on any Lot or Parcel and then only if they are kept, and raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept in a fenced yard (including electric) or on a leash at all times. No animal or bird shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be Visible from a Neighboring Property, unless otherwise approved by the Design Review Board. If an Owner or Resident fails to abide by the SunCrest Rules applicable to pets, the Board may bar such pet from use of or travel upon the Community Areas. The Board may subject ingress, egress, use, or travel upon the Community Areas by a person with a pet to a user fee, which may be a general fee for all similarly-situated persons or a specific fee imposed for failure of an Owner or Resident to abide by the SunCrest Rules applicable to pets. In addition, any pet which endangers the health of any Owner or Resident of a Lot or Parcel or which creates a nuisance or an unreasonable disturbance or is not a common household pet, as may be determined in the sole discretion of the Board, must be permanently removed from the SunCrest property upon seven (7) days' written notice by the Board. Upon the written request of any Owner or Resident, the Board shall conclusively determine, in its sole and absolute subjective discretion whether for the purposes of this Section, a particular animal, fish or bird is a generally recognized house or yard pet, whether such a pet is a nuisance or whether the number of animals, fish or birds on any such property is reasonable. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions contained herein. The Board shall have the authority to exempt from the foregoing restrictions, or portions thereof, a pet shop, veterinarian office or laboratory in a General Commercial Development or Shopping Center Development Land Use Classification. Notwithstanding anything contained herein to the contrary, Design Review Board reserves the right to permit horses to be maintained on certain Lots and Parcels within SunCrest. The Master Association may adopt additional Rules concerning animals including but not limited to the use of Common Areas, the liability of individual Owners for damage caused by their animals, registration requirements, the use of leashes, and fines for the violations of such Rules. The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.3 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a Residence, either temporary or permanent. Temporary buildings or structures may be approved by the Design Review Board for use during the construction of any structure on any property, but shall be removed immediately after the completion of construction.

4.2.4 Maintenance of Lawns and Plantings. Except where otherwise provided in a Neighborhood Declaration or Supplemental Declaration, each Owner of a Lot or Parcel shall keep all shrubs, trees, hedges, grass and plantings of every kind located on

(i) his or her Lot or Parcel (including set back areas and any applicable portions of Community Areas);

(ii) planted public right-of-way areas between sidewalks (or bike paths) and the street curb on the front or side of his or her property, if any;

(iii) any other public right-of-way or easement area which abuts the Owner's Lot or Parcel and which is located between the boundary line of his or her Lot or Parcel and the paved area of any street, sidewalk, bike path or similar area; and

(iv) any non-street public right-of-way or easement area adjacent to his or her Lot or Parcel neatly trimmed, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (1) the Master Association assumes the responsibility in writing; (2) the Master Association has been given such responsibility by a Recorded instrument as provided in Section 10.1 of this Declaration; or (3) a Municipal Authority assumes the responsibility. The Design Review Board may require landscaping by the Owner of all or any portion of an improved or developed Lot or an improved or developed Parcel including the areas described in the preceding Subsections.

4.2.5 Landscaping. The following landscape criteria shall apply to all Single Family detached and attached Lots, and all landscape plans shall be approved by the Design Review Board. All Owners and Residents are required to install or cause to be installed all Single Family Residential Use landscaping and irrigation based on the following schedule:

(i) Front and corner side yard (including street "tree-lawn") landscaping shall be installed within 90 days of closing to an Owner, weather permitting.

(ii) Rear and side yard landscaping when visible from streets shall be installed within 90 days of closing to an Owner, weather permitting.

(iii) Interior side and rear yard landscaping shall be installed within one year of closing to an Owner, weather permitting.

All front yards shall be fully landscaped and irrigated using a combination of turf grass, trees, shrubs, perennials, and groundcovers.

4.2.6 Nuisances and Construction Activities. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or Parcel, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the Residents of such other property. No other nuisance shall be permitted to exist or operate upon any Lot or Parcel so as to be offensive or detrimental to any other property in the vicinity thereof or to its Residents. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property. Normal construction activities and parking in connection with the building of Improvements on a Lot or Parcel shall not be considered a nuisance or otherwise

prohibited by this Declaration, but Lots and Parcels shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials may be piled only in such areas as may be approved by the Design Review Board. In addition, any construction equipment and building materials stored or kept on any Lot or Parcel during construction of Improvements may be kept only in areas approved by the Design Review Board, which may also require screening of the storage areas. The Design Review Board in its sole discretion shall have the right to determine the existence of any such nuisance.

4.2.7 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot or Parcel which shall induce, breed or harbor infectious plant diseases or noxious insects.

4.2.8 Repair of Improvements. No Improvement on any Lot or Parcel shall be permitted to fall into disrepair and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any improvement is damaged or destroyed, then, subject to the approvals required by Section 4.2.1 above and subject to the provisions of any Neighborhood Declaration or Supplemental Declaration, such Improvement shall be immediately repaired, rebuilt or demolished. If any Improvement should be demolished, then the Owner shall at all times maintain the vacant Lot or Parcel in a clean and orderly condition, and shall continuously clear the Lot or Parcel of any weeds, debris, garbage, trimmings or like items.

4.2.9 Antennas and Satellite Dishes. Antennas and satellite dishes shall be prohibited on any Lot or Parcel, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is:

- (i) located in the attic, crawl space, garage, or other interior spaces of the Dwelling Unit or another approved structure on the Lot or Parcel so as not to be visible from outside the Dwelling Unit or other structure;
- (ii) located in the rear yard of the Dwelling Unit (i.e., the area between the plane formed by the front facade of the Dwelling Unit and the rear lot line) and setback from all lot lines at least eight (8) feet;
- (iii) attached to or mounted on a deck or patio and extending no higher than the eaves of that portion of the roof of the Dwelling Unit directly in front of such antenna; or
- (iv) attached to or mounted on the rear wall of the Dwelling Unit so as to extend no higher than the eaves of the Dwelling Unit at a point directly above the position where attached or mounted to the wall.

Notwithstanding the foregoing, should an Owner determine that a Permitted Device cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, then the Owner may install the device in the least conspicuous alternative location on the Lot or Parcel where an acceptable quality signal can be obtained. The Board may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all. Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device.

4.2.10 Mineral Exploration. No Lot or Parcel shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

4.2.11 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot or Parcel, except in covered containers of a type, size and style which are approved by the Design Review Board or required by the applicable Municipal Authority. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection. All rubbish, trash and garbage shall be removed from the Lots and Parcels and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot or Parcel.

4.2.12 Clothes Drying Facilities. Unless otherwise permitted by the Board in the Rules, outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot or Parcel unless they are erected, placed or maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible From Neighboring Property.

4.2.13 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot or Parcel except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements; (ii) that which the Master Association may require for the operation and maintenance of SunCrest; or (iii) that are used or displayed in connection with any business permitted under a Neighborhood Declaration or Supplemental Declaration.

4.2.14 Signs. Except as otherwise provided in this Declaration, or permitted by the Board in the Rules, no signs whatsoever (including, but not limited to, commercial, political and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Lot or Parcel except pursuant to the Design Guidelines and except:

- (i) Signs required by legal proceedings;
- (ii) Not more than two (2) identification signs for individual residences, each with a face area of seventy-two (72) square inches or less;
- (iii) Signs (including "for sale", "for lease" and "open house" signs) the nature, size, number and location of which have been approved in advance and in writing by the Design Review Board or which comply with signage rules or guidelines adopted by the Design Review Board.
- (iv) Signs of Merchant Builders on any Lot or Parcel approved from time to time by the Master Association as to number, size, colors, design, message content, location and type; and
- (v) Residents may display a reasonably sized American flag on the exterior of a Dwelling consistent with the Freedom to Display the American Flag Act of 2005, the Utah Display of Flag Act, and Utah Code § 57-8a-219. Flags, if displayed, must be displayed in accordance with United States Code Title 4, Chapter 1.
- (vi) Such other signs (including but not limited to construction job identification signs, builder signs, and subdivision, shopping center, apartment and business identification signs) which are in conformance with the requirements of the applicable Municipal

Authority and which have been approved in writing by the Design Review Board as to size, colors, design, message content and location.

(vii) The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.15 Restriction on Further Subdivision, Property Restrictions and Rezoning. No subdivided Lot or Parcel shall be further subdivided or separated into smaller Lots, Parcels or interests by any Owner, and no portion less than all of any such Lot or Parcel, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Master Association, which approval must be evidenced on the Plat or other instrument creating the subdivision, easement or other interest. This provision shall not apply to transfers of an ownership interest in the whole of any Parcel not previously subdivided. No buildings or other Improvements shall be constructed on any, Lot or Parcel until a Neighborhood Declaration or Supplemental Declaration has been recorded on such property. No Neighborhood Declaration, Supplemental Declaration or further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot or Parcel without the provisions thereof having been first approved in writing by the Board, and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot or Parcel, and no applications for variances or use permits, shall be filed with a Municipal Authority unless the proposed use of the Lot or Parcel complies with this Declaration and any applicable Neighborhood Declaration or Supplemental Declaration.

4.2.16 Utility Easements. There is hereby created a blanket easement upon, across, over and under each Lot and Parcel for ingress to, egress from, and the installation, replacing, repairing and maintaining of all utility and service lines and systems, including, but not limited to water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. as such utilities are installed in connection with the initial development of the Lot or Parcel and the construction of the first Dwelling Unit or other Improvement thereon. Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the Lots and Parcels. Notwithstanding anything to the contrary contained in this Subsection, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any Lot or Parcel except as initially programmed and approved by the Design Review Board, or, if installed after a Neighborhood Declaration or Supplemental Declaration is Recorded, as approved by the Merchant Builder of such property and the Design Review Board.

4.2.17 Party Walls. Except as hereinafter provided, the rights and duties of Owners of Lots and Parcels with respect to party walls or party fences between Lots and Parcels, shall be as follows:

(i) The Owners of contiguous Lots or Parcels who have an exterior party wall or exterior party fence shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of the same by the other Owner.

(ii) Except as provided below the cost of reasonable repair and maintenance of a party wall or a party fence shall be shared equally by the adjoining Lot or Parcel Owners.

(iii) In the event that any party wall or party fence is damaged or destroyed through the act or failure to act of an Owner or Resident or any of his or her tenants, lessees, agents, guests or members of his or her family, (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner or Resident to promptly rebuild and repair the party wall or party fence without cost to the Owner of the adjoining Lot or Parcel. Any dispute over an Owner's liability for such damage shall be resolved as provided in Section 4.2.17(vi) below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking indemnity therefor from the persons causing such damage.

(iv) In the event any party wall or party fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act or failure to act of an adjoining Owner, Resident, or his or her tenants, lessees, agents, guests or family, it shall be the obligation of all Owners whose Lots or Parcels adjoin such party wall or party fence to rebuild and repair such wall or fence at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots or Parcels on the party wall or party fence.

(v) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall or party fence without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.

(vi) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a party wall or party fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board, the decision of which shall be binding.

Anything in the foregoing to the contrary notwithstanding:

(vii) In the case of party fences (1) between Community Areas and Lots or Parcels, or (2) constructed by a developer or the Master Association on Community Areas within a Lot or Parcel, the Master Association shall be responsible for all maintenance thereof, subject to the provisions of Article X, except that each Owner of a Lot or Parcel shall remain responsible for painting and maintaining the surface of the portion of the party fence facing his or her Lot or Parcel and/or the portion thereof which is not a portion of the Community Area; and

(viii) The provisions of this Section shall not apply to any party wall which separates the interiors of two Dwelling Units. The rights of the owners of such Dwelling Units with respect to such party walls shall be governed by the Neighborhood Declaration, Supplemental Declaration or additional covenants or by Plats to be recorded by the developer of the Dwelling Units.

4.2.18 Perimeter Fences and Walls. Unless the maintenance is assumed by a Municipal Authority or by a Sub-Association, perimeter fences or walls shall be maintained by the Owner of the Lots or Parcels being served by the perimeter fence. Each Owner of a Lot or Parcel shall remain responsible for painting and maintaining the surfaces of perimeter walls or fences according to standards set forth by the Master Association. The Master Association shall have the right to maintain and repair any perimeter fences or walls that are determined to not be maintained in accordance with Master Association Standards and may assess the benefitted owners for all costs incurred. Any replacement of fences and walls must be in accordance with the Design Guidelines.

4.2.19 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Lot or Parcel unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures as approved by the Design Review Board, except for:

- (i) overhead power poles and lines to perimeter areas of Sun Crest; and
- (ii) boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices.

4.2.20 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot or Parcel shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, or other area from ground level to a height of eight (8) feet without the prior approval of the Design Review Board.

4.2.21 Trucks, Trailers, Campers and Boats. Unless otherwise permitted by the Board in the Rules, no motor vehicles requiring a commercial driver's license to operate, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or Parcel or on any street in SunCrest. Provided, however, the provisions of this Section shall not apply to (i) vehicles and trailers which are parked as provided in Section 4.2.23 below, (ii) vehicles or trailers that are parked according to Association Rules, (iii) or vehicles or trailers that are parked in an approved recreational vehicle storage area within a Residential Area or other approved areas designated for such parking in Commercial Area Land Use Classifications in connection with permitted commercial activities conducted in such Commercial Area Land Use Classifications. The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.22 Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel, street or other Community Area, and no inoperable vehicle may be stored or parked on any such Lot, Parcel or street, so as to be Visible From Neighboring Property or to be visible from Community Areas or streets; provided, however, that the provisions of this Section shall not apply to (i) emergency vehicle repairs; (ii) temporary construction shelters or facilities maintained during, and used exclusively in connection with the construction of any Improvement approved by the Design Review Board; (iii) any automobile repair business which may be permitted in any Commercial Areas; (iv) the parking of such vehicles during normal business hours in areas designated for parking in a non-Residential Land Use Classification; (v) vehicles parked in garages on Lots or Parcels so long as such vehicles are in good operating condition and appearance and are not under repair, (vi) the storage of such vehicles in an area designated for such purposes on a Neighborhood Declaration or Supplemental Declaration or in a location approved by the Design Review Board; and (vii) non-Commercial vehicle repair within a garage which is closed except as necessary for ingress and egress. The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.23 Parking. It is the intent of the Master Association to restrict on-street parking as much as possible, whether such streets are public or private. Vehicles of all Owners and Residents, and of their employees, guests and invitees, are to be kept in garages

and residential driveways of the Owner and other designated parking areas wherever and whenever such facilities are sufficient to accommodate the number of vehicles at a Lot or Parcel; provided, however, this Section shall not be construed to permit the parking in the above described areas of any vehicle whose parking on SunCrest is otherwise prohibited or the parking of any inoperable vehicle. Recreational vehicles shall be parked in covered garages except for limited periods in Residential driveways or other designated parking areas as determined by the Board and promulgated as part of the SunCrest Rules. The Master Association is not obligated to treat all areas equally and may adopt different parking rules for different areas. Rules relating to the parking of vehicles may include, but are not limited to: (1) Rules allowing or causing to be removed any vehicles that are improperly parked, (2) restrictions on the type and condition of vehicles in any parking area, (3) restrictions on the time period and duration of temporary parking, (4) restrictions on performing vehicle maintenance or repair outside of enclosed garages, (5) restrictions on recreational vehicle parking, and (6) the assessment of fines to Owners who violate the Rules or the assessment of fines to Owners whose guests violate such Rules. The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.24 Roofs. No apparatus, structure or object shall be placed on the roof of a Dwelling Unit without the prior written consent of the Design Review Board. Any apparatus, structure or object which is approved by the Design Review Board for placement on the roof of a Dwelling Unit shall be mounted on the rear of the roof so that such apparatus or object is below the highest ridge on the roof and is not Visible From Neighboring Property or street by a Person standing anywhere on the curb or street in front of the Dwelling Unit or at the rear or sides of Lots backing upon open space, park, public right of way. No air conditioning units or evaporative coolers extending from windows or protruding from roofs are permitted.

4.2.25 Arterial Fencing and Walls. All perimeter walls and fencing along arterials must be constructed and maintained by Owners in accordance with the specifications and regulations established by the Design Review Board.

4.2.26 Draperies and Window Coverings. Within thirty (30) days of occupancy each Owner of a Lot or Parcel consisting of a Residential Use shall install permanent draperies or suitable window treatments on all exterior windows. In no event shall windows be covered with paper, aluminum foil, bed sheets or any other materials or temporary coverings not specifically intended for such purpose. No interior or exterior reflective material shall be used as a window covering unless such material has been approved by the Design Review Board. The Board may adopt Rules that vary, eliminate, or expand the restrictions set forth in this Section.

4.2.27 Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his or her Lot or Parcel from or to any other Lot or Parcel as that pattern may be established by a developer or as described in Section 3.3 hereof with respect to Swales.

4.2.28 Garage Openings. All garages shall be fully enclosed. No carports shall be permitted. No garage door shall be left open except when necessary for access to and from the garage.

4.2.29 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Resident or occupant of a Lot or Parcel, any member of the Design Review Board, any member of the Bard or any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or Parcel, and the Improvements thereon, except

for the interior portions of any completed Dwelling Unit, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with and such persons shall not be deemed guilty of trespass by reason of such entry.

4.2.30 Health, Safety and Welfare. In the event additional uses, activities and facilities are deemed by the Design Review Board to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the Design Review Board may make rules restricting or regulating their presence within SunCrest as part of the Design Guidelines.

4.2.31 Model Homes. The provisions of this Declaration and of Neighborhood Declarations or Supplemental Declarations which, in certain instances, prohibit nonresidential use of Lots and Parcels and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes by persons engaged in the construction of Residential Dwelling Units at SunCrest and parking incidental to the visiting of such model homes so long as the location of such model homes and the opening and closing hours are approved by the Design Review Board, and the construction, operation and maintenance of such model homes otherwise complies with all of the provisions of this Declaration. The Design Review Board may also permit Lots and other areas to be used for parking in connection with the showing of model homes so long as such parking and parking areas are in compliance with the ordinances of the governing Municipal Authority and any rules of the Design Review Board. Any homes constructed as model homes shall cease to be used as model homes at any time the Owner thereof is not actively engaged in the construction and sale of Single Family Residences at SunCrest and no home shall be used as a model home for the sale of homes not located at SunCrest.

4.2.32 Incidental Uses. The Design Review Board may approve uses of property within a Land Use Classification which are incidental to the full enjoyment by the Owners of the property within that Land Use Classification. Such approval may be subject to such regulation limitations and restrictions, including termination of the use, as the Design Review Board may wish to impose, in its sole discretion, for the benefit of SunCrest as a whole. By way of example and not of limitation, the uses which the Board may permit are private roadways and streets within an area having a Land Use Classification of Cluster Residential Use or Condominium Development Use, tennis clubs and/or swimming clubs intended primarily for the benefit of all or certain Owners and Residents within areas having a Land Use Classification of Cluster Residential Use, Residential Condominium Development or Single Family Residential Use; a business office for the Master Association within an area having a Land Use Classification of Master Association Use; tennis courts, swimming pools and other recreational facilities intended for usage by the Residents or Owners of more than a single Lot or Parcel within any Residential Area; and a sales, information and marketing center operated by a Merchant Builder, or other developer within an area having a Land Use Classification of Master Association Use.

4.2.33 Leases. Any Lease between an Owner and a lessee respecting a Lot or Dwelling Unit shall be subject in all respects to the provisions of the Governing Documents, and any failure by the lessee to comply with the terms of such Governing Documents shall be a default under the Lease. Specifically, all Leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The Lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against

the Owner and the Owner's property. All such residential Leases shall be in writing and shall have a minimum term of six (6) months.

4.2.34 Tree Removal. No trees shall be removed, except for (a) diseased or dead trees; and (b) trees which must be removed to promote the growth of other trees or for safety reasons, unless approved by the Design Review Board.

4.2.35 Nondisturbance Areas. Certain areas at Sun Crest possess great natural beauty and shall be designated as "Nondisturbance Areas" at the Master Association's sole discretion, as such areas may be identified on a Plat or other written document provided to an Owner. No Improvements (whether temporary or permanent), landscaping, alterations, repairs, excavation, grading or other work which in any way alters the exterior appearance of any Nondisturbance Area from its natural state existing on the date this Declaration is Recorded, or existing on the date a Neighborhood Declaration or Supplemental Declaration is Recorded, shall be made or done without the prior approval of the Design Review Board. No building, fence, wall, Dwelling Unit or other Improvement shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the Design Review Board. All subsequent additions to or changes or alterations in any building, fence, Dwelling Unit or other Improvement, including exterior color scheme, and all changes in the grade of Nondisturbance Areas, shall be subject to the prior written approval of the Design Review Board. No changes or deviations in or from the plans and specifications once approved by the Design Review Board shall be made without the prior written approval of the Design Review Board.

4.2.36 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Design Review Board.

4.2.37 Lighting. All exterior lights must be compliant with the standards or specifications set forth in the Design Guidelines or otherwise approved by the Design Review Board. Seasonal holiday decorative lights, may be displayed between November 15 and January 15 or such other dates as set by the Board in their reasonable discretion.

4.2.38 Violations of Law. Any activity which violates local, state, or federal laws or regulations is prohibited; however, the Board shall have no obligation to take enforcement action in the event of a violation.

4.2.39 Easement for Development. The Master Association hereby reserves an easement throughout SunCrest for the purpose of completing all Improvements contemplated by this Declaration, including but not limited to Improvements to the Additional Land. The Master Association shall be entitled to use all Community Areas within SunCrest, roadways within SunCrest and other facilities located in SunCrest to access the Additional Land in order to make Improvements thereto, or to permit other developers to do so, and to continue with the development of SunCrest.

4.2.40 Sales Offices. The Master Association must approve sales offices, management offices, signs advertising SunCrest, and models in any areas of SunCrest owned by a Merchant Builder.

4.2.41 Poles. No pole, including but not limited to a flag pole, shall be placed, constructed, or maintained on any Lot, Parcel or other part of SunCrest unless such pole is approved in advance by the Design Review Board. The Design Review Board may, adopt

one or more SunCrest Rules or regulations permitting an Owner to install and maintain a flag pole upon Owner's Lot or Parcel, provided that the location and size of such flag pole (and the number and size of any flag(s) mounted thereon) may be regulated by the Design Review Board, and may, if so provided in such rule or regulation, be made subject to the prior approval thereof by the Design Review Board. Poles to which basketball backboards, goals, and related equipment are affixed, shall also be governed by this section.

4.3 Covenants, Conditions, Easements and Restrictions Applicable to Lots Within Single Family Residential Use Classification. The following covenants, conditions, restrictions and reservations of easements and rights shall apply only to Lots and the Owners and Residents thereof lying within a Single Family Residential Use Classification:

4.3.1 General. Property classified for Single Family Residential Development under a Neighborhood Declaration or Supplemental Declaration may be used only for the construction and occupancy of Single Family Dwelling Units and typical residential activities incidental thereto, such as the construction and use of a family swimming pool, together with any common recreational facilities or any other Community Areas or amenities. All property within such Land Use Classification shall be used, improved and devoted exclusively to Single Family Residential Use. No structure whatsoever, other than one private, Single Family Residence, together with a private garage for cars and (if desired) a guest house or servant quarters, shall be erected, placed or permitted to remain on any Lot.

4.3.2 Business Activities. Property classified for Single Family Residential Development under a Neighborhood Declaration or Supplemental Declaration shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Resident may conduct business activities within the Dwelling Unit so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (b) the activity conforms to all zoning requirements for SunCrest; (c) the activity does not involve regular visitation of the Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of SunCrest; and (d) the activity is consistent with the residential character of SunCrest and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of SunCrest, as may be determined in the sole discretion of the Board. This Section shall not apply to any activity conducted by a Merchant Builder approved by the Master Association with respect to its development and sale of the Lots or Parcels or its use of any Dwelling Units which it owns within SunCrest. Notwithstanding the foregoing, the Board may adopt reasonable Rules permitting garage sales and similar activities on dates and in compliance with terms determined by the Board.

4.3.3 Tenants. The entire Dwelling Unit on a Lot may be leased to a Single-Family tenant or lessee from time to time by the Owner, subject to the provisions of this Declaration and the SunCrest Rules.

4.4 Covenants, Conditions, Easements and Restrictions Applicable to Property Within a Residential Condominium Development Use Classification, a Cluster Residential Development and a Timeshare Development Use Classification. The following covenants, conditions, restrictions and reservations of rights shall apply only to Dwelling Units and the Owners and Residents thereof lying within a Residential Condominium Development Land Use Classification, a Cluster Residential Development Use Classification or a Timeshare Development Use Classification:

4.4.1 General. Property classified as a Residential Condominium Development or a Cluster Residential Development or a Timeshare Development under a Neighborhood Declaration or Supplemental Declaration may be used only for the construction and occupancy of Single Family Dwelling Units together with common recreational facilities and other Community Areas. All property within such Land Use Classifications shall be used, improved and devoted exclusively to Single Family Residential Use.

4.4.2 Business Activities. Property classified for the purposes set forth in this Section under a Neighborhood Declaration or Supplemental Declaration shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Resident may conduct business activities within the Dwelling Unit so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (b) the activity conforms to all zoning requirements for SunCrest; (c) the activity does not involve regular visitation of the Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of SunCrest; and (d) the activity is consistent with the residential character of SunCrest and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of SunCrest, as may be determined in the sole discretion of the Board. This Section shall not apply to any activity conducted by a Merchant Builder approved by the Master Association with respect to its development and sale of the Lots or Parcels or its use of any Dwelling Units which it owns within SunCrest nor shall it apply to any approved Timeshare Development governed by a separate Neighborhood Declaration.

4.4.3 Tenants. The entire Dwelling Unit may be leased to a Single Family Tenant or lessee from time to time by the Owner, subject to the provisions of this Declaration and the SunCrest Rules.

4.5 Covenants, Conditions, Easements and Restrictions Applicable to Property Within the Commercial Areas including Apartment Developments, General Commercial Developments, Shopping Center Developments, Office/Industrial Developments, Resort, Hotel or Motel Developments, or Timeshare Developments. The following covenants, conditions, restrictions and reservation of rights shall apply only to Commercial Areas, the Improvements constructed thereon and the Owners and Residents and occupants within Commercial Area Land Use Classifications:

4.5.1 General. Property classified as and located within a Commercial Area will generally be developed as individual Commercial projects by one or more Merchant Builders. It is contemplated that Merchant Builders will construct Improvements with respect to such a Parcel in accordance with a specific Neighborhood Declaration or Supplemental Declaration.

4.5.2 Tenants. All or some portion of a Parcel in a Commercial Area may be leased to one or more tenants or lessees from time to time by the Owner of a Parcel, subject to the provisions of this Declaration and the SunCrest Rules.

4.6 Variances. Subject to the provisions of the Design Guidelines, the Design Review Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Declaration or in any Neighborhood Declaration or in any Supplemental Declaration if the Design Review Board determines in its discretion (a) either (i) that a restriction would create an unreasonable hardship or burden on an Owner or (ii) that a change of circumstances since the date this Declaration is Recorded has rendered such restriction obsolete and (b) that the activity permitted under the variance will not have any substantial adverse effect

on the Owners and Residents of SunCrest and is consistent with the high quality of life intended for Owners and Residents of SunCrest.

4.7 Description of Limited Community Areas. Limited Community Areas means a portion of the Community Areas reserved for the exclusive use and occupancy of one or more but fewer than all of the Owners to the exclusion of other Owners. Limited Community Areas shall include, without limitation, any Limited Use Driveways as indicated by this Declaration, a Neighborhood Declaration, a Supplemental Declaration or a Plat to be for the exclusive use of one or more but fewer than all of the Lots or Parcels. The use and occupancy of designated Limited Community Areas shall be reserved to the Lots or Parcels as shown on a Plat or as specified in this Declaration, or a Neighborhood Declaration or a Supplemental Declaration. Owners are hereby granted an easement to use and occupy the Limited Community Areas allocated exclusively to the Lot(s) or Parcel(s) such Owners own as described in Article III of this Declaration, subject to the Assessments levied by the Master Association associated with such Limited Community Areas, as further described in this Declaration. Owners shall not designate, modify or reallocate Limited Community Areas between or among Lots or Parcels in which they have an interest without the approval of the Master Association.

ARTICLE V

ORGANIZATION OF MASTER ASSOCIATION

5.1 Formation of Master Association. The Master Association shall be a Utah nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2 Board of Trustees and Officers. The affairs of the Master Association shall be conducted by a Board of Trustees and such officers as the Board may elect or appoint in accordance with the Bylaws as the same may be amended from time to time. The Board may appoint various committees and appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Master Association. The Board's responsibilities shall include, but shall not be limited to, the following:

- 5.2.1 administration, including administrative support as required for the Design Review Board;
- 5.2.2 preparing and administering an operational budget;
- 5.2.3 establishing and administering an adequate reserve fund;
- 5.2.4 scheduling and conducting the annual meeting and other meetings of the Members;
- 5.2.5 collecting and enforcing the Assessments;
- 5.2.6 accounting functions and maintaining records;
- 5.2.7 promulgation and enforcement of the SunCrest Rules and the Design Guidelines;
- 5.2.8 maintenance of the Community Areas;
- 5.2.9 all powers, duties and obligations of a homeowners association pursuant to the Utah Community Association Act; and

5.2.10 all duties imposed upon the Board pursuant to the Governing Documents, including enforcement thereof.

5.2.11 In the event that a Design Review Board is not appointed or that the Design Review Board fails to act, the Board may assume the responsibilities and duties specifically designated under the Governing Documents as the responsibility of the Design Review Board or the Board may delegate the responsibilities and duties of the Design Review Board to the Manager or another person, in the Board's sole discretion.

5.3 The SunCrest Rules. By a majority vote, the Board may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations to be known as the SunCrest Rules. The SunCrest Rules may restrict and govern the use of any area by any Member or Resident, by the family of such Member, or by any invitee, licensee or tenant of such Member; provided, however, that the SunCrest Rules shall not discriminate among Members and shall not be inconsistent with the Governing Documents. The Rules may address any issues including those addressed in any other Governing Document. The Rules may supplement, clarify, and add detail to issues addressed in other Governing Documents so long as they do not contradict the same. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive, subject to a judicial determination if any is timely sought. The standard for adoption of Rules is one of reasonableness. A Rule must be reasonable in light of the circumstances pertaining to the situation or issue addressed by the Rule. The Board may adopt a fine schedule for violations of the Governing Documents as part of the SunCrest Rules.

5.4 Personal Liability. No Trustee or member of any committee of the Master Association (including but not limited to the Design Review Board), no officer of the Master Association, and no Manager or other employee of the Master Association shall be personally liable to any Member or to any other person, including the Master Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Master Association, the Board, the Manager, any representative or employee of the Master Association or any committee, committee member or officer of the Master Association; provided, however, the limitations set forth in this Section shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

5.5 Sub-Associations. Prior to such time as a Sub-Association is formed by a Merchant Builder developing a Parcel or subdivision at SunCrest, the articles of incorporation and bylaws or other governing documents for such Sub-Association must be approved by the Master Association and the Design Review Board. The governing documents for such Sub-Association shall specify that the rights of its members are subject and subordinate to the provisions of the Master Association's Governing Documents.

5.6 Professional Management. The Master Association may carry out through the Manager those of its functions which are properly subject to delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Master Association, shall be responsible for managing SunCrest for the benefit of the Master Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Master Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Master Association itself.

5.7 Implied Rights. The Master Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the

Governing Documents, or by law, all rights and powers of the Master Association may be exercised by the Board without a vote of the Members. The Board may institute, defend, settle, or intervene on behalf of the Master Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Community Areas, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Master Association or its Members. In exercising the Master Association's rights and powers, making decisions on behalf of the Master Association, and conducting the Master Association's affairs, Board trustees shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the Bylaws.

ARTICLE VI

MEMBERSHIPS AND VOTING

6.1 Owners of Lots and Parcels. Every Person who is the Owner of a Lot or Parcel that is subject to Assessment shall be a Member of the Master Association. Each such Owner shall have the following number of Memberships:

6.1.1 One Membership for each Lot owned by the Member.

6.1.2 In the case of the Owner of a Parcel designated for Residential Condominium Development but as to which a condominium regime has not been recorded, one Membership for each Dwelling Unit permitted upon the Parcel under the Master Land Use Plan then in effect for SunCrest, the number of such Dwelling Units to be determined on the assumption that the number of Dwelling Units within a density classification on the Master Land Use Plan will be spread evenly over all land within the density classification. If a site plan for the Parcel is subsequently approved by the Design Review Board and the Municipal Authority for a number of Dwelling Units different than the number of Dwelling Units assumed pursuant to the Master Land Use Plan, the number of Memberships will be adjusted, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the approved site plan.

6.1.3 In the case of the Owner of a Parcel designated for Single Family Residential Development, Cluster Residential Development or Timeshare Development, one Membership for each Dwelling Unit permitted upon the Parcel under the Master Land Use Plan then in effect for SunCrest. If a Plat or other instrument creating Lots is recorded covering all or part of the area within the Parcel, the Parcel shall be reduced in size by the area so platted and the number of Memberships held by the Owner, as Owner of the Parcel, shall be reduced by a number equal to the number of Lots in the recorded Plat. All Memberships attributable to the Parcel shall cease when the land area ceases to be a Parcel because all of the area in the Parcel has been platted or otherwise dedicated to the public and no un-platted Single Family Residential Use, Cluster Residential Use or Timeshare Use area remains within the Parcel.

6.1.4 In the case of the Owner of a Parcel designated for or as a General Commercial Area, one Membership for each Lot or Parcel.

6.1.5 No Memberships shall be allocated to Community Areas, Exempt Property, or property utilized for Church Use or other General Public Uses.

6.1.6 Each Membership shall be appurtenant to and may not be separated from ownership of the Lot or Parcel to which the Membership is attributable. Memberships shall be shared by any joint Owners of, or Owners of undivided interests in a Lot or Parcel.

6.2 Lessees. Lessees of Rental Apartments shall not be Members of the Master Association. The Owner of any Rental Apartments shall have one Membership for each one thousand (1,000) square feet of floor area therein. In the event Rental Apartments are converted to Residential Condominium Use, then at the time the condominium regime is recorded, there shall be one Membership in the Master Association for each Dwelling Unit in the Residential Condominium Development.

6.3 Voting. Each Owner shall be entitled to one (1) vote for each Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of this Declaration in accordance with the provisions hereof. Notwithstanding the forgoing, no vote shall be cast or counted for any Membership not subject to Assessment.

6.4 Exercise of Voting Rights. The vote for each Lot owned by a Member shall be exercised by the Member. If there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Master Association in writing prior to any meeting. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

6.5 Neighborhoods. Lots and Parcels may be subject to a Neighborhood Declaration or Supplemental Declaration including any assessment provisions contained therein. In the discretion of the Owner(s) and developer(s) of each Neighborhood, the Lots and Parcels within a particular Neighborhood may be subject to additional covenants and/or the Owners of Lots may all be required to be members of a Sub-Association in addition to being Members of the Master Association.

6.6 Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration and such other rights, duties and obligations as are set forth in the Governing Documents, as the same may be amended from time to time.

6.7 Transfer of Membership. The rights and obligations of the Owner of a Membership in the Master Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel and then only to the transferee of ownership to the Lot or Parcel. A transfer of ownership to a Lot or Parcel may be effected by deed, intestate succession, testamentary disposition, foreclosure of a Mortgage or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Utah. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot or Parcel shall operate to transfer the Membership(s) appurtenant to said lot or Parcel to the new Owner thereof.

ARTICLE VII

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

7.1 Creation of Lien and Personal Obligation of Assessments and Maintenance Charges. Except as otherwise provided in Section 7.11, each Owner by acceptance of a Deed or other conveyance of a Lot or Parcel (whether or not it shall be so expressed in such Deed or conveyance) is deemed to covenant and agree, to pay to the Master Association the following assessments and charges: (1) Annual Assessments established by this Article, (2) Special Assessments for capital improvements or other extraordinary expenses or costs established by

this Article, (3) Individual Assessments established by this Article, and (4) Maintenance Charges. All such Assessments shall be established and collected as hereinafter provided. No diminution or abatement of Annual Assessments, Special Assessments, Individual Assessments, Maintenance Charges or setoff shall be claimed or allowed by reason of any alleged failure of the Master Association or Board to take some action or perform some function required to be taken or performed by the Master Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Master Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any Municipal Authority or other governmental authority, the obligation to pay Annual Assessments, Special Assessments or Maintenance Charges being a separate and independent covenant on the part of each Owner. The Annual Assessments, Special Assessments, Individual Assessments, and Maintenance Charges together with interest, costs and reasonable attorney fees, shall be a charge on the Lot or Parcel and shall be a continuing servitude and lien upon the Lot or Parcel against which each such Assessment is made. The Annual and Special Assessments against each Lot or Parcel shall be based on the number of Memberships appurtenant to the Lot or Parcel as described in Section 7.3 hereof. Each such Annual, Special, and Individual Assessment, and Maintenance Charge, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the Person who was the Owner of the Lot or Parcel at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them. However, the lien for any unpaid Assessments existing at the time of transfer shall continue, notwithstanding such transfer, until the Assessments have been paid in full.

7.2 Annual Assessments. Annual Assessments shall be computed and assessed against all Lots and Parcels as follows:

7.2.1 Community Expense. Annual Assessments shall be based upon advance estimates of the Master Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Community Areas and operating the Master Association. Such estimated expenses may include, without limitation, the following: expenses of management; real property taxes and Special Assessments (unless and until the Lots and Parcels are separately assessed); premiums for all insurance that the Master Association is required or permitted to maintain hereunder; repairs and maintenance; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund; creation of an adequate reserve fund for maintenance, repairs, and replacement of those Community Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Master Association for the benefit of the Members under or by reason of this Declaration, the Master Development Agreements, or the operation of the Master Association. Such expenses and charges shall constitute the Community Expense, and all funds received from assessments under this Section shall be part of the Community Expense Fund. Separate and distinct funds may be created and maintained hereunder, for operating expenses and capital expenses which together shall constitute the Community Expense Fund.

7.2.2 Apportionment. Community Expenses shall be apportioned among and assessed to all Members in accordance with Section 7.3 based on the number of Memberships appurtenant to the Lot or Parcel.

7.2.3 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31. On or before November 31 of each year, the Board shall prepare and make available to each Member, or cause to be prepared and to be made available to each Member, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Community Expenses for such fiscal year, anticipated receipts, and any deficit or surplus from the prior operating period. The budget shall track and estimate the expenses associated with each designated Limited Community Area (if any) in separate sub-categories within the total Common Expenses in order to allocate these expenses to the appropriate Benefited Owners. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which SunCrest shall be operated during such annual period.

7.2.4 Notice and Payment. The Board shall notify each Member as to the amount of the Annual Assessment against his or her Lot or Parcel on or before December 1 each year for the fiscal year beginning on January 1 next following. Except as otherwise provided by the Board, each Annual Assessment shall be payable in twelve (12) equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the Assessment relates. All unpaid installments of any Annual Assessment shall bear interest at the rate established by the Board, not to exceed eighteen percent (18%) per annum, from and after fifteen (15) days after the date each such installment became due until paid, and the Member shall be liable for late fees as determined by the Board, and all costs, including attorney fees incurred by the Master Association in collecting the same. In addition, in the event that any installment of the Annual Assessment is not paid within fifteen (15) days of the date such installment becomes due, the Master Association may, at its option, and upon fifteen (15) days prior written notice to the Member, accelerate the due date for all remaining unpaid installments of the Annual Assessment for the remainder of the fiscal year and all accrued but unpaid interest thereon. Payment of the Annual Assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Member from the obligation to pay such Assessment or any other Assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such Assessment shall have been given to the Member in the manner provided in this Declaration.

7.2.5 Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year. The Board in its sole discretion from time to time may change the Assessment Period by Recording with the County Recorder of Salt Lake County, Utah and/or Utah County, Utah, an instrument specifying the new Assessment Period.

7.2.6 Inadequate Funds. In the event that the Community Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Member's Assessment, the Board may, on behalf of the Master Association, levy additional Special Assessments in accordance with the procedure set forth in Section 7.4 below, except that the vote therein specified for Members shall be unnecessary.

7.3 Uniform Rate of Assessment. The amount of any Annual or Special Assessment against each Lot or Parcel shall be fixed at a uniform rate per Membership, except that the

following Owners shall pay only twenty-five percent (25%) of the Annual or Special Assessment otherwise attributable to his or her Membership during the periods hereafter specified:

7.3.1 The Owner of a Lot shall pay only twenty-five percent (25%) of the Annual or Special Assessment attributable to his Membership until the earlier of (i) completion of the first Dwelling Unit on the Lot and occupancy of such Dwelling Unit or (ii) twelve (12) months from commencement of construction of the Dwelling Unit on the Lot.

7.3.2 The Owner of a Parcel in a Commercial Area restricted under a Neighborhood Declaration or Supplemental Declaration or the Master Land Use Plan to uses other than Residential shall pay only twenty-five percent (25%) of the Annual Assessments otherwise attributable to his or her Membership until the earlier of (i) the completion of the first building on the Parcel and occupancy of such building or (ii) twelve (12) months from commencement of construction of the first building on the Parcel.

7.3.3 The Owner of a Parcel which, under a Neighborhood Declaration or Supplemental Declaration or the Master Land Use Plan, is to be used as an Apartment Development (and which has not been converted to Condominium Units) or a Condominium Development (and for which the condominium regime has not been recorded) shall pay only twenty-five percent (25%) of the Annual Assessment otherwise attributable to each of his or her Memberships until the earlier of (i) completion of an Apartment Development or Condominium Development on the Parcel and occupancy of a Dwelling Unit in such development or (ii) twelve (12) months from commencement of construction of an Apartment Development or a Condominium Development on the Parcel.

7.3.4 The Owner of a Parcel which, under a Neighborhood Declaration or Supplemental Declaration, or the Master Land Use Plan, has been classified for Single Family Residential Use, Cluster Residential Use or Timeshare Use (and which remains a Parcel because it has not yet been subdivided) shall pay only twenty-five percent (25%) of the Annual Assessment otherwise attributable to each of his or her Memberships.

7.3.5 Anything in this Section to the contrary notwithstanding, if, after an Assessment's record date, but before the end of the fiscal year for which it is levied, an Assessable Property is added to SunCrest or a Neighborhood by a Supplemental Declaration, or an Exempt Property becomes Assessable Property, then each Assessment which would have been levied against such Assessable Property for such fiscal year if it were not Exempt Property (as hereafter reduced) shall be due on the later of (a) the date on which such Assessment would have been due, if such part of SunCrest had been Assessable Property on such record date, or (b) the date on which such Assessable Property becomes subject to Assessment levy. If an Assessable Property is added to SunCrest, the Master Association shall be deemed, automatically and without the need for further action, to have levied against it each Annual, Special or Neighborhood Assessment for such fiscal year which the Master Association has levied against the other Assessable Properties. Each such Assessment levied against such Assessable Property shall be in an amount determined under this Section as if it were eligible for such levy on such record date, but then reduced in proportion to the number of days (if any) in such fiscal year elapsed as of (and including) the date on which such Supplemental Declaration is Recorded, or such Exempt Property becomes an Assessable Property, as the case may be.

7.3.6 Notwithstanding the foregoing, in the event that a Parcel designated by a Neighborhood Declaration or Supplemental Declaration or the Master Land Use Plan for Apartment Development, Condominium Development or Commercial Use is developed in

distinct separate phases, then with respect to each phase, the Owner shall pay only twenty-five percent (25%) of the Annual Assessments attributable to his or her Membership until the earlier of (i) completion of that phase and occupancy of a Dwelling Unit or building of that phase or (ii) twelve (12) months from commencement of construction of a Dwelling Unit or building of that phase. If the Owner of a Parcel or Lot ceases to qualify for the reduced twenty-five (25%) rate during the period to which an Annual Assessment is attributable or the Parcel ceases to be a Parcel because it has been subdivided for Single Family Residential Use, the Assessment attributable to the Membership shall be prorated between the applicable rates on the basis of the number of days in the period that the Owner qualified for each rate. Annual Assessments may be collected on a monthly, quarterly or annual basis.

7.4 Special Assessments. In addition to the Annual Assessments authorized above, the Master Association may levy, in any Assessment Period, a Special Assessment applicable to that period only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Association Land or other Community Areas, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses, provided that any such Assessment over one thousand dollars (\$1,000) per member shall have the assent of at least thirty percent (30%) of the total outstanding votes of the Members in the Master Association, which vote may be in person or by proxy at a meeting duly called for such purpose or by written approval of such Members. In connection with any such Special Assessment, Owners qualifying for paying only twenty-five percent (25%) of the Annual Assessment attributable to their Memberships pursuant to Section 7.3 above shall also be required to pay only twenty-five percent (25%) of the Special Assessment otherwise attributable to each such Membership. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes. Written notice of any meeting called for the purpose of taking any action authorized under this Section shall be sent to all Members pursuant to the notice requirements contained in the Bylaws. Special Assessments may be collected on the dates or times specified by the Board unless otherwise determined by a resolution of the Members of the Master Association approving the Special Assessment.

7.5 Individual Assessments. Individual Assessments may be levied by the Master Association against a particular Lot and its Owner for: (a) Costs of providing services to the Lot upon request of the Owner; (b) Costs incurred in bringing an Owner or the Owner's Lot or Dwelling into compliance with the provisions of the Governing Documents; (c) Fines, late fees, collection charges, and interest; (d) Any other charge designated as pertaining to an individual Lot in the Governing Documents; and (e) Attorney fees, costs, and other expenses relating to any of the above, regardless of whether a lawsuit is filed. If a special benefit arises from any improvement which is part of the general maintenance obligations of the Association, it shall not give rise to an Individual Assessment against the Lot(s) benefited, unless such work was necessitated by the Owner's or his/her Occupants' negligence.

7.6 Maintenance Charges. Maintenance Charges shall be paid by all Lots and Parcels within a designated Limited Community Area, or Limited Use Driveway for which the Master Association provides services. The amount of the Maintenance Charges shall be determined by equally allocating the budgeted Service expenses to all Lots within the designated area. There is no requirement that Maintenance Charges be uniform between different Limited Community Areas or Limited Use Driveways. At no time shall Maintenance Charges be assessed to Lots outside of the designated service area. The amounts the Master Association collects as

Maintenance Charges shall be held in trust for, and expended solely for, the benefit of the Limited Community Area or Limited Use Driveway for which they were collected.

7.7 Reinvestment Fee Covenant. The Board shall have the right to establish from time to time (but shall not be required to establish) a Reinvestment Fee assessment in accordance with this Section and Utah Code § 57-1-46. If established, the following terms and conditions shall govern Reinvestment Fees:

7.7.1 Upon the occurrence of any sale, transfer, or conveyance of any Lot or Parcel as reflected in the office of the Salt Lake or Utah County Recorder, regardless of whether it is pursuant to the a sale of the Lot or not (as applicable, a "Transfer"), the party receiving title to the Lot (the "Transferee") shall pay to the Master Association a Reinvestment Fee in an amount to be established by the Board in the Rules, which may be amended from time to time.

7.7.2 The Master Association shall not levy or collect a Reinvestment Fee for any Transfer exempted by Utah Code § 57-1-46.

7.7.3 The Reinvestment Fee shall be due and payable by the Transferee to the Association at the time of the Transfer giving rise to the payment of such Reinvestment Fee and shall be treated as an Individual Assessment for collection purposes.

7.7.4 SunCrest is a large master planned development as defined by Utah Code § 57-1-46(1)(f) and is not subject to the limitations imposed by Utah Code § 57-1-46(5).

7.7.5 As mandated by Utah Code Annotated section 57-1-46(6) to effectuate this covenant, the Association has recorded with the Recorders of both Salt Lake and Utah Counties a Notice of Reinvestment Fee Covenant for Sun Crest, a Planned Community. One such notice was recorded with the Salt Lake County Recorder on August 9, 2010, as Entry No. 11006710, Book 9847, starting at Page 6655.

7.8 Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt SunCrest Rules setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of Annual, Special, and Individual Assessments and the Maintenance Charges, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Master Association to send a bill to a Member shall not relieve any Member of his or her liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than fifteen (15) days written notice prior to the commencement of such foreclosure or enforcement, at the address of the Member on the records of the Master Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after the delinquency of such payment. The Master Association shall be under no duty to refund any payments received by it even though the ownership of a Membership changes during an Assessment Period; successor Owners of Lots or Parcels shall be given credit for prepayments, on a prorated basis, made by prior Owners. In case the Owner of a Membership becomes liable for payment of an increased sum pursuant to Section 7.3 during the Assessment Period, he or she shall notify the Master Association but his or her failure to notify the Master Association shall not relieve him or her of the liability for such amounts. The amount of the Annual Assessment against Members who become such during an Assessment Period upon the recordation of a Neighborhood Declaration or Supplemental Declaration shall be prorated and such new Members shall not be liable for any previously levied Special Assessments.

7.9 Reserve Funds. The Master Association shall establish and maintain a reserve fund and shall obtain and update a reserve analysis as required in this Declaration and the Community Association Act. The Master Association shall maintain reserve funds in separate and distinct accounts, from those intended for the regular maintenance and repair of SunCrest and for other routine operating expenses. The Master Association may, but shall not be obligated to, maintain separate reserve accounts for Community Areas or Improvements that the Master Association may be obligated to maintain, repair or replace. Separate reserve accounts shall be maintained for each Limited Community Area the Master Association is obligated to maintain.

7.10 Evidence of Payment of Assessments and Maintenance Charges. Upon receipt of a written request by a Member, the Master Association within a reasonable period of time thereafter shall issue to such Member or other Person a written certificate stating (a) that all Annual, Special, and Individual Assessments and Maintenance Charges (including interest, costs and attorneys' fees, if any, as provided in Section 7.2.4 above) have been paid with respect to any specified Lot or Parcel as of the date of such certificate, or (b) if all Annual, Special, and Individual Assessments and Maintenance Charges have not been paid, the amount of such Annual, Special, and Individual Assessments and Maintenance Charges (including interest, costs and attorney fees, if any) due and payable as of such date. The Master Association may charge a twenty-five dollar (\$25) fee for the issuance of such certificate, which charge must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Lot or Parcel in question.

7.11 Property Exempted from Assessments and Assessment Lien. Exempt Property shall be exempt from the assessment of the Annual and Special Assessments, but such property shall not be exempt from Individual Assessments and Maintenance Charges; from attorney fees, costs and expenses incurred for the enforcement of the Governing Documents; or from the Assessment Lien to secure said Individual Assessments, Maintenance Charges, attorney fees, costs and expenses; provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the Annual and Special Assessments (prorated as of the date it became Assessable Property) and the Assessment Lien.

ARTICLE VIII

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND MAINTENANCE CHARGES

8.1 Master Association as Enforcing Body. The Master Association, as the agent and representative of the Members, shall have the exclusive right to enforce the provisions of this Declaration. However, if the Master Association shall fail or refuse to enforce this Declaration or any provision hereof for an unreasonable period of time after written request to do so, then any Member may enforce them at his or her own expense by any appropriate action, whether in law or in equity.

8.2 Remedies to Enforce Payment of Assessments and Maintenance Charges. If any Member fails to pay the Annual, Special or Individual Assessments or installments when due, or to pay Maintenance Charges, the Master Association may enforce the payment of the Annual, Special, or Individual Assessments, Maintenance Charges and/or Assessment Lien by taking one or more of the following actions, concurrently or separately (and by exercising either of the

remedies hereinafter set forth, the Master Association does not prejudice or waive its right to exercise the other remedy):

8.2.1 Bring an action at law and recover judgment against the Member personally obligated to pay Annual, Special, or Individual Assessments, or Maintenance Charges;

8.2.2 Foreclose the Assessment Lien against the Lot or Parcel in accordance with the rights of foreclosure granted by the Act, both judicially and non-judicially pursuant to Utah Code §§ 57-1-20 and 57-8a-302, or any other means permitted by law. An Owner's acceptance of an interest in a Lot or Parcel constitutes a simultaneous conveyance of the Lot or Parcel in trust, with power of sale, to the Master Association's attorney of record, as trustee, for the benefit of the Association, for the purpose of securing payment of Assessments under the terms of this Declaration. The Master Association may appoint a qualified successor trustee by executing and recording a substitution of trustee form. Such trustee, and any successors, shall not have any other right, title or interest in Sun Crest beyond those rights and interests necessary and appropriate to foreclose any liens against Lots or Parcels arising pursuant hereto. In any such foreclosure, the Owner of the Lot or Parcel being foreclosed shall be required to pay the costs and expenses of such proceeding (including reasonable attorney fees), and such costs and expenses shall be secured by the lien being foreclosed. The Master Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots or Parcels purchased at such sale.

8.2.3 Notwithstanding subordination of an Assessment Lien as described in Section 8.3, the delinquent Member shall remain personally liable for the Assessments and related costs after his membership is terminated by foreclosure or deed in lieu of foreclosure or otherwise.

8.2.4 Suspension of Services / Voting Rights. In the event a Member fails to pay Assessments within sixty (60) days of becoming due ("Delinquent Member"), the Manager shall suspend (a) the Delinquent Member's access and use of the Community Areas and all other facilities, services and amenities, and (b) the Delinquent Member's voting rights. All Delinquent Members shall be notified in writing at least ten (10) days prior to suspension. All suspensions will be lifted upon receipt of payment in full of outstanding account balance, including, but not limited to, all past due Assessments, Master Association fees, fines, interest, attorney fees and costs, and all other collection charges.

8.2.5 Requiring Tenant to Pay Rent to Master Association. If an Owner, who is leasing or renting his Lot or Dwelling Unit, fails to pay an Assessment for more than sixty (60) days after the Assessment becomes due ("Delinquent Member"), then pursuant to the Master Association's authority under Utah Code § 57-8a-310 or § 57-8-53, as applicable, the Master Association, through its Manager or the Board of Trustees, may demand that the tenant of the Lot or Dwelling Unit pay to the Master Association all future lease payments due to the Delinquent Member, beginning with the next monthly or other periodic payment, until the amount due to the Master Association is paid.

8.3 Subordination of Assessment Lien to First Mortgage; Priority of Lien. The Assessment Lien provided for herein shall be subordinate to any First Mortgage recorded prior to the lien notice and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot or Parcel. Sale or transfer of any Lot or Parcel

shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a First Mortgage to which the Assessment Lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust of sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot or Parcel free of the Assessment Lien for all Annual and Special Assessments and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; provided, however, that such First Mortgage foreclosure sale purchaser or grantee shall take subject to all Annual, Special, and Individual Assessments, Maintenance Charges and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

8.4 Costs to be Borne by Member in Connection with Enforcement of Payment of Assessments and Maintenance Charges. In any action taken pursuant to Section 8.2, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of Annual, Special, and Individual Assessments and Maintenance Charges together with interest and the Master Association's collection costs and attorney fees, including those costs and fees specified in Section 7.2.4.

ARTICLE IX

USE OF FUNDS; BORROWING POWER; OTHER MASTER ASSOCIATION DUTIES

9.1 Purposes for Which Master Association's Funds May Be Used. The Master Association shall apply all funds and property collected and received by it (including Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of SunCrest and the Members and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any kind and all land, properties, Improvements, facilities, services, projects, programs, studies and systems, within SunCrest, which may be necessary, desirable or beneficial to the general common interests of SunCrest, the Members and the Residents. The following are some, but not all, of the areas in which the Master Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents; maintenance of landscaping on Community Areas and public right-of-way and drainage areas within SunCrest; recreation; insurance; communications; ownership and operation of vehicle storage areas; transportation; health; utilities; public services; safety and indemnification of officers and directors of the Master Association and compliance with the Master Development Agreements. The Master Association also may expend its funds as otherwise permitted under the laws of the State of Utah.

9.2 Borrowing Power. The Master Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as is necessary or appropriate as determined by the Board without a vote of the Members.

9.3 Master Association's Rights in Spending Funds From Year to Year. The Master Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Master Association shall not be obligated to reduce the amount of Annual Assessment in the succeeding year if a surplus exists from a prior year and the Master Association may apply the excess funds to reserves, or carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Master Association and the accomplishment of its purposes.

ARTICLE X

MAINTENANCE

10.1 Community Areas and Public Right-of-Way. The Master Association, or its duly delegated representative, shall maintain and otherwise manage all Community Areas, including, but not limited to, the landscaping, walkways, riding paths, parking areas, drives, recreational facilities and the roofs, interiors and exteriors of the buildings and structures located upon said properties; provided, however, the Master Association shall not be responsible for providing or maintaining the landscaping or structures on any Community Areas which are part of Lots or Parcels unless (i) such landscaping or structures are available for use by all Owners and Residents, or are within easements intended for the general benefit of SunCrest and (ii) the Master Association assumes in writing the responsibility as set forth in a Board resolution and written contract. The Master Association shall also maintain any landscaping and other Improvements not on Lots and Parcels which are within the boundaries of SunCrest as shown on a Plat or other plat of dedication for SunCrest or covered by a Neighborhood Declaration or Supplemental Declaration and which are intended for the general benefit of the Owners and Residents of Sun Crest, except the Master Association shall not maintain areas which (i) owned by a Municipal Authority, (ii) which a Sub-Association is required under a Neighborhood Declaration or Supplemental Declaration to maintain or (iii) are to be maintained by the Owners of a Lot or Parcel pursuant to this Declaration. Specific areas to be maintained by the Master Association may be identified on Plats, Neighborhood Declarations, or Supplemental Declarations, but the failure to so identify such areas shall not affect the Master Association's rights or responsibilities with respect to such Community Areas and other areas intended for the general benefit of SunCrest. Notwithstanding anything to the contrary herein, the Board shall have discretion to enter into an agreement with a Municipal Authority to permit the Master Association to upgrade and/or maintain landscaping on property owned by a Municipal Authority, if such property is within SunCrest, if the Board determines such agreement benefits the Master Association.

The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of the Community Areas and property the Master Association is required to maintain so that the SunCrest development will reflect a high grade of ownership. In accomplishing this objective, the Master Association may, subject to any applicable provisions on Special Assessments for capital Improvements, in the discretion of the Board:

10.1.1 Reconstruct, repair, replace or refinish any Improvement or portion thereof upon Master Association Land;

10.1.2 Construct, reconstruct, repair, replace or refinish any road Improvement or surface upon any portion of the Community Areas used as a road, street, walk, driveway or parking area, except that no permanent Improvements shall be made by the Master Association on any Community Area that is not Master Association Land and the Master Association shall provide only maintenance on Community Areas which are not Master Association Land;

10.1.3 Replace injured and diseased trees and other vegetation in any Community Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

10.1.4 Place and maintain upon any Community Area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof; and

10.1.5 Do all such other and further acts which the Board deems necessary to preserve and protect the Community Areas and the beauty thereof, in accordance with the general purposes specified in this Declaration.

10.1.6 The Board shall be the sole judge as to the appropriate maintenance of all Community Areas and other properties maintained by the Master Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board, or by its duly delegated representative.

10.1.7 In the event any Plat, Neighborhood Declaration, Supplemental Declaration, Deed restriction, or this Declaration permits the Board to determine whether or not Owners of certain Lots or Parcels will be responsible for maintenance of certain Community Areas or public right-of-way areas; the Board shall have the sole discretion to determine whether or not it would be in the best interest of the Owners and Residents of SunCrest for the Master Association or for an individual Owner or a Sub-Association to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the Board. The Board may cause the Master Association to contract with others for the performance of the maintenance and other obligations of the Master Association under this Article and, in order to promote uniformity and harmony of appearance, the Board may also cause the Master Association to contract to provide maintenance services to Owners of Lots and Parcels having such responsibilities in exchange for the payment of such fees as the Master Association and Owner may agree.

10.2 Assessment of Costs of Maintenance and Repair. In the event that the need for maintenance or repair of Community Areas, structures, and other property maintained by the Master Association is caused through the willful or negligent act of any Owner or Resident of a Lot or Parcel, or any family, guests, invitees or tenants of such Persons, the cost of such maintenance or repairs shall become an Individual Assessment to which such Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot or Parcel pursuant to Section 10.1 in connection with a contract entered into by the Master Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become an Individual Assessment and shall be secured by the Assessment Lien.

10.3 Maintenance and Use of Lots and Parcels. Each Dwelling Unit, Improvement, Lot and Parcel shall be properly maintained by the Owner so as not to detract from the appearance of SunCrest and so as not to affect adversely the value or use of any other Dwelling Unit, Improvement, Lot or Parcel. In the event any portion of any Lot or Parcel is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots and Parcels or other areas of SunCrest which are substantially affected thereby or related thereto, or in the event any portion of a Lot or Parcel is being used in a manner which violates this Declaration or any Neighborhood Declaration or any Supplemental Declaration applicable thereto, or in the event the Owner of any Lot or Parcel is failing to perform any of its obligations under the Governing Documents and standards of the Design Review Board, the Board may by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period of time, the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall become an Individual Assessment to which the offending Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien.

10.4 Limited Use Driveways. Notwithstanding anything to the contrary contained in this Declaration, a Neighborhood Declaration, a Supplemental Declaration or a Plat, the Master Association, or its duly delegated representative, shall maintain, repair, replace and otherwise manage all Limited Use Driveways pursuant to the maintenance standards described in this Section and elsewhere in this Declaration, unless the Board authorizes the delegation of such responsibility in a written agreement. The Limited Use Driveways to be maintained by the Master Association may be identified on Plats, Neighborhood Declarations, or Supplemental Declarations. In the event that the need for maintenance or repair of Limited Use Driveways maintained by the Master Association is caused through the willful or negligent act of any Owner or Resident of a Lot or Parcel, or any family, guests, invitees or tenants of such Persons, the cost of such maintenance or repairs shall become an Individual Assessment to which such Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien.

10.4.1 Maintenance Charges. Each Benefited Owner, for each Lot or Parcel that he or she owns, shall be liable for an equal share of the maintenance, repair, replacement, operation, snow removal and service costs associated with the Limited Use Driveways ("Services"), and for all Maintenance Charges levied by the Association associated with the same, as further described in this Section and elsewhere in this Declaration. Each Benefited Owner shall pay an equal share of the costs associated with the Services, regardless of the total area or size of the Limited Use Driveway that is adjacent and providing access to the Benefited Owner's Lot or Parcel, and regardless of the frequency or incidence of such Benefited Owner's use of such Limited Use Driveway. By a Benefited Owner's acceptance of a Deed to a Lot or Parcel, such Benefited Owner hereby agrees and acknowledges that his or her obligation to pay an equal share of the costs associated with the Services is not calculated pursuant to the total number of square feet or area of the Limited Use Driveway. Rather, such Benefited Owner's equal share of the costs associated with the Services is based upon a formula, the numerator of which is 1, and the denominator of which is the total number of Benefited Owners for such Limited Use Driveway. The Board shall bill the Benefited Owners for their respective equal shares of the costs that the Board incurs on account of receiving the Services hereunder. Each Benefited Owner's equal share of the Services shall constitute a portion of his or her Annual Assessment. The Board shall keep an accurate record of the costs of the Services and its administrative costs and shall provide copies of these records to the Benefited Owners from time to time as they may reasonably request. The Manager may, as a condition to permitting a Benefited Owner to inspect the records or to its furnishing information from the records, require that the Benefited Owner agree in writing not to use, or allow the use of, information from the records for commercial or other purposes not reasonably related to the maintenance and repair of the Limited Use Driveways and the Benefited Owner's interest in the same.

10.4.2 Services. Unless otherwise provided for in a Supplemental Declaration or a Neighborhood Declaration, the Board may contract for the Services. Except as provided for below, the Board shall only have the authority to contract for those Services which are exclusive to the Limited Use Driveways and which mutually benefit all or some of the Benefitted Owners. The Board may specifically enter into contracts with third-party service providers for the performance of the following Services:

- (i) Maintaining the surfaces of the Limited Use Driveways in a smooth and evenly covered condition that will allow for proper usage and drainage. Such maintenance shall include replacement or repair of all or any portion of the Limited Use Driveways with the same type of surface and material originally installed or such substitute materials as shall

in all respects be equal or better in quality, use and durability. Such maintenance shall also include cleaning and restriping of the Limited Use Driveways in conformity with all applicable governmental regulations and in a safe, sound and functional condition consistent with a standard comparable to other high-end projects having similar facilities.

(ii) Removing all snow, ice, debris and refuse and sweeping to the extent reasonably necessary to keep the Limited Use Driveways in a safe, clean and attractive condition. Snow and ice shall be removed as frequently as is reasonably necessary to allow the safe and unobstructed passage of vehicles.

(iii) Maintaining, repairing and replacing the entrance areas (i.e. curb and gutter) that permit access to the Lots or Parcels owned by the Benefited Owners.

(iv) Operating, keeping in repair and replacing such artificial lighting facilities, if any, as shall be required by applicable governmental authorities or as installed by the Board.

(v) Performing such other services with respect to the Limited Use Driveways as the Board shall reasonably determine necessary.

(vi) Contracting in its sole and exclusive discretion, for such other services with respect to the Limited Use Driveways and which individually benefit a particular Benefited Owner or group of Benefited Owners, and directly billing and collecting from such Benefited Owner(s) the costs and expenses associated with such individualized services.

10.4.3 Capital Reserves. The Benefited Owners shall pay as a portion of their Maintenance Charges certain amounts representing sums to be used for the repair and replacement of the major components of the Limited Use Driveways ("Capital Reserves"). The Capital Reserves shall be dedicated for the uses provided in this Section and the Board shall set up such Capital Reserves as capital reserve accounts ("Capital Reserve Account"). The Board shall establish and maintain the Capital Reserve Account on behalf of the Benefited Owners. Each Benefited Owner, by acceptance of a Deed to his or her Lot or Parcel, agrees to pay its equal share of the Capital Reserves necessary to maintain the Limited Use Driveways. The Board shall only use the Capital Reserves to repair, restore, or maintain the major components of the Limited Use Driveways for which the Benefited Owners are responsible and for which the Capital Reserve Account was established.

10.4.4 Capital Reserve Account Study. At least once every three (3) years the Board shall cause a study to be conducted of the Capital Reserve Account of the Benefited Owners and its adequacy to satisfy anticipated future expenditure requirements. The Board shall, thereafter, annually review the Capital Reserve Account study and shall consider and implement necessary adjustments to Capital Reserve Account requirements and funding as a result of that review. For the purposes of this Section, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace or restore those major components of the Limited Use Driveways which the Benefited Owners are obligated to maintain.

10.4.5 Future Public Dedication. The Master Association reserves the right, as fee owner of the Limited Use Driveways, to publicly dedicate all or part of a Limited Use Driveway to a Municipal Authority as a public road, as the Board shall determine in their sole and exclusive discretion. If a Municipal Authority agrees to accept a dedication of all or part of a Limited Use Driveway as a public road, then the Master Association and the Benefited Owners, or their successors and assigns, shall make such dedication in a form acceptable to such Municipal Authority. Such dedication shall be binding upon all Owners and it shall

thereupon become the duty of every Benefited Owner to execute and deliver such instruments and to perform all acts, if any, in manner and form as may be necessary to effect the dedication. If such a dedication is made and a Municipal Authority assumes the repair, replacement and maintenance responsibilities for the Limited Use Driveway, then the maintenance obligations under this Declaration shall terminate at the time of such dedication as to those portions of the Limited Use Driveways so dedicated.

10.5 Non-Conforming Use Sanction. The Master Association may issue a fine or citation to any Member whose behavior or use of his Lot or parcel or the Master Association's Community Areas does not conform to the provisions and restrictions within Governing Documents ("Non-Conforming Member"). Members are responsible for the action and/or failure to act on the part of their family members, guests, visitors, tenants, and invitees.

10.5.1 First Notice of Non-Conforming Use. The Master Association's Manager or Board of Trustees shall send a first notice of citation in writing and deliver it personally or by email, or ordinary first class mail to the Non-Conforming Member at the address given to the Association for such purposes, and to the Member's Lot or Parcel if the Non-Conforming Member's registered address is different from the address of the Lot or Parcel. The first notice of citation shall generally advise the Non-Conforming Member of the nature of the offense, cite the specific provision with the Governing Documents which has allegedly been violated, specify the potential fine or penalty for the violation, specify the remedy required, and state the number of days within which the Non-Conforming Member must complete corrective action. Notwithstanding the provisions in this section, the Board is not required to provide a first citation letter as set forth in this section if it determines that the interests of health and safety of the residents of SunCrest requires a more expedited handling of the allegations.

10.5.2 Second Notice of Non-Conforming Use. If the Non-Conforming Member does not remedy the offense within the number of days noted in the first notice of citation, the Board will issue a second notice of citation, which shall follow the basic form of the first notice of citation and include additional information deemed important by the Board concerning the offense. The second and subsequent citations may impose reasonable fines or other monetary penalties and/or suspend privileges for violations of the Governing Documents and shall inform the Non-Conforming Member of his right to request a hearing before the Board if the Non-Conforming Member desires to contest the citation.

10.5.3 Hearing. The Non-Conforming Member in violation of the Governing Documents shall have the right to a hearing before the Board. To perfect this right, a written request for a hearing must be received by the Manager or Board of Trustees within ten (10) days of any notice or citation for a violation of the Governing Documents. The Board shall not be required to conduct a hearing unless the Non-Conforming Member formally requests a hearing in writing before the deadline. At the hearing, the Board shall provide the Non-Conforming Member with a reasonable amount of time to present any and all defenses to the citation. The Non-Conforming Member may have counsel present at the hearing at the Member's own expense. Under no circumstances shall the Association be responsible for any attorney fees or costs incurred by a Non-Conforming Member relating to a citation or hearing conducted pursuant to this policy.

10.5.3.1 Following the hearing, the Board of Trustees shall meet in executive session to discuss whether satisfactory proof of the alleged violation was presented and take a vote. If the judgment is unfavorable to the Non-Conforming Member, the Board may impose reasonable fines and other monetary penalties, which shall

constitute an Individual Assessment and lien upon the Lot or Parcel until paid, and/or suspend the Non-Conforming Member's right to vote, use the Community Areas or the Association's facilities, services and amenities. All decisions of the Board are final and may not be further appealed.

10.5.3.2 The Board shall deliver notice of its decision to the Non-Conforming Member by Registered or Certified Mail, Return Receipt Requested, and via first-class mail, postage pre-paid at the Non-Conforming Member's address of record with the Association within seven (7) days of the date of the hearing.

10.5.4 Third or Final Notice. The Association's Manager or Board of Trustees will send third or Final Notice citations to Non-Conforming Members at the address given to the Association for such purposes, or the Non-Conforming Member's Lot or Parcel, if the Member has not provided a registered address. Notification will be deemed effective when deposited in the mail. If the Non-Conforming Member does not remedy the offense within the number of days noted in the third or Final Notice citation, and the Non-Conforming Member has not requested a hearing in writing by the hearing request deadline, the Non-Conforming Member shall be deemed to have waived the right to a hearing and the Board or its delegates shall have the power to impose fines, monetary charges, and/or suspend privileges pursuant to the authority granted in the Association's Governing Documents.

10.5.5 Other Remedies. The procedures outlined in this Section may be applied to all violations of the Association's Governing Documents and does not preclude the Master Association from exercising other enforcement procedures and remedies authorized by the Governing Documents, including, but not limited to, the initiation of suit or self-help remedies.

ARTICLE XI

DESIGN REVIEW BOARD

11.1 Membership. There is hereby established a Design Review Board which shall be responsible for the establishment and administration of the Design Guidelines and to carry out all other responsibilities assigned to the Design Review Board in order to carry out the purposes and intent of this Declaration. The Design Review Board shall also administer any Development Guidelines established for SunCrest. The Design Review Board shall be composed of individuals or entities the Board of Trustees determines in its sole discretion who need not be Members of the Master Association. All of the members of the Design Review Board shall be appointed, removed, and replaced by the Board in its sole discretion. If a Design Review Board is not appointed, then the Board of Trustees shall act as the Design Review Board.

11.2 Purpose. The Design Review Board shall review, study and either approve, reject or request resubmittal of proposed developments and Improvements to a Lot or Parcel, all in compliance with this Declaration and as further set forth in the rules and regulations of the Design Review Board and the Design Guidelines adopted and established from time to time by the Design Review Board and the Development Guidelines. Each developer, including any Merchant Builder, of a Parcel shall demonstrate to the Design Review Board that its Neighborhood Declaration, Supplemental Declaration, Plat, and/or development plan have been approved by the Master Association and by the applicable Municipal Authority and that such items are in compliance with the Development Guidelines and Design Guidelines.

11.2.1 The Design Review Board shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design,

quality and type of construction, materials, color, location on the Lot or Parcel, height, grade and finished ground elevation, and all aesthetic considerations set forth in this Declaration or in the Design Guidelines.

11.2.2 The Design Review Board shall exercise its best judgment to see that each Merchant Builder undertakes its development of a Parcel, including but not limited to, the roadways and major infrastructure, in compliance with the Development Guidelines and Master Association requirements.

11.2.3 No Improvement on a Lot or Parcel shall be erected, placed or altered, nor shall any construction be commenced until plans for such Improvement shall have been approved by the Design Review Board; provided, however, that Improvements and alterations which are completely within a building may be undertaken without such approval.

11.2.4 The actions of the Design Review Board in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties subject to appeal as provided in the Bylaws.

11.3 Organization and Operation of the Design Review Board.

11.3.1 Term. The term of office of each member of the Design Review Board shall be one (1) year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a Design Review Board member die, retire, become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 11.1 hereof. The Board of Trustees may remove any member of the Design Review Board at any time for any cause without notice.

11.3.2 Chairman. The chairman shall be elected annually from among the members of the Design Review Board by majority vote of said members.

11.3.3 Operations. The chairman shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the Design Review Board prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, a temporary successor.

11.3.4 Voting. The affirmative vote of a majority of the members of the Design Review Board shall govern its actions and be the act of the Design Review Board. A quorum shall consist of a majority of the members.

11.3.5 Expert Consultation. The Design Review Board may avail itself of technical and professional advice and consultants as it deems appropriate.

11.4 Expenses. Except as provided below, all expenses of the Design Review Board shall be paid by the Master Association. The Design Review Board shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the Design Review Board from time to time, and such fees shall be collected by the Design Review Board and remitted to the Master Association to help defray the expenses of the Design Review Board's operation.

11.5 Design Guidelines and Rules; Development Guidelines. The Design Review Board shall adopt, establish, and publish from time to time Design Guidelines, which shall be a Master Association document. The Design Guidelines shall define and describe the design standards for

SunCrest and the various uses within SunCrest. The Design Guidelines may be modified or amended from time to time by the Design Review Board. To the extent permitted by the Design Guidelines, the Design Review Board, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Compliance with the SunCrest design review process is not a substitute for compliance with applicable Municipal Authority building, zoning, and subdivision regulations and requirements, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to obtaining final approval of any Improvements from the Design Review Board and prior to commencing construction. The Development Guidelines shall not be subject to modification or amendment by the Design Review Board. The Development Guidelines shall be established solely by the applicable Municipal Authority and the Board. The Design Review Board shall have no authority to excuse compliance or permit variances in connection with any requirements of the Development Guidelines.

11.6 Procedures. As part of the Design Guidelines, the Design Review Board shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings. Appeals shall be conducted as provided in the Bylaws.

11.7 Limitation of Liability. The Design Review Board shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Design Review Board, nor any individual Design Review Board member, shall be liable to any person for any official act of the Design Review Board in connection with submitted plans and specifications, except to the extent the Design Review Board or any individual Design Review Board member acted with gross negligence or was guilty of willful misconduct. Approval by the Design Review Board does not necessarily assure approval by the appropriate Municipal Authority. Notwithstanding that the Design Review Board has approved plans and specifications, neither the Design Review Board nor any of its members shall be responsible or liable to any Owner, developer, or contract holder with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of any Improvements. Neither the Board, the Design Review Board, or any agent thereof, shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Governing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Design Review Board shall be defended and indemnified by the Master Association in any such suit or proceeding which may arise by reason of the Design Review Board's decision. The Master Association, however, shall not be obligated to indemnify each member of the Design Review Board to the extent any such member of the Design Review Board shall be adjudged to be liable for gross negligence or willful misconduct in the performance of his duty as a member of the Design Review Board, unless and then only to the extent that the Court' in which such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

11.8 Certificate of Compliance. Upon payment of a reasonable fee established from time to time by the Board, and upon written request of any Owner or his agent, an existing or prospective Mortgagee, or a prospective grantee, the Design Review Board shall issue an acknowledged certificate, in recordable form, setting forth generally, to the best of the Design Review Board's knowledge, that the Owner is not in violation of any of the terms and conditions of the Governing Documents. Unless such request shall be complied with within thirty (30) days after receipt of the request, it shall be conclusively presumed that the Owner and the Owner's

Improvements are in conformance with all the terms and conditions subject to the control of the Design Review Board.

ARTICLE XII

RIGHTS AND POWERS OF MASTER ASSOCIATION

12.1 Master Association's Rights and Powers as Set Forth in Articles and Bylaws. In addition to the rights and powers of the Master Association set forth in this Declaration, the Master Association shall have such rights and powers as are set forth in its Articles and Bylaws. Such rights and powers may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Declaration. A copy of the Articles and Bylaws of the Master Association shall be available for inspection at the office of the Master Association during reasonable business hours.

12.2 Master Association's Rights of Enforcement. The Master Association, as the agent and representative of the Owners and Members shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in this Declaration and/ or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Master Association. In the event suit is brought or arbitration is instituted or an attorney is retained by the Master Association to enforce the terms of this Declaration or other document as described in this Section and the Master Association prevails, the Master Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorney fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Master Association's administrative costs and fees. Said attorney fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Lot or Parcel. If the Master Association should fail to act within a reasonable time, any Owner shall have the right to enforce the Covenants set forth in this Declaration.

12.2.1 Enforcement Rights. In addition to any other remedies allowed or provided in the Governing Documents for any violation of the Governing Documents, the Master Association may: (1) impose fines; (2) suspend Owners' rights to utilize the Community Areas and amenities within SunCrest; (3) collect rents directly from tenants if Owners fail to pay Assessments; (4) bring suit for legal or equitable relief for any lack of compliance with any provisions of this Declaration or Rules promulgated by the Board or DRC; (5) exercise self-help or take action to abate a violation in any situation which requires prompt action, or within a reasonable time in a non-emergency situation after notice has been given to the offending Owner; and (6) take any other action or seek any other remedy allowed by the Act or other applicable Utah law.

12.3 Contracts with Others for Performance of Master Association's Duties. Subject to the restrictions and limitations contained herein, the Master Association may enter into contracts and transactions with other entities, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more Trustees or officers of the Master Association or members of any committee are employed by or otherwise connected with a contracted entity,

provided that the fact of such interest shall be disclosed or known to the other Trustees acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such Board member, officer or committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he or she is a member which shall authorize any contract or transaction described above, and may vote thereat to authorize any such contract, transaction or approval with like force and effect as if he or she were not so interested.

12.4 Change of Use of Master Association Land and Procedure Therefor. Upon (a) adoption of a resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Master Association Land or of the Master Association's interest in other Community Areas is no longer in the best interests of the Owners and Residents and (b) the approval of such resolution by a majority of the votes of the Members who are voting in person or by proxy at a meeting duly called for such purpose, the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and Improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners and Residents, and (ii) shall be consistent with any Deed restrictions (or zoning regulations) restricting or limiting the use of the Master Association Land or Community Areas. Any construction, reconstruction, alteration or change of the buildings, structures and Improvements on Master Association Land shall require the approval of the Design Review Board.

ARTICLE XIII **INSURANCE**

13.1 Hazard Insurance. The Master Association shall at all times maintain in force insurance meeting the following requirements: A "master" or "blanket" type policy of property insurance shall be maintained if reasonably available, covering all insurable Improvements, if any, on the Master Association Land and where appropriate on the Community Areas; fixtures, building service equipment, personal property and supplies comprising a part of the Community Areas or owned by the Master Association; and which are of a class typically encumbered by Mortgages held by FNMA or other similar institutional Mortgage investors; but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity insurance coverage. If blanket all-risk insurance is not reasonably available, then at a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to SunCrest in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Community Areas covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one-hundred percent of the property's insurable replacement cost but no more) and, if the policy includes a co-

insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such policy shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount.

13.2 Flood Insurance. Any part of the Community Areas is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a "master" or "blanket" policy of flood insurance shall be maintained, if reasonably available, covering the Improvements located on the Community Areas, and any machinery and equipment related thereto (hereinafter "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all Insurable Property within any portion of the Community Areas located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

13.3 Policy Requirements.

13.3.1 The name of the insured under each policy required to be maintained by the foregoing items (Section 13.1 and Section 13.2) shall be the Master Association for the use and benefit of the individual Owners. Notwithstanding the requirement of the immediately foregoing sentence, each such policy may be issued in the name of an authorized representative of the Master Association including any Insurance Trustee (as hereinafter defined) with whom the Master Association has entered into an Insurance Trust Agreement (as hereinafter defined), or any successor to such Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Master Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's First Mortgagee. Each Owner and each such Owner's First Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and First Mortgagee upon request.

13.3.2 Each policy required to be maintained by the foregoing items (Section 13.1 and Section 13.2), shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which SunCrest is located. If FNMA is a holder of one or more Mortgages on Lots within SunCrest, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as Mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase "Its successors and assigns." In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Master Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

13.3.3 Each policy required to be maintained by the foregoing (Section 13.1 and Section 13.2), shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

13.3.4 Each policy required to be maintained by Section 13.1 shall also contain or provide the following: (1) "Inflation Guard Endorsement", if available; (2) "Building Ordinance or Law Endorsement", if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and

removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction); and (3) "Steam Boiler and Machinery Coverage Endorsement" which shall provide that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the Improvements containing the boiler or machinery.

13.4 Fidelity Bonds or Insurance. The Master Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds or insurance, including but not limited to, trustees and officers insurance for the benefit of all members of the Board, officers and members of committees and subcommittees appointed by the Board or otherwise established pursuant to the provisions of this Declaration, for all officers, agents, and employees of the Master Association and for all other persons handling or responsible for funds of or administered by the Master Association. Furthermore, where the Master Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds or insurance, with coverage identical to such bonds required of the Master Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Master Association. The total amount of fidelity coverage required shall be based upon the Master Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Master Association, or the Manager, as the case may be, at any given time during the term of coverage. A lesser amount of fidelity insurance coverage is acceptable for SunCrest so long as the Master Association and the Manager adhere to the following financial controls: (1) the Master Association or the Manager maintains separate bank accounts for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Master Association; (2) the Manager maintains separate records and bank accounts for each Master Association that uses its services and the Manager does not have authority to draw checks on or to transfer funds from the Master Association's reserve account; or (3) two trustees must sign any checks written on the reserve account. Nevertheless, in no event may the amount of such fidelity coverage be less than the sum equal to three months' aggregate Assessments on all Lots and Parcels. The coverage required shall meet the following additional requirements: (1) the fidelity coverage shall name the Master Association as obligee or insured; (2) the bonds or insurance shall contain waivers by the issuers of the bonds or insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (3) the premiums on all bonds or insurance required herein for the Master Association (except for premiums on fidelity bonds or insurance maintained by the Manager for its officers, employees and agents) shall be paid by the Master Association as part of the Community Expenses; and (4) the bonds or insurance shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Master Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

13.5 Liability Insurance. The Master Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Community Areas, public ways in SunCrest, if any, all other areas of SunCrest that are under the Master Association's supervision, and commercial spaces owned by the Master Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to SunCrest in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons, and

property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Community Areas, and legal liability arising out of lawsuits related to employment contracts of the Master Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to SunCrest in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Master Association or any other Owner. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Master Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

13.6 Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Master Association, the Master Association's authorized representative, including any trustee with whom the Master Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Master Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Master Association, as his or her attorney-in-fact for the purpose-of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Master Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear. Each insurance policy maintained pursuant to this Declaration shall be written by insurance carriers which are licensed to transact business in the State of Utah and which have a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which are written by Lloyd's of London or which are otherwise approved by the Board. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Board, the Master Association, FNMA, or the designee of FNMA; (2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board 'of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than. insurance conditions) which could prevent the party entitled (including, without limitation, the Board, the Master Association, an Owner, or FNMA) from collecting insurance proceeds. The provisions of this Article shall not be construed to limit the power or authority of the Master Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Master Association may deem appropriate from time to time.

13.7 Annual Review of Policies and Coverage. All insurance policies shall be reviewed at least annually by the Board to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Community Areas and Improvements thereon which may have been damaged or destroyed. In addition, such policies

shall be reviewed to determine their compliance with the provisions of this Declaration. In the event any of the insurance coverage provided for in this Article is not available at a reasonable cost or is not reasonably necessary to provide SunCrest with adequate insurance protection, as determined by the Board, the Board shall have the right to obtain different insurance coverage or insurance coverage which does not meet all of the requirements of this Article so long as, at all times, the Board maintains insurance coverage on a basis which is consistent with the types and amounts of insurance coverage obtained for projects similar to SunCrest.

13.8 Right of Action. Nothing in this Declaration shall prevent an Owner suffering a loss as a result of damage to property from asserting a claim, either directly or through subrogation, for the loss against any Person or entity at fault for the loss.

13.9 Applicable Law. This Declaration is specifically subjecting the Master Association to the insurance requirements and provisions in Part 4 of the Act, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that any future changes to the insurance law applicable to community associations shall apply to the Master Association.

13.10 Owner Insurance. Each Owner shall be responsible to purchase and maintain in force appropriate hazard, content, and liability insurance as such Owner shall determine to be appropriate to the Owner's needs and circumstances. The Association is not required to file claims on any of its policies for any damage or liability claim that either should or would have been covered under any Owner's policy.

ARTICLE XIV

DAMAGE OR DESTRUCTION

14.1 Master Association as Attorney in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Community Areas upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article XV below. Acceptance by any grantee of a deed or other instrument of conveyance for a Lot or Parcel within SunCrest shall constitute appointment of the Master Association as the Owner's attorney-in-fact. As attorney-in-fact, the Master Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, Deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney-in-fact. All proceeds from the insurance required hereunder shall be payable to the Master Association except as otherwise provided in this Declaration.

14.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Improvements on the Community Areas in SunCrest, the Master Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Community Areas so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

14.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Master Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Master Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no

consent or other action by any Owner shall be necessary. Assessments of the Master Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

14.4 Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Master Association may levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

14.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master Association and the amounts received from the Special Assessments constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Master Association under Section 14.4 above, or, if no Special Assessments are made, then in equal shares per Membership, first to the Mortgagees and then to the Owners, as their interests appear.

14.6 Decision Not to Rebuild. If Members representing at least sixty-seven percent (67%) of the total votes in the Master Association vote not to repair and reconstruct and no alternative Improvements are authorized, then and in that event the affected portion of the Community Areas shall be restored to their natural state and maintained as an undeveloped portion of the Community Areas by the Master Association in a neat and attractive condition, and any remaining insurance proceeds may be held by the Master Association or distributed to the Membership, as their interests appear in the discretion of the Board.

14.7 Notice to First Mortgagees. The Master Association shall give timely written notice to any holder of any First Mortgage on a Lot or Parcel who requests such notice in writing in the event of substantial damage to or destruction of a material part of the Community Areas.

14.8 Limited Community Areas. If Members representing at least sixty-seven percent (67%) of the votes of the Members in the Master Association that are entitled to exclusive use and occupancy of Limited Community Areas vote not to repair and reconstruct such Limited Community Areas and no alternative Improvements are authorized, then and in that event the affected portion of the Limited Community Areas shall be restored to its natural state and maintained as an undeveloped portion of the Limited Community Areas by the Master Association in a neat and attractive condition, subject to the Assessments levied by the Master Association associated with such Limited Community Areas, as further described in this Declaration. Any remaining insurance proceeds may be held by the Master Association for future use, or distributed to the Owners of the Lots or Parcels to which that Limited Community Area was allocated at the time of acquisition, In the discretion of the Board.

ARTICLE XV
CONDEMNATION

15.1 Rights of Owners. Whenever all or any part of the Community Areas shall be taken or conveyed in lieu of and under threat of condemnation, each Owner shall be entitled to notice of the taking, but the Master Association shall act as attorney in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

15.2 Partial Condemnation: Distribution of Award: Reconstruction. The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Community Areas on which Improvements have been constructed, then, unless within sixty (60) days after such taking, the Owners representing at least sixty-seven percent (67%) of the votes in the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Community Areas to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Review Board. If such Improvements are to be repaired or restored, the provisions in Article XIV above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Community Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Membership, first to the Mortgagees and then to the Owners, as their interests appear.

15.3 Complete Condemnation. If all of SunCrest is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Community Areas shall be distributed to Owners based upon the relative value of the Lots, Dwelling Units and Parcels (as applicable) prior to the condemnation.

15.4 Limited Community Areas. All or any portion of an award attributable to the taking, condemnation, sale, acquisition or other disposition of in lieu of or in avoidance of condemnation of Limited Community Areas shall be equally divided among the Owners of the Lots or Parcels to which that Limited Community Area was allocated at the time of acquisition.

ARTICLE XVI
ADDITIONAL LAND

16.1 Right to Expand. The Master Association hereby reserves the absolute right and option to expand SunCrest at any time by adding to SunCrest Additional Land. Notwithstanding any provision of this Declaration which might be construed to the contrary, such right and option may be exercised solely by a majority vote of the Board, without obtaining the vote or consent of any other person (Including any Owner or Mortgagee), and shall be limited only as specifically provided in this Declaration. Any portion of Additional Land shall be deemed added to SunCrest at such time as a duly approved Plat and a Supplemental Declaration containing the information required by Section 16.3 below have been recorded with respect to the portion of the Additional Land concerned. After the date such Supplemental Declaration is Recorded, title to each Lot and Parcel thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Community Areas shall be vested in and held by the Lot Owner.

16.2 Rights and Statements Respecting Additional Land. There are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to SunCrest or relative to the order in which particular portions of the Additional Land can be added to SunCrest. Provided, however, future Improvements shall be consistent with the structure type and quality of construction set by the Board and subject to the Design Guidelines.

16.3 Procedure for Expansion. Each Supplemental Declaration by which an addition to Sun Crest of any portion of the Additional Land is accomplished shall be executed by a Trustee, shall be in recordable form, must be Recorded in the office of the County Recorder of Salt Lake County, Utah, and/or Utah County, Utah, as applicable, and shall contain the following information:

16.3.1 Data sufficient to identify this Declaration.

16.3.2 The legal description of the portion of the Additional Land being added.

16.3.3 A statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this Declaration.

16.3.4 Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the date a Supplemental Declaration is Recorded, it shall automatically supplement this Declaration and any supplements previously recorded. At any point in time, this Declaration for SunCrest shall consist of this Declaration, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

16.4 Allocation of Assessments and Voting Rights Following Expansion. Each Lot or Parcel created shall be apportioned a share of the Community Expenses attributable to SunCrest, as provided in Article VII. Each Owner of a Lot or Parcel shall be entitled to votes in the Master Association as provided for in Article VI. Assessments and voting rights shall commence as of the date of Recording of any Supplemental Declaration.

16.5 No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose any obligation or restriction with regard to: (i) The addition to SunCrest of any or all of the Additional Land; (ii) The creation or construction of any Lot or other Improvement; (iii) The carrying out in any particular way or within any particular time of any development or addition which may be undertaken; or (iv) The taking of any particular action with respect to any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to SunCrest.

16.6 Withdrawal of Property. At any time, the Master Association, upon a majority vote of the Board, shall have the right to withdraw property from SunCrest without the consent of any other Owner or Person (other than the Owner of such property, if other than the Master Association). The withdrawal of all or any portion of Sun Crest shall be effected by the Recording of a written instrument setting forth the legal description of the property being withdrawn. Upon the withdrawal of any property from SunCrest pursuant to this Section, such property shall no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

ARTICLE XVII
MORTGAGEE REQUIREMENTS

17.1 Notice of Action. Upon written request made to the Master Association by a Mortgagee, or an insurer or governmental guarantor of a Mortgage, which written request shall identify the name and address of such Mortgagee, insurer or governmental guarantor and the Parcel, Lot number or address of the Dwelling Unit, any such Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

17.1.1 Any condemnation loss or any casualty loss which affects a material portion of SunCrest or any Lot or Parcel on which there is a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor;

17.1.2 Any delinquency in the payment of Assessments or charges owed by an Owner, whose Lot or Parcel is subject to a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

17.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond or insurance maintained by the Master Association; and

17.1.4 Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.2 below or elsewhere herein.

17.2 Matters Requiring Approval. Except as provided elsewhere in this Declaration, the consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes in the Master Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Master Association is required, in which case such specific provisions shall control) shall be required to:

17.2.1 Abandon or terminate the legal status of SunCrest after substantial destruction or condemnation occurs.

17.2.2 Amend any material provision of this Declaration, Articles, Bylaws or Plat "Material Provisions" shall mean any provision substantially altering the following (an amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

(i) Increases in Assessments that raise the previous Annual Assessment amount by more than 25%, Assessment Liens, or the priority of Assessment Liens;

(ii) Reductions in reserve requirements for maintenance, repair, and replacement of Community Areas;

(iii) Reallocation of interests in the Community Areas, or rights to their use;

(iv) Redefinition of any Lot or Parcel boundaries encumbered by a Mortgage held by an Eligible Mortgagee (except as otherwise permitted by this Declaration);

(v) A decision by the Master Association to establish self-management if professional management had been required previously by this Declaration; or

(vi) Restoration or repair of SunCrest (after damage or partial condemnation) in a manner other than that specified in this Declaration.

17.3 Availability of Governing Documents and Financial Statements. The Master Association shall maintain and have current copies of the Governing Documents and other rules concerning SunCrest as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of Mortgages that are secured by Lots or Parcels. Generally, these documents shall be available during normal business hours.

17.4 Subordination of Lien. The lien or claim against a Lot or Parcel for unpaid Assessments or charges levied by the Master Association pursuant to this Declaration shall be subordinate to First Mortgages recorded prior to the Master Association's notice of lien affecting such Lot or Parcel, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot or Parcel may take the same free of such lien or claim for unpaid Assessment or charges, but only to the extent of Assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a Deed of assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgage which comes into possession or which obtains title shall be collected or enforced by the Master Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Lot or Parcel affected or previously affected by the First Mortgage concerned.

17.5 Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Community Areas are not timely paid, or in the event the required hazard-insurance described in Section 13.1 lapses, is not maintained, or the premiums therefor are not paid when due, any First Mortgagee or any combination of First Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance.

17.6 Priority. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Lots, Parcels or the Community Areas.

ARTICLE XVIII

TERM; AMENDMENTS; TERMINATION

18.1 Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect in perpetuity. The Declaration may be terminated at any time if eighty percent (80%) of the total votes of the Members shall be cast in favor of termination at a meeting held for such purpose or by written consent or ballot. If the necessary votes and consents are obtained, the Board shall cause to be recorded with the County Recorder of Salt Lake County, Utah, and/or Utah County, Utah, as applicable, a Certificate of Termination, duly signed by the President and Secretary of the Master Association, with their signatures acknowledged. Thereupon these Covenants shall have no further force and effect, and the Master Association shall be dissolved pursuant to the terms set forth in its Articles.

18.2 Amendments. This Declaration may be amended by Recording with the County Recorder of Salt Lake County and/or Utah County, as applicable, an amendment document duly signed and acknowledged by a Trustee on behalf of the Association. The amendment shall set forth in full the amendment adopted, and, except as provided in Sections 18.3 and 18.4 hereof or elsewhere in this Declaration, shall certify that at least sixty-seven percent (67%) of the votes of the Members voted affirmatively for the adoption of the amendment, which votes may be cast in person, by proxy, or by written consent.

18.3 Unilateral Amendments. This Declaration may be amended unilaterally at any time and from time to time by the Board of Trustees if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith to make technical corrections to fix mistakes or remove/clarify ambiguities.

18.4 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article or Declaration to the contrary notwithstanding, the Board of Trustees reserves the unilateral right to amend any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of property within SunCrest, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof. Any such amendment shall be effected by the recordation of an amendment duly signed by a Trustee, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when Recorded, shall be binding upon all of SunCrest and all persons having an interest therein.

ARTICLE XIX

MISCELLANEOUS

19.1 Interpretation of the Covenants. Except for judicial construction, the Master Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Master Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefitted or bound by the Covenants and provisions hereof.

19.2 Agreement to Avoid Costs of Litigation. The Master Association, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the properties at SunCrest, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving properties at SunCrest, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration or the Governing Documents (collectively a "Claim") shall be resolved using the following procedures before filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim:

19.2.1 Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall notify each Respondent in writing of the Claim ("Notice"), stating plainly and concisely:

- (i) the nature of the Claim, including date, time, location, person involved, Respondent's role in the Claim;

(ii) the basis of the Claim (i.e., the provision of the Declaration, Governing Documents, or other authority out of which the Claim arises);

(iii) what Claimant wants Respondent to do or not to do to resolve the Claim; and

(iv) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

19.2.2 Good Faith Negotiation.

(i) Each Claimant and Respondent ("Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the SunCrest community.

19.2.3 Non-Binding Mediation.

(i) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of an independent agency providing mediation services upon which the Parties may mutually agree.

(ii) If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiation, Claimant shall be deemed to have waived the Claim, and Respondent shall be deemed to have waived the Claim. The Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(iii) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

(iv) Each Party shall, within five (5) days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent. The Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

If the Parties do not agree in writing to accept either the Settlement Demand, the Settlement Offer, or otherwise resolve the Claim within fifteen (15) days of Termination of Mediation, the Parties may exercise all rights available to them under Utah law, whether at law or in equity.

19.3 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

19.4 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

19.5 Rules and Regulations. In addition to the right to adopt SunCrest Rules on the matters expressly mentioned elsewhere in this Declaration, the Master Association (through its Board) shall have the right to adopt rules and regulations with respect to all other aspects of the Master Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

19.6 References to the Covenants in Deeds. Deeds or any instruments affecting any Lot or Parcel or any part of SunCrest may contain the covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the covenants shall be binding upon the grantee Owner or other person claiming through any instrument and his or her heirs, executors, administrators, successors and assigns.

19.7 List of Owners and Eligible Members. The Board shall maintain up-to-date records showing: (i) the name of each Person who is an Owner, the address of such Person, and the Lot or Parcel which is owned by him or her; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity and the Lot or Parcel which is encumbered by the Mortgage held by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Lot or Parcel, the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of Record in the office of the County Recorder of Salt Lake County, Utah, and/or Utah County, Utah, as applicable. The Board may for all purposes act and rely on the information concerning Owners and Lot or Parcel ownership which is thus acquired by it or, at its option. The Board may act and rely on current ownership information respecting any Lot, Parcel or Lots or Parcels which is obtained from the office of the County Recorder of Salt Lake County, Utah, or Utah County, Utah, as applicable. The address of an Owner shall be deemed to be the address of the Lot or Parcel owned by such person unless the Board is otherwise advised. The list of Owners shall be made available by the Board to any Owner for noncommercial purposes upon such Owner's written request and such Owner's payment of any copying charges.

19.8 General Obligations. Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Declaration.

19.9 Rights of Action. The Master Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of this Declaration or the decisions of the Master Association. Owners shall have a similar right of action against the Master Association.

19.10 Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder.

19.11 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

19.12 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

19.13 Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such person at the address given by that person to the Master Association for the purpose of service of such notice or to the address of the Lot of such person if no address has been given. Such address may be changed from time to time by notice in writing received by the Master Association.

19.14 Fair Housing Accommodations. Notwithstanding anything to the contrary in this Declaration, the Master Association, upon receipt of a written opinion from its counsel that such action is required, may make or permit reasonable accommodations or modifications to the Project that are otherwise prohibited by the Governing Documents, as required under the Fair Housing Act, as amended, to accommodate a Person with a disability (as defined by Federal law at the time the accommodation is requested). Reasonable accommodations or modifications may include modifications to a Lot, the Common Area facilities and buildings, or deviations from provision of the Governing Documents. Any such modification and accommodation made under this Section shall not act as a waiver of the provisions of the Governing Documents with regard to any other Person or Owner.

19.15 No Waiver. Failure by the Master Association or by any Owner to enforce any restriction or provision herein contained, or contained in the Bylaws or the Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

19.16 Attorney Fees. If the Master Association utilizes legal counsel to enforce any restriction, or after an Owner communicates or demonstrates an intent not to comply with a restriction, the Master Association may assess all reasonable attorney fees and costs associated with such enforcement to the Owner as an Individual Assessment, regardless of whether a lawsuit is initiated or not. The term "costs" as used in this Section shall include all costs including but not limited to copying costs, deposition costs, expert witness fees, investigative costs, service costs, and filing fees paid to courts. "Costs" is specifically defined in this Section to be broader and to include costs that are not included in costs as the term is used in the Utah Rules of Civil Procedure.

19.17 Security. The Master Association may, but shall not be obligated to, maintain or support certain activities within SunCrest designed to make SunCrest safer than it otherwise might be. THE MASTER ASSOCIATION SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN SUNCREST. THE MASTER ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BECAUSE OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, RESIDENTS, TENANTS, GUESTS AND INVITEES OF ANY OWNER OR RESIDENT, AS APPLICABLE, ACKNOWLEDGE THAT THE MASTER ASSOCIATION AND ITS BOARD OF TRUSTEES AND THE DESIGN REVIEW BOARD DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE BOARD OR DESIGN REVIEW BOARD MAY NOT BE COMPROMISED OR CIRCUMVENTED,

DESIGN REVIEW BOARD ARE NOT INSURERS AND THAT EACH OWNER, RESIDENT, TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE MASTER ASSOCIATION, ITS BOARD OF TRUSTEES AND DESIGN REVIEW BOARD HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, RESIDENT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND OR BURGLAR ALARM SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN SUNCREST.

19.18 Use of SunCrest Term. No person shall use the term "SunCrest" or any derivative thereof in any printed or promotional material without the prior written consent of the Master Association.

19.19 Effective Date. The Declaration and any amendment hereof shall take effect upon its filing in the offices of the Salt Lake and Utah County Recorder.

IN WITNESS WHEREOF, the Declarant hereby certifies that Declarant may execute this Amended and Restated Declaration without the consent or signature of any other party or Owner as provided in Sections 18.3 and of the Enabling Declaration and has executed this Declaration as of the 11 day of June, 2019.

DRAPER CITY

a Utah Municipal Corporation

By: _____

Name: _____

Title: _____

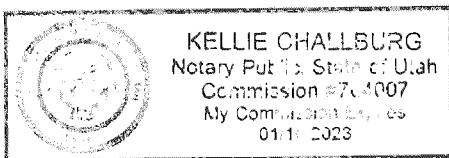
ATTEST:

Hannah D'Scausa
City Recorder

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11 day of June, 2019, personally appeared before me Troy Walker, who by me being duly sworn, did say that she/he is an authorized representative of Draper City, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: _____



IN WITNESS WHEREOF, the Master Association approves and consents to the recording of this Declaration as of this 11th day of June, 2019.

SUNCREST OWNERS ASSOCIATION, INC.
a Utah nonprofit corporation

By: Tasha Lowery

Name: Tasha Lowery

Its: Vice President

STATE OF UTAH)
COUNTY OF Salt Lake) ss.

On the 11th day of June, 2019, personally appeared before me Tasha Lowery, who by me being duly sworn, did say that she/he is an authorized representative of SunCrest Owners Association, Inc., and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: Laura Oscarson

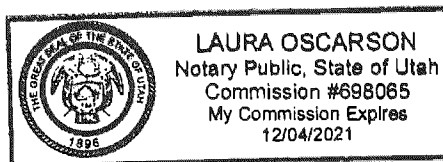


EXHIBIT A
Legal Description

All of Deer Ridge No. 1 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 7724216:

Including Lots 1 - 20

Parcel No. 34-16-102-002-0000 through 34-16-102-003-0000;
Parcel No. 34-16-102-012-0000;
Parcel No. 34-16-102-015-0000 through 34-16-102-016-0000;
Parcel No. 34-16-126-001-0000 through 34-16-126-004-0000;
Parcel No. 34-16-126-006-0000 through 34-16-126-007-0000;
Parcel No. 34-16-127-010-0000 through 34-16-127-017-0000.

All of Deer Ridge Lots 18 & 41, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 10598277:

Including Lots 18 and 41

Parcel No. 34-16-127-022-0000 through 34-16-127-023-0000.

All of Deer Ridge No. 2 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 8242797:

Including Lots 21 - 165

Parcel No. 34-08-476-001-0000 through 34-08-476-004-0000;
Parcel No. 34-09-351-001-0000 through 34-09-351-003-0000;
Parcel No. 34-09-376-001-0000 through 34-09-376-004-0000;
Parcel No. 34-16-101-105-0000 through 34-16-101-012-0000;
Parcel No. 34-16-102-004-0000 through 34-16-102-009-0000;
Parcel No. 34-16-102-013-0000;
Parcel No. 34-16-102-017-0000;
Parcel No. 34-16-103-001-0000 through 34-16-103-004-0000;
Parcel No. 34-16-104-001-0000 through 34-16-104-014-0000;
Parcel No. 34-16-105-001-0000 through 34-16-105-014-0000;
Parcel No. 34-16-126-008-0000 through 34-16-126-016-0000;
Parcel No. 34-16-126-018-0000;
Parcel No. 34-16-127-018-0000 through 34-16-127-019-0000;
Parcel No. 34-16-129-001-0000 through 34-16-129-003-0000;
Parcel No. 34-17-226-001-0000 through 34-17-226-003-0000.

All of Eagle Crest No. 1 at Suncrest, according to the plat on file in the office of the Utah County Recorder as Entry Number 2003:19498:

Including Lots 1 - 340

Serial No. 38:334:0001 through 38:334:0058;
Serial No. 38:334:0064 through 38:334:0096;
Serial No. 38:334:0099 through 38:334:0156;
Serial No. 38:334:0159 through 38:334:0171;
Serial No. 38:334:0174 through 38:334:0274;
Serial No. 38:334:0297 though 38:334:0320;
Serial No. 38:334:0322 through 38:334:0333;
Serial No. 38:334:0335 through 38:334:0336; and,
Serial No. 38:334:0339 through 38:334:0340.

All of Eagle Crest No. 1 at Suncrest Lots 50-52 & 59-63 AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2004:140730:

Including Lots 50 - 63

Serial No. 38:358:0050;
Serial No. 38:358:0052;
Serial No. 38:358:0060;
Serial No. 38:358:0061; and,
Serial No. 38:358:0063

All of Eagle Crest No. 1 at Suncrest Lots 157-158 AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2005:150086:

Including Lots 157 and 158

Serial No. 38:381:0157 through 38:381:0158

All of Eagle Crest No. 1 at Suncrest Lots 172, 173, 176, 177 & FF AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2005:150102:

Including Lots 172 - 177

Serial No. 38:382:0172; 38:382:0173; 38:382:0177

All of Eagle Crest No. 1 at Suncrest Lot 176A 2nd AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2012:19393:

Including Lots 176 and 177

Serial No. 38:446:0176 through 38:446:0177

All of Eagle Crest No. 1 at Suncrest Lots 275-296 & BB AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2004:102945:

Including Lot 1

Serial No. 38:350:0001

All of Eagle Crest No. 3 at Suncrest, according to the plat on file in the office of the Utah County Recorder as Entry Number 2004:135424:

Including Lots 501 - 551

Serial No. 38:357:0501 through 38:357:0551

All of Eagle Crest No. 4 at Suncrest, according to the plat on file in the office of the Utah County Recorder as Entry Number 2004:112994:

Including Lots 1 - 77

Serial No. 38:352:0001 through 38:352:0077

All of Eagle Crest No. 6 at Suncrest, according to the plat on file in the office of the Utah County Recorder as Entry Number 2006:75002:

Including Lots 51 - 66

Serial No. 38:392:0051 through 38:392:0057; and,
Serial No. 38:392:0059 through 38:392:0066.

All of Edelweiss Phase 1A, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12492311:

Including Lots 101 - 110

Parcel No. 34-10-303-001-0000 through 34-10-303-006-0000; and,
Parcel No. 34-10-304-001-0000 through 34-10-304-006-0000.

All of Edelweiss Phase 1B, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12602276:

Including Lots 111 - 130

Parcel No. 34-10-304-007-0000 through 34-10-304-019-0000; and,
Parcel No. 34-10-305-001-0000 through 34-10-305-007-0000.

All of Edelweiss Phase 2, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12706434:

Including Lots 201 - 205

Parcel No. 34-10-304-020-0000, and
Parcel No. 34-10-305-008-0000 through 34-10-305-011-0000.

All of Edelweiss Phase 3, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12706450:

Including Lots 301 - 315

Parcel No. 34-10-304-021-0000 through 34-10-304-028-0000; and,
Parcel No. 34-10-306-001-0000 through 34-10-306-007-0000.

All of Edelweiss Phase 4A, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12930475:

Including Lots 401-410

Parcel No. 34-10-304-032-0000 through 34-10-304-039-0000; and,
Parcel No. 34-10-306-008-0000 through 34-10-306-010-0000.

All of Edelweiss Phase 4B, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12930481:

Including Lots 411 - 424

Parcel No. 34-10-300-042-0000;
Parcel No. 34-10-304-040-0000 through 34-10-304-045-0000;
Parcel No. 34-10-306-011-0000; and,
Parcel No. 34-10-307-001-0000 through 34-10-307-007-0000.

All of Edelweiss Phase 5, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12938347:

Including Lots 501 - 512

Parcel No. 34-10-300-045-0000 through 34-10-300-052-0000;
Parcel No. 34-10-303-007-0000 through 34-10-303-008-0000; and,
Parcel No. 34-10-305-012-0000 through 34-10-305-015-0000.

All of Edelweiss Phase 6, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12938719:

Including Lots 601 - 622

Parcel No. 34-10-300-054-0000;
Parcel No. 34-10-303-009-0000 through 34-10-303-019-0000; and,
Parcel No. 34-10-305-016-0000 through 34-10-305-026-0000.

All of Maple Hollow No. 7 at Suncrest, according to the plat in the office of the Utah County Recorder as Entry Number 2005:150898:

Including Lots 1 - 30

Serial No. 46:669:0001 through 46:669:0030

All of Maple Hollow 10, 11 & 13 at Suncrest, according to the plat in the office of the Utah County Recorder as Entry Number 2005:90:

Including Lots 1 - 317

Serial No. 46:645:0001 through 46:645:0002;
Serial No. 46:645:0101 through 46:645:0253; and,
Serial No. 46:645:0301 through 46:645:0317.

All of Mercer Hollow Estates Plat A, according to the plat in the office of the Utah County Recorder as Entry Number 2005:12653:

Including Lots 5 - 29

Serial No. 46:646:0005 through 46:646:0015; and,
Serial No. 46:646:0027 through 46:646:0029.

All of Mercer Hollow Estates Plat B, according to the plat in the office of the Utah County Recorder as Entry Number 2006:75181:

Including Lots 201 - 216

Serial No. 46:682:0201 through 46:682:0216.

All of Mercer Hollow No. 15 at Suncrest, according to the plat in the office of the Utah County Recorder as Entry Number 2006:134950:

Including Lots 1 - 29

Serial No. 46:695:0001 through 46:695:0013; and,
Serial No. 46:695:0016 through 46:695:0029.

All of Oak Vista No. 1 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 7469858:

Including Lots 1 - 56

Parcel No. 34-09-451-001-0000 through 34-09-451-012-0000;
Parcel No. 34-09-476-001-0000 through 34-09-476-022-0000;
Parcel No. 34-09-477-003-0000;
Parcel No. 34-09-477-006-0000 through 34-09-477-012-0000;
Parcel No. 34-09-477-014-0000 through 34-09-477-018-0000;
Parcel No. 34-09-477-022-0000;
Parcel No. 34-09-477-024-0000 through 34-09-477-027-0000;
Parcel No. 34-09-478-001-0000 through 34-09-478-003-0000; and,
Parcel No. 34-09-478-014-0000.

All of Oak Vista No 2 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder:

Including Lots 58 - 214

Parcel No. 34-09-479-001-0000 through 34-09-479-002-0000;
Parcel No. 34-09-479-004-0000;
Parcel No. 34-16-201-101-0000;
Parcel No. 34-16-202-001-0000 through 34-16-202-021-0000;
Parcel No. 34-16-203-001-0000 through 34-16-203-021-0000;
Parcel No. 34-16-204-001-0000 through 34-16-204-008-0000;
Parcel No. 34-16-205-001-0000 through 34-16-205-002-0000;
Parcel No. 34-16-226-001-0000 through 34-16-226-036-0000; and,
Parcel No. 34-16-227-001-0000 through 34-16-227-048-0000.

All of Oak Vista 2 at Suncrest Lot 60 AMD, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 11864363:

Including Lots 60A - 60F

Parcel No. 34-09-479-020-0000 through 34-09-479-022-0000;
Parcel No. 34-09-479-024-0000 through 34-09-479-026-0000;
Parcel No. 34-09-479-027-2000; and, 34-09-479-027-6000.

All of Oak Vista No. 3 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 7542856:

Including Lots 58 - 214

Parcel No. 34-09-479-001-0000 through 34-09-479-002-0000;
Parcel No. 34-09-479-004-0000;
Parcel No. 34-16-201-101-0000;
Parcel No. 34-16-202-001-0000 through 34-16-202-021-0000;
Parcel No. 34-16-203-001-0000 through 34-16-203-021-0000;
Parcel No. 34-16-204-001-0000 through 34-16-204-008-0000;
Parcel No. 34-16-205-001-0000 through 34-16-205-002-0000;
Parcel No. 34-16-226-001-0000 through 34-16-226-036-0000; and,
Parcel No. 34-16-227-001-0000 through 34-16-227-048-0000.

All of Oak Vista No. 4 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 7762775:

Including Lots 300 - 397

Parcel No. 34-16-201-002-0000;
Parcel No. 34-16-202-022-0000 through 34-16-202-025-0000;
Parcel No. 34-16-202-029-0000 through 34-16-202-034-0000;
Parcel No. 34-16-205-025-0000 through 34-16-205-027-0000;
Parcel No. 34-16-205-033-0000 through 34-16-205-050-0000;
Parcel No. 34-16-227-049-0000 through 34-16-227-051-0000;
Parcel No. 34-16-227-057-0000 through 34-16-227-075-0000; and,
Parcel No. 34-16-227-110-0000 through 34-16-227-114-0000.

All of Oak Vista No. 4 at Suncrest, according to the plat on file in the office of the Utah County Recorder as Entry Number 2000:92120:

Including Lots 215 - 418

Serial No. 48:275:0215 through 48:275:0231;
Serial No. 48:275:0235 through 48:275:0249;
Serial No. 48:275:0252 through 48:275:0282;
Serial No. 48:275:0287 through 48:275:0297;
Serial No. 48:275:0300;

Serial No. 48:275:0339 through 48:275:0366;
Serial No. 48:275:0371 through 48:275:0374;
Serial No. 48:275:0398;
Serial No. 48:275:0404 through 48:275:0416; and,
Serial No. 48:275:0418.

All of Oak Vista No. 4 at Suncrest AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2002:139267:

Including Lots 335 - 340

Serial No. 48:300:0335; and,
Serial No. 48:300:0339 through 48:300:0340.

All of Oak Vista No. 4 at Suncrest Lots 232, 233 & 234 AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2004:102946:

Including Lots 232 - 235

Serial No. 48:325:0232 through 48:325:0235

All of Oak Vista No. 4 at Suncrest Lots 337 & 338 AMD, according to the plat on file in the office of the Utah County Recorder as Entry Number 2003:111651:

Including Lots 338 and 340

Serial No. 48:306:0338; and,
Serial No. 48:306:0340.

All of Oak Vista No. 5 at Suncrest, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 7900412:

Including Lots 403 - 446

Parcel No. 34-09-451-013-0000;
Parcel No. 34-09-451-015-0000 through 34-09-451-026-0000;
Parcel No. 34-09-451-029-0000 through 34-09-451-034-0000;
Parcel No. 34-09-451-036-0000 through 34-09-451-047-0000;
Parcel No. 34-09-478-006-0000 through 34-09-478-009-0000;
Parcel No. 34-16-201-003-0000 through 34-16-201-005-0000;
Parcel No. 34-16-207-001-0000; and,
Parcel No. 34-16-208-001-0000 through 34-16-208-005-0000.

All of Oak Vista No. 5 at Suncrest Amending Lot 428, according to the plat on file in the office of the Salt Lake County Recorder as Entry Number 12684893:

Including Lot 428-A

Parcel No. 34-09-451-048-0000

All of Oak Vista No. 6 at Suncrest AMD, according to the plat in the office of the Utah

County Recorder as Entry Number 2003:11782:

Including Lots 452 - 518

Serial No. 48:303:0452 through 48:303:0462;
Serial No. 48:303:0465 through 48:303:0479;
Serial No. 48:303:0481 through 48:303:0487;
Serial No. 48:303:0490 through 48:303:0496;
Serial No. 48:303:0500;
Serial No. 48:303:0503 through 48:303:0513; and,
Serial No. 48:303:0515 through 48:303:0518.

All of Oak Vista No. 7A at Suncrest, according to the plat in the office of the Salt Lake County Recorder as Entry Number 9183294:

Including Lots 1 - 20

Parcel No. 34-09-401-001-0000 through 34-09-401-026-0000

All of Oak Vista No. 8 at Suncrest, according to the plat in the office of the Utah County Recorder as Entry Number 2006:74942:

Including Lots 1 - 59

Serial No. 48:352:0001 through 48:352:0039; and,
Serial No. 48:352:0042 through 48:352:0059.

All of Oak Vista No. 9 at Suncrest Amending Lot 61 of Oak Vista No. 2 at Suncrest, according to the plat in the office of the Salt Lake County Recorder as Entry Number 7922074:

Including Lots 497 - 521

Parcel No. 34-09-479-006-0000;
Parcel No. 34-09-479-008-0000 through 34-09-479-010-0000;
Parcel No. 34-09-479-014-0000 through 34-09-479-017-0000;
Parcel No. 34-16-227-079-0000 through 34-16-227-091-0000;
Parcel No. 34-16-227-095-0000 through 34-16-227-098-0000; and,
Parcel No. 34-16-227-106-0000 through 34-16-227-109-0000.

All of Stoneleigh Heights at Suncrest Phase 1 PUD, according to the plat in the office of the Salt Lake County Recorder as Entry Number 9122093:

Including Lots 1 - 42

Parcel No. 34-09-426-001-0000 through 34-09-426-015-0000;
Parcel No. 34-10-301-001-0000 through 34-10-301-019-0000; and,
Parcel No. 34-10-302-001-0000 through 34-10-302-014-0000.

All of Stoneleigh Heights at Suncrest Phase 2A PUD, according to the plat in the office of the Salt Lake County Recorder as Entry Number 9395675:

Including Lots 43 - 71

Parcel No. 34-10-354-001-0000 through 34-10-354-034-0000.

All of Stoneleigh Heights at Suncrest No. 2A PUD, according to the plat in the office of the Utah County Recorder as Entry Number 11431:

Including Lots 72 - 124

Serial No. 66:115:0072 through 66:115:0091; and,
Serial No. 66:115:0117 through 66:115:0124.

All of Stoneleigh Heights at Suncrest No. 2B PUD, according to the plat in the office of the Utah County Recorder as Entry Number 11393:

Including Lots 92 - 121

Serial No. 66:111:0092 through 66:111:0121.

All of Stoneleigh Heights at Suncrest No. 3A PUD, according to the plat in the office of the Utah County Recorder as Entry Number 12487:

Including Lots 120 - 158

Serial No. 66:234:0120 through 66:234:0128; and,
Serial No. 66:234:0157 through 66:234:0158.

All of Stoneleigh Heights at Suncrest Phase 3A & 3B AMD, according to the plat in the office of the Utah County Recorder as Entry Number 2012:18744:

Including Lots 129 - 184

Serial No. 66:354:0129 through 66:354:0131;
Serial No. 66:354:0134 through 66:354:0139;
Serial No. 66:354:0141 through 66:354:0155;
Serial No. 66:354:0157 through 66:354:0176; and
Serial No. 66:354:0181 through 66:354:0184.

All of the following parcels located in Salt Lake County:

Parcel Numbers:

34172000120000	34094010010000	34094790220000	34093000190000
34171000010000	34094010190000	34094790240000	34093000250000
34171000020000	34094010140000	34094790250000	34093000240000
34172000070000	34094000220000	34094790010000	34093000214002
34172000054002	34094000230000	34094790272000	34093000144001
34161040170000	34093000260000	34094790020000	34093000144002
34172000054001	34093000270000	34162270980000	34093000130000
34093000050000	34094260160000	34162270190000	34093000224001
34093000180000	34094260010000	34162270690000	34093000164001
34093000224002	34094760010000	34162040080000	34094790260000
34162010060000	34094000210000	34161040080000	34094790040000

34162010020000	34094790060000	34093510020000	34094790200000
34162020220000	34094790170000	34161010100000	34161010110000
34162260010000	34093000164002	34161010120000	34103000204001
34103000204002			

All of the following parcels located in Utah County:

Parcel Numbers:

11:002:0049	11:009:0077	11:010:0069	38:357:0549
11:002:0071	11:009:0078	11:010:0059	38:357:0550
11:002:0077	11:009:0080	11:011:0006	38:392:0060
11:002:0144	11:009:0081	11:011:0010	38:392:0064
11:003:0018	11:009:0082	11:011:0012	46:645:0313
11:008:0009	11:009:0083	11:011:0013	46:645:0314
11:008:0012	11:009:0084	11:012:0006	46:645:0315
11:008:0013	11:009:0087	11:012:0007	46:645:0316
11:008:0014	11:010:0020	11:016:0020	46:645:0317
11:009:0023	11:010:0021	38:334:0303	46:669:0026
11:009:0025	11:010:0028	38:334:0306	46:669:0028
11:009:0029	11:010:0036	38:334:0307	46:695:0022
11:009:0031	11:010:0041	38:334:0308	46:695:0025
11:009:0035	11:010:0048	38:334:0309	48:303:0511
11:009:0048	11:010:0049	38:334:0310	48:303:0513
11:009:0060	11:010:0050	38:334:0311	48:303:0517
11:009:0068	11:010:0051	38:334:0312	48:303:0518
11:009:0070	11:010:0053	38:334:0315	66:115:0124
11:009:0071	11:010:0055	38:334:0335	66:111:0117
11:009:0073	11:010:0056	38:352:0075	66:234:0157
11:009:0074	11:010:0057	38:357:0546	66:354:0173
11:009:0075	11:010:0063	38:357:0547	
11:009:0076	11:010:0065	38:357:0548	

EXHIBIT B

**BYLAWS
OF
SUNCREST OWNERS ASSOCIATION, INC.**

These BYLAWS OF SUNCREST OWNERS ASSOCIATION, INC. are effective upon recording in the Salt Lake and Utah County Recorders' Offices pursuant to the Utah Community Association Act and the Utah Revised Nonprofit Corporation Act (referred collectively herein as the "Acts").

RECITALS

A. The Master Association is organized for any and all lawful purposes for which a nonprofit corporation may be organized under the Utah Revised Nonprofit Corporation Act, as amended, subject to the terms and conditions contained in the Declaration and Articles of Incorporation.

B. These Bylaws are adopted in order to complement the Declaration, to further define the rights of the Master Association and the Owners, to provide for the ability to effectively govern and operate the Master Association and the master planned development Project known as SunCrest and, to further the Master Association's efforts to safely, efficiently, and economically provide a quality living environment.

**ARTICLE I
DEFINITIONS**

1.1 Except as otherwise provided herein or as may be required by the context, all capitalized terms used herein shall have the same meaning and effect as used and defined in the Master Declaration of Covenants, Conditions, Easements and Restrictions for SunCrest.

**ARTICLE II
APPLICATION**

2.1 All present and future Owners, Mortgagees, occupants, and their invitees and guests, and any other persons who may use the facilities of the Project in any manner are subject to these Bylaws, the Declaration, and Rules. The mere acquisition or rental of any of the Dwelling Units or the mere act of occupancy or use of any said Dwelling Units or the Common Areas will signify that these Bylaws, the Declaration, and the Rules are accepted, ratified, and will be complied with by said persons.

**ARTICLE III
OWNERS**

3.1 **Annual Meetings.** The Annual Meeting of the Owners shall be held each year on a day and time established by the Board of Trustees. The purposes of the Annual Meeting may include the election of Trustees, the distribution of financial reports and budget, a review of any revisions to the Rules, distributing the most recent reserve study, and to transact such other business as may come before the meeting. If the election of Trustees cannot be held during the Annual Meeting, or at any adjournment thereof, the Board shall cause the election to be held

either at a Special Meeting of the Owners to be convened as soon thereafter as may be convenient or at the next Annual Meeting. The Board may from time to time by resolution change the month, date, and time for the Annual Meeting.

3.2 **Special Meetings.** Special Meetings of the Owners may be called by a majority of the Board, the President, or upon the written request of Owners holding not less than thirty percent (30%) of the Members of the Master Association. Any written request for a Special Meeting presented by the Owners shall be delivered to the President and shall include the original signature of each Owner affirmatively supporting such request along with a complete statement of the purpose of the meeting on each page containing signatures. The President shall then call, provide notice of, and conduct a Special Meeting within 45 days of receipt of a valid Owner request.

3.3 **Place of Meetings.** The Board may designate any place in Utah that is reasonably convenient for the Owners as the place of meeting for any Annual or Special Meeting.

3.4 **Notice of Meetings.** The Board shall cause written or printed notice of the date, time, and location (and in the case of a Special Meeting, the purpose or purposes) for all Owner meetings. Such written or printed notice shall be delivered to each Owner of record entitled to vote at such meeting not more than sixty (60) nor less than ten (10) days prior to the meeting. Such notice may be sent via email, text, hand-delivery, or regular mail. If sent by email or text, such notice shall be deemed delivered and effective on the date transmitted to the Owner's email address or telephone number registered with the Master Association. If mailed, such notice shall be deemed to be delivered and effective on the date deposited in the U.S. mail if addressed to the Owner's address registered with the Association. Each Owner shall register with the Association such Owner's current email address, phone number, and mailing address for purposes of notice hereunder. Such registered email, phone number, and mailing address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, an Owner's Dwelling Unit shall be deemed to be the Owner's registered address and notice to the Dwelling Unit address may be made by first-class mail or by posting the meeting notice on the front door. An Owner may opt out of receiving notices from the Association via email or text by giving written notice to the Board stating that the Owner will not accept notices by way of email or text.

3.5 **Qualified Voters.** An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Master Association if he or she has fully paid his or her Assessment account (together with interest or other fees) at least 48 hours prior to the commencement of the meeting and is not in violation of any provision of the Governing Documents.

3.6 **Record Date for Notice Purposes.** The Board may designate a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the meeting, for the purpose of determining Owners entitled to notice of any meeting of the Owners. If no record date is designated, the last date on which a notice of the meeting is mailed or delivered shall be deemed to be the record date for determining Owners entitled to notice. The persons or entities appearing in the records of the Master Association on such record date as the Owner(s) of record of Lots in the Project shall be deemed to be the Owners of record entitled to notice of the Owner meeting.

3.7 **Quorum.** Those Members present in person or by proxy at any duly called meeting of the Master Association that is called and held in compliance with the requirements of this Article, shall constitute a quorum for the adoption of decisions. The vote of the Members representing a majority of the Members in attendance in person or by proxy, shall decide any

question or action brought before the meeting. Notwithstanding the foregoing, if the Act, the Articles of Incorporation, the Declaration (as amended), or these Bylaws require a fixed percentage of Membership interests to approve any specific action (e.g., amending Governing Documents), that percentage shall be required to approve such action.

3.8 **Proxies.** At each Owner meeting, each Owner entitled to vote shall be entitled to vote in person or by proxy provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been signed by the Owner or by the Owner's attorney. A proxy may be written on paper or received via email, facsimile, text, or any other electronic or physical means. A signature as required herein shall mean any indication that the document is from and consented to by the person who is purported to have sent it. If a Lot is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Lot or the Owner's attorney when duly authorized in writing. A proxy given by an Owner to any person who represents the Owner at meetings of the Master Association shall be in writing, dated, and signed by such Owner. Such instrument authorizing a proxy to act shall set forth the specific matters or issues upon which the proxy is authorized to act, and may allow the proxy to vote on any issue arising at any particular meeting or meetings. Proxies shall be filed with the Secretary (or with such other officer or person who may be acting as secretary of the meeting) before the meeting is called to order. The Secretary shall record all proxies in the meeting minutes.

3.9 **Votes.** With respect to each matter submitted to an Owner vote, each Owner entitled to vote at the meeting shall have the right to cast, in person or by proxy, a vote equivalent to the interest of each Lot of such Owner. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Owners, unless a greater proportion is required by these Bylaws, the Declaration, or the Acts. When more than one (1) Owner holds an interest in a Lot, any Owner may exercise the vote for such Lot on behalf of all co-Owners of the Lot. In the event of two (2) conflicting votes by co-Owners of one (1) Lot, no vote shall be counted for that Lot but it shall be counted for the purposes of establishing a quorum. In no event shall fractional votes be exercised with respect to any Lot. Only those Owners whose accounts with the Association are not more than thirty (30) days delinquent shall be entitled to vote.

3.10 **Waiver of Irregularities.** All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, in the form of proxies and the method of ascertaining Owners present, and in the decision and votes of the Board or of the Owners shall be deemed waived if no objection is made at the meeting. For those Members who are not in attendance at the meeting, the right to challenge inaccuracies and irregularities in calls, notices, voting, and decisions shall be waived if no objection is made within thirty (30) days of the date of the meeting.

3.11 **Action Taken Without a Meeting.** Owners have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of Owners in accordance with the requirements of Utah Code §16-6a-707 or § 16-6a-709 and any other applicable section of the Acts. Any action so approved shall have the same effect as though taken at an Owner meeting. Ballots or written consents may be obtained via any electronic or physical means including but not limited to email, facsimile, text, or paper document.

3.12 **Minutes of Meetings.** The Secretary shall take minutes of all meetings of the Owners. The minutes shall include, at a minimum, (1) the identification of the Persons present in person and by proxy, (2) the meeting date, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against any issue decided upon, and (5) the exact wording of any resolution passed at the meeting. The failure to take appropriate

minutes or otherwise comply with this section does not invalidate any action taken at a meeting. Draft meeting minutes for each annual meeting of the Owners shall be made available to all Owners within thirty (30) days of the annual meeting.

ARTICLE IV BOARD OF TRUSTEES

4.1 **Powers.** The Project and the business and affairs of the Master Association shall be governed and managed by the Board of Trustees. The Board may exercise business judgment and all of the powers of the Association, whether derived from the Declaration, these Bylaws, the Articles, or the Acts except such powers that the Declaration, these Bylaws, the Articles, and the Acts vest solely in the Owners.

4.2 **Number and Qualifications.** The Board of Trustees shall be composed of five (5) Persons. Trustees must be at least 18 years old and must be an Owner or the spouse of an Owner of a Lot or Unit in the Project. If an Owner is a corporation, partnership, limited liability company, or trust, an officer, partner, member, manager, agent, trustee, or beneficiary of such Owner may be a Trustee. If a Trustee ceases to meet any required qualifications during the Trustee's term, such person's membership on the Board shall automatically terminate.

4.3 **Election.** The election of Trustees shall be made by the Owners at the Annual Meeting. At such election, the Owners or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.4 **Term of Office.** The terms of the Trustees shall be three (3) years. The terms of Trustees shall be staggered and overlap so that elections for at least one Trustee position is held each year. Trustees may serve consecutive terms if elected.

4.5 **Regular Meetings.** The Board shall hold meetings at least quarterly or more often at the discretion of the Board, so long as at least one Board Meeting is held each time the Master Association adopts a Rule, increases a fee, or raises an Assessment.

4.6 **Special Meetings.** Special meetings of the Board may be called by the President or a majority of Trustees on at least two (2) business days' prior notice to each Trustee.

4.7 **Meeting Notice.** Meeting Notice shall be delivered personally, by email, by text, or by telephone to all Trustees and any Lot Owners who have requested notice at least two days in advance of the meeting. Any Director may waive notice of a meeting. By unanimous consent of the Board, special meetings may be held without call or notice to the Trustees, but notice shall always be provided to those Owners who have requested notice of Board meetings.

4.8 **Owner Attendance.** Any Owner may request notice of Board meetings by requesting such notice from a Trustee and providing a valid email address at which the Owner will receive notice. Owners who have requested notice of Board meetings shall be given notice along with the Trustees and shall be provided any call-in number or other means of attendance by electronic communication that is provided to Trustees. If Owners attend a Board meeting, the Board may select a specific time period during the meeting and limit Owner comments to such time period. The Board in its sole discretion may set a reasonable length of time that each Owner may speak.

4.9 **Quorum and Manner of Action.** A majority of the Trustees shall constitute a quorum for the transaction of business at any Board meeting. The act of a majority of the Trustees present at any meeting at which a quorum is present, and for which proper notice was provided,

shall be the act of the Board. Trustees shall act only as the Board of Trustees, and individual Trustees shall have no powers as such.

4.10 **Open Meetings.** Except as provided in (a) through (f) below, Board meetings shall be open to Owners. The Board may hold a closed executive session during a meeting of the Board if the purpose of the closed executive session is to:

- (a) Consult with legal counsel to obtain legal advice and discuss legal matters;
- (b) Discuss existing or potential litigation, mediation, arbitration, or an administrative proceeding;
- (c) Discuss a labor or personnel matter;
- (d) Discuss a matter relating to the initial contract negotiations, including the review of a bid or proposal;
- (e) Discuss a matter involving a Person, if the Board determines that public knowledge of the matter would violate the Person's privacy; or
- (f) Discuss a delinquent assessment.

4.11 **Board Meetings Generally.** The Board may designate any place in Salt Lake or Utah County as the meeting place for any regular or special Board meeting. The Board may allow attendance and participation at any Board meeting by telephone or any other electronic means that allows for Trustees to communicate orally in real time. If a Board meeting is held by telephone, the Association shall provide the call-in information such that Owners may call-in to access the meeting.

4.12 **Board Action.** Notwithstanding noncompliance with any provision within these Bylaws, Board action is binding and valid unless set aside by a court of law. A person challenging the validity of a Board action for failure to comply with these Bylaws may not bring the challenge more than sixty (60) days after the Board has approved the minutes recording the Board action.

4.13 **Compensation.** No Trustee shall receive compensation for any services that such member may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of such duties as a Trustee to the extent such expenses are approved by a majority of the other Trustees. Nothing herein contained shall be construed to preclude any Trustee from serving the Project in any other capacity and receiving compensation therefore, so long as approved in advance by a majority of disinterested Trustees.

4.14 **Resignation and Removal.** Trustees may resign at any time by delivering a written resignation to another Trustee. Unless otherwise specified therein, such resignation shall take effect upon delivery. Trustees elected by the Owners may be removed at any time, with or without cause, at a Special Meeting of the Owners duly called for such purpose upon the affirmative vote of more than fifty percent (50%) of the Members of the Association. At such a meeting, the Owners shall vote for a new Trustee to fill the remaining term of the removed Trustee. Trustees may also be removed by the other active Trustees upon the occurrence of any of the following: failure to attend three (3) consecutive Board meetings, failure to remain current on Assessments, or a violation of the Governing Documents. If removal occurs based on the preceding sentence, then the remaining Trustees may appoint a replacement to serve the remaining term of the removed Trustee.

4.15 **Vacancies.** If vacancies occur in the Board for any reason (including death, resignation, or disqualification) except removal by the Owners, the Trustees then in office shall continue to act, and such vacancies shall be filled by a majority vote of the Trustees then in office, though less than a quorum. A vacancy in the Board occurring by reason of removal of a Trustee

by the Owners may be filled by election of the Owners at the meeting at which such Trustee is removed. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor. Except by reason of death, resignation, disqualification, or removal, Trustees shall continue to serve until their successors are elected.

4.16 **Action Without a Meeting.** Trustees have the right to take any action in the absence of a meeting which they could take at a meeting subject to the requirements of Utah Code §16-6a-813 and any other applicable sections of the Acts. Any action so approved shall have the same effect as though taken at a meeting of the Board.

4.17 **Waiver of Notice.** Before or at any meeting of the Board, any Trustee or Owner may waive notice of such meeting and such waiver shall be deemed the equivalent of proper notice. Attendance by a Trustee or Owner at any meeting thereof shall be a waiver of notice by that Trustee or Owner of the time, place, and purpose thereof.

4.18 **Adjournment.** The Board may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

4.19 **Meeting.** A Board meeting does not include a gathering of Trustees at which the Board does not conduct and vote on Association business.

ARTICLE V OFFICERS

5.1 **Officers.** The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be appointed by the Board. Officers shall have the rights and powers set forth in this Article, or as otherwise designated by the Board.

5.2 **Election, Tenure, and Qualifications.** Officers shall be elected by the Board at the first Board meeting following each Annual Meeting of the Owners. Each officer shall hold such office until a successor has been elected and qualified, or until such officer's death, resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any person may hold any two (2) or more of such offices, except that the President may not also be the Secretary. No person holding two (2) or more offices shall act in or execute any instrument in the capacity of more than one (1) office.

5.3 **Subordinate Officers.** The Board may appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may determine.

5.4 **Resignation and Removal.** Officers may resign at any time by delivering a written resignation to any member of the Board or to any managing agent of the Association. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced upon the affirmative vote of a majority of the Trustees at any time, with or without cause.

5.5 **Vacancies.** If a vacancy occurs in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by majority vote of the Board at any regular or special Board meeting.

5.6 **President.** The President shall be the chief executive of the Association. The President shall preside at meetings of the Board of Trustees and at meetings of the Owners. At

the meetings, the President shall have all authority typically granted to the person presiding over the meeting including but not limited to: (1) the right to control the order of the meeting, (2) the right to arrange for the removal of any disruptive Owner or person, (3) the right to impose and enforce reasonable rules and procedures related to the meeting such as those found in "Robert's Rules of Order" or "The Modern Rules of Order." The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things as required by the Board.

5.7 **Vice President.** The Vice President shall perform all duties of the President when the President is absent or unable or refuses to act at any meeting of the Board or Owners. The Vice President shall perform such other duties as required by the Board.

5.8 **Secretary.** The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, Rules, or any resolution the Board may require. The Secretary shall also act in the place of the Vice President in the event of the President's and Vice President's absence or inability or refusal to act. The duties of the Secretary may be delegated to the Manager by the Board.

5.9 **Treasurer.** The Treasurer shall have the custody and control of the funds and financial accounts of the Association, subject to the action of the Board, and when requested by the President, shall report the state of the finances of the Association at each meeting of the Owners and at any meeting of the Board. The Treasurer shall perform such other duties as required by the Board. The duties of the Treasurer may be delegated to the Manager by the Board.

5.10 **Compensation.** No officer shall receive compensation for any services rendered to the Association as an officer, provided, however, that an officer may be reimbursed for expenses incurred in performance of such duties as an officer to the extent such expenses are approved by the Board.

ARTICLE VI COMMITTEES

6.1 **Designation of Committees.** The Board may designate committees as it deems appropriate in carrying out its duties, responsibilities, functions, and powers. No member of such committee shall receive compensation for services rendered to the Association as a member of the committee; provided, however, that the committee member may be reimbursed for expenses incurred in performance of such duties as a committee member to the extent that such expenses are approved by the Board. A committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board in a written resolution. The Board may terminate any committee at any time.

6.2 **Proceeding of Committees.** A committee may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each committee shall keep a record of its proceedings and shall regularly report such records to the Board.

6.3 **Quorum and Manner of Acting.** At each committee meeting, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event fewer than two (2) members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual members thereof shall have no powers

as such. A committee may exercise the authority granted to it by the Board.

6.4 **Resignation and Removal.** A committee member may resign at any time by delivering a written resignation to a Trustee, or the presiding officer of such committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, with or without cause, remove a committee member.

6.5 **Vacancies.** If a vacancy occurs in a committee due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy by the Board, constitute the then total authorized membership of the committee and, provided that two (2) or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VII INDEMNIFICATION

7.1 **Indemnification.** No Trustee, officer, or committee member shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct said Trustee, officer, or committee member performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Trustee, officer, or committee member of the Association, as well as such person's heirs and administrators, from and against any and all claims, judgments and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a Trustee, officer, or committee member of the Association or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such Trustee, officer, or committee member and shall reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's willful or intentional misconduct. The rights accruing to any person under the foregoing provisions of this Section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted. The Association, its Trustees, officers, committee members, employees, and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

7.2 **Other Indemnification.** The indemnification herein provided shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be entitled to under the Acts or under any agreement, vote of disinterested Trustees or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. It is the intent hereof that all Trustees, officers, and committee members be and hereby are indemnified to the fullest extent permitted by the laws of the State of Utah and these Bylaws. The indemnification herein provided shall continue as to any person who has ceased to be a Trustee, officer, committee member, or employee and shall inure to the benefit of the heirs, executors and administrators of any such person.

7.3 **Insurance.** The Board, in its discretion, may direct that the Association purchase and maintain Trustees and Officers insurance on behalf of any person who is or was a Trustee, officer, committee member, or employee of the Association or is or was serving at the request of the Association as a Trustee, officer, committee member, employee, or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability

asserted against, and incurred by, such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against liability under the provisions of this Article.

7.4 **Settlement by Association.** The right of any person to be indemnified shall be subject always to the right of the Association through the Board, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE VIII RULES AND REGULATIONS

8.1 **Rules.** The Board shall have the authority to adopt Rules as it may deem necessary for the maintenance, operation, management, and control of the Project. The Board may from time to time, alter, amend, and repeal such Rules and use their best efforts to see that they are strictly observed by all Owners and occupants. Owners are responsible to ensure that their lessees, invitees, and guests strictly observe the Rules then in effect as well as the covenants and restrictions of the Declaration and shall be jointly and severally liable for their violations and resulting fines. Copies of all Rules adopted by the Board shall be sent to all Owners at least ten (10) days prior to the effective date thereof.

ARTICLE IX AMENDMENTS

9.1 **Amendments by Association.** The Bylaws may be amended by the Members upon the affirmative vote of more than sixty-seven percent (67%) of the Members of the Master Association. Any amendment(s) shall be effective upon recordation in the office of the Salt Lake and Utah County Recorders. In such instrument the President shall execute the amendment and certify that the vote required by this Section has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section. No acknowledgment of any Owner signature shall be required.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 **Waiver.** No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of a failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

10.2 **Invalidity; Number; Captions.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used in these Bylaws, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

10.3 **Conflicts.** These Bylaws are intended to comply with the Declaration. In case of any irreconcilable conflict, the Declaration shall control over these Bylaws.

payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

**ARTICLE VIII
RULES AND REGULATIONS**

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**ARTICLE IX
AMENDMENTS**

9.1 **Amendments by Association.** The Bylaws may be amended by the Members upon the affirmative vote of more than sixty-seven percent (67%) of the Members of the Master Association. Any amendment(s) shall be effective upon recordation in the office of the Salt Lake and Utah County Recorders. In such instrument the President shall execute the amendment and certify that the vote required by this Section has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section. No acknowledgment of any Owner signature shall be required.

**ARTICLE X
MISCELLANEOUS PROVISIONS**

10.1 **Waiver.** No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of a failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

10.2 **Invalidity; Number; Captions.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used in these Bylaws, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

10.3 **Conflicts.** These Bylaws are intended to comply with the Declaration. In case of any irreconcilable conflict, the Declaration shall control over these Bylaws.

IN WITNESS WHEREOF, the Declarant has executed and adopted these Bylaws on behalf of the Association.

DATED this 11th day of June, 2019.

DRAPER CITY
a Utah Municipal Corporation

