

Ent 202791 Bk 673 Pg 1304
Date: 12-JAN-2015 3:39:40PM
Fee: \$1,021.00 Credit Card
Filed By: RDH
REED D HATCH, Recorder
SANPETE COUNTY CORPORATION
For: SKYLINE MOUNTAIN RESORT
See doc

When recorded mail to:
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Price, UT 84501

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
SKYLINE MOUNTAIN RESORT SUBDIVISION**

This Declaration is made by SPORTS HAVEN INTERNATIONAL, a Utah non-profit corporation, dba SKYLINE MOUNTAIN RESORT, ("Declarant") as follows:

Recitals

A. Declarant is the owner (hereinafter "Initial Owner") of certain real property situated in Sanpete County, State of Utah, particularly described as follows:

All of the Lots, Common Areas, commercial area, and roads in SKYLINE MOUNTAIN RESORT SUBDIVISION, according to the official plat thereof, recorded on December 29, 2014, in Book 673 of Plats at page 18 as Entry # 202533, in the Records of the Sanpete County Recorder.

Said Lots are described as follows:

Commercial storage area

**A-1 through A-63
B-1 through B-124
C-1 through C-77
D-1 through D-71
E-1 through E-21
F-93 through F-97
G-1 through G-45
GC-1 through GC-54
H-1 through H-86
J-1 through J-158
K-1 through K-97
L-1 through L-49
M-3 through M-97
N-1 through N-10
O-1 through O-47**

Tax Parcel ##: 61666 through 61729, 62730 through 63610, 63039X, 63548X, and 63548X1.

Declarant intends and hereby expressly declares that this Declaration shall encompass and apply to the entire Skyline Mountain Resort Subdivision including each and every Lot, Common Areas, commercial area, and roads.

B. For years prior to the recording of the Subdivision Plat described in Recital A above, Declarant had conveyed to each of its Class A Members an undivided interest in one or more of Declarant's approximately 24 separate parcels of real property (which now comprise the Subdivision) together with the exclusive right to use and occupy one or more assigned areas within said one or more of the approximately 24 separate parcels. All of Declarant's Class A Members have either conveyed their said undivided interests and assigned areas back to Declarant or, as to the few Class A Members who failed to do so, the Sixth Judicial District Court in and for Sanpete County, State of Utah, in Case #100600180, entered a Decree of Partition and Declaratory Judgment on October 15, 2014 converting and partitioning said undivided interests and assigned areas into fee title subdivision lots, subject to the Sanpete County Commissioners granting subdivision approval, which Decree was recorded in the Office of the Sanpete County Recorder on October 15, 2014, in Book 669 at pages 99-110 as Entry #200679. Declarant, in order to complete the subdividing endeavor, makes and records this Declaration and will then convey back to each of its Class A Members the subdivision lot(s) corresponding to the assigned area(s) such Class A Member had in Skyline Mountain Resort immediately prior to the recording of the Skyline Mountain Resort Subdivision Plat.

C. This Declaration supersedes the following documents of record at the Sanpete County Recorder's Office, effective as of the date of recording of this Declaration:

(1) Declaration of Covenants, Conditions and Restrictions of Skyline Mountain Resort, recorded on November 5, 1987 in Book 283 at pages 594-627 as Entry #291780;

(2) Amended Bylaws of Sports Haven International, Inc., recorded on April 19, 1994 in Book 351 at pages 510-520 as entry # 30168; and

(3) Architectural Committee Restrictive Covenants and Regulations, recorded on April 1, 2004 in Book 490 at pages 2226-2236 as Entry # 113974.

The documents described in Recital C (1), (2) and (3) above shall govern and apply to all conditions, circumstances, and events regarding the approximately 24 separate parcels of real property referred to in Recital B above, occurring at any time prior to the recording of this

Declaration, for which the Declarant or the Architectural Committee may yet take action.

The Board or the Class A Members shall have the right, pursuant to the Utah Revised Nonprofit Corporation Act, Utah Code Annotated §16-6a-101 et seq, to adopt new Bylaws to replace the Amended Bylaws referred to in Recital C(2) above.

D. The Subdivision possesses great natural beauty which Declarant intends to preserve through the use of a coordinated plan of development and the terms of this Declaration. It is assumed that each Class A Member (as hereinafter defined) will be motivated to preserve these qualities through community cooperation and by complying with not only the letter but also the spirit of this Declaration.

E. It is desirable for the efficient management and preservation of the value and appearance of the Subdivision to assign to Declarant the powers and duties of managing certain aspects of the Subdivision; maintaining, improving, and administering the Subdivision Common Areas, commercial area, and roads; and performing such other acts as shall generally benefit the Subdivision and the Owners.

F. By this Declaration, Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Subdivision.

G. The Subdivision is not a cooperative within the meaning of Utah Code Annotated §57-8a-212(1)(c) of the Community Association Act and §57-23-2(1) of the Real Estate Cooperative Marketing Act. Further, the Subdivision does not contain condominiums within the meaning of Utah's Condominium Ownership Act, Utah Code Annotated §57-8-1 et. seq.

H. These Recitals are an integral part of this Declaration.

NOW, THEREFORE, it is hereby declared that the Subdivision, inclusive of the Lots and Common Areas, shall be held, sold, conveyed, encumbered and used subject to this Declaration, as to subdivisions, easements, rights, assessments, liens, charges, covenants, servitudes, restrictions, limitations, conditions and uses to which the Subdivision may be put, hereby specifying that such Declaration shall operate for the mutual benefit of all Owners of the Subdivision and shall constitute covenants to run with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, and all Owners and subsequent Owners of all or any part of the Subdivision, and all Class A Members, together with their grantees, successors, heirs, executors, administrators, devisees and assigns, for the benefit of the Subdivision, and shall, further, be imposed upon all of the Subdivision as a servitude in favor of each and every other Owner of any Lot thereof.

ARTICLE I
DEFINITIONS

In addition to other terms defined elsewhere in this Declaration, the following terms used in this Declaration are defined as follows, unless the context clearly indicates otherwise:

1.1. "Architectural Control Committee" or "Committee" shall mean the committee created pursuant to Article IX.

1.2. "Architectural Control Guidelines" or "Guidelines" shall mean the written review standards, if any, promulgated by the Architectural Control Committee as provided in Section 9.3.

1.3. "Assessments" shall mean the Regular and Special Assessments levied against each Member by the Association as provided in Article VI.

1.4. "Association" shall mean Sports Haven International, a Utah nonprofit corporation, in its capacity as the operator of the Subdivision, the Class A Members of which are the Owners of Lots within the Subdivision as provided herein.

1.5. "Board" shall mean the Board of Directors of the Association.

1.6. "Bylaws" shall mean the Bylaws of the Association and any supplements and amendments thereto from time to time.

1.7. "Common Areas" shall mean the property designated as common areas on the recorded Subdivision Plat. The Common Areas do not include the Subdivision roads.

1.8. "Community Association Act" shall mean Utah's Community Association Act, Utah Code Annotated §57-8a-101 et. seq. together with any amendments thereto and replacements thereof subsequent to the date of this Declaration.

1.9. "Declarant" shall mean Sports Haven International, a Utah nonprofit corporation, in its capacity as the developer of the Subdivision, or any successor-in-interest by merger or by express assignment of the rights of Declarant hereunder.

1.10. "Declaration" shall mean this instrument as amended from time to time.

1.11. "Dwelling" shall mean a cabin, home, or other dwelling unit together with other attached structures on any Lot in the Subdivision.

1.12. "Improvement" shall mean Structures, as defined herein, roads, plants such as trees, hedges, shrubs and bushes and landscaping of every kind. "Improvement" shall also mean any utility line, conduit, pipe or other related facility or equipment.

1.13. "Individual Charges" shall mean those charges levied against an Owner or Member by the Association as provided in Section 6.5.

1.14. "Lot" shall mean any of the Subdivision Lots described in Recital A above.

1.15. "Member" shall mean a person or entity entitled to membership in the Association as provided in the Subdivision Documents.

1.16. "Owner" and "Class A Member" shall mean the person or entity holding record fee simple ownership of a Lot, including Declarant who is the Initial Owner, as well as a purchaser of a Lot under an installment purchase contract. "Owner" shall not include persons or entities who hold a Lot merely as security for the performance of an obligation. Every Owner shall also be a Class A Member of the Association. Only three votes per Lot shall be allowed on any matters voted upon under this Declaration regardless of whether the Lot is owned by one person or entity or two or more persons or entities.

1.17. "Rules and Regulations" shall mean the rules and regulations promulgated by the Association to further govern the possession, use and enjoyment of any part of the Subdivision, as amended from time to time.

1.18. "Structure" shall mean any tangible thing or device to be fixed permanently or temporarily to any Lot including, but not limited to, any Dwelling, building, garage, driveway, walkway, concrete pad, asphalt pad, gravel pad, porch, patio, shed, stable, fence, wall, pole, sign, antennae, or tent.

1.19. "Subdivision" shall mean the Skyline Mountain Resort Subdivision, inclusive of the Lots, Common Areas, commercial area, and roads, as described and referred to in Recital A above.

1.20. "Subdivision Documents" shall mean Declarant's Articles of Incorporation, the Bylaws, this Declaration, the Rules and Regulations of the Association, and the Subdivision Plat, together with any amendments made from time to time to any of said documents.

1.21. "Subdivision Plat" shall mean the recorded plat titled Skyline Mountain Resort Subdivision described and referred to in Recital A above.

ARTICLE II
GENERAL RIGHTS AND OBLIGATIONS OF ASSOCIATION AND OWNERS

2.1. Ownership of Common Areas. The Owners of the Lots shall own the surface rights of the Common Areas. Their ownership of the surface rights of the Common Areas shall be as tenants in common, with the Owner(s) of each Lot owning an undivided .1058 of one percent (1%) interest in the surface rights of the Common Areas, based on 945 Lots in the Subdivision.

2.2. Ownership of Roads. Where a Subdivision road has Lots on both sides of the road, each Lot Owner owns to the centerline of the road, and the Declarant, the Association, and all other Lot Owners are hereby granted a perpetual easement for ingress and egress over and across the road. Where a Subdivision road has Lots on one side, but not on the other side, of the road, the Lot Owner owns to the centerline of the road, the Declarant owns the other one-half to the centerline of the road, and the Declarant, the Association, and all Lot Owners are hereby granted a perpetual easement for ingress and egress over and across the road. Where there are no Lots on either side of a Subdivision road, the Declarant owns the road, and the Association and all Lot Owners are hereby granted a perpetual easement for ingress and egress over and across the road.

2.3. The Association's Obligation to Administer, Maintain, and Improve the Common Areas and the Roads. The Association shall administer, maintain, and improve the Common Areas, all improvements thereon, and the Subdivision roads, for the use and benefit of its Members, in a safe, sanitary and attractive condition. Such maintenance responsibility shall include, but shall not be limited to, the control of all weeds and other unsightly vegetation, rubbish, trash, garbage and landscaping visible from other portions of the Subdivision. The Association shall assess and collect fees from its Members, in accordance with the provisions of this Declaration.

2.4. Owner's Obligation to Maintain Lot and Structures Thereon. Each Owner shall maintain his Lot and all Structures thereon, in a safe, sanitary and attractive condition. In the event that an Owner fails to maintain his Lot and all Structures thereon as provided herein in a manner which the Board reasonably deems necessary to preserve the appearance and/or value of the Subdivision, the Board may notify the Owner of the work required and demand that it be done within a reasonable and specified period. In the event that the Owner fails to carry out such maintenance within said period, the Board shall, subject to the notice and hearing requirements of Section 7.2.1, have the right to enter upon the Lot or Structure to cause such work to be done and individually charge the cost thereof to such Owner. Notwithstanding the foregoing, in the event of an emergency arising out of the failure of an Owner to maintain his Lot and any Structures thereon, the Board shall have the right to immediately enter upon the Lot or Structure to abate the emergency and individually charge the cost thereof to such Owner.

2.5. Responsibility for Damage to any of the Common Areas or Roads. The cost of repair or replacement of any portion of the Common Areas or any portion of the Subdivision roads resulting from the willful or negligent act of an Owner or Member, or their family, guests or invitees shall be, in addition to the party at fault, the joint responsibility of such Owner or Member to the extent that it is not covered by insurance maintained by the Association. The Association shall cause such repairs and replacements to be made and the cost thereof may be levied as an Individual Charge against such Owner or Member.

2.6. Utilities

2.6.1. Rights and Duties. If ever sanitary sewer, water, electric, gas, television receiving, telephone lines or other utility connections are located or installed within the Subdivision, the Owner of each Lot served by said connections shall be entitled to the nonexclusive use and enjoyment of such portions of said connections as service his Lot and any Structures thereon. Every Owner shall pay all utility charges for his Lot or any Structures thereon. The Association shall pay all common utility charges which are metered or billed to the Structures of the Association. Every Owner shall maintain all utility installations located in or upon his Lot except for those installations maintained by the Association, or by utility companies, public or private. The Association and utility companies shall have the right, at reasonable times after reasonable notice, to enter upon the Lots and Common Areas, to discharge any duty to maintain the utilities.

In the event of a dispute between Owners with respect to the maintenance, repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then the matter shall be submitted to the Board which shall render a decision on the matter within forty-five days thereafter. The Board shall have final authority to resolve each such dispute.

2.6.2. Easements for Utilities and Maintenance. Easements over, across and under the Subdivision for the installation, repair and maintenance of sanitary sewer, water, electric, gas and telephone lines, cable television lines, and drainage facilities, which are or may become of record in the office of the Sanpete County Recorder, including utility easements shown on the Subdivision Plat, are hereby reserved for Declarant and the Association, together with the right to grant and transfer the same.

ARTICLE III
USE RESTRICTIONS

In addition to all of the covenants, conditions, and restrictions contained elsewhere in this Declaration, the use of the Subdivision and each Lot therein is subject to the following:

3.1. Use of Lot. Each Lot may be used in any manner consistent with the restrictions and requirements of the Subdivision Documents, applicable zoning and other land use statutes of the State of Utah and Sanpete County ordinances and regulations, including the construction of one or more Structures in accordance with the provisions of this Declaration, the other Subdivision Documents, and such statutes and ordinances. In the event of any conflict between statutes of the State of Utah and Sanpete County ordinances and regulations on the one hand, and any of the provisions of the Subdivision Documents including this Declaration on the other hand, the State statute, County ordinance or regulation, or provision of the Subdivision Documents, whichever is more restrictive, shall govern and apply.

3.2. Nuisances. No noxious, illegal or offensive activities shall be carried on in any Structure, on any Lot, or on any Common Area, in the Subdivision, nor shall anything be done thereon or therein which may be or may become an annoyance or a nuisance to or which may in any way interfere with each Member's enjoyment of the Subdivision, each Owner's quiet enjoyment of his respective Lot or Dwelling, or which shall in any way increase the rate of insurance for any Lot, Structure, or Common Area, or cause any insurance policy to be cancelled or cause a refusal to renew the same.

3.3. Parking. Unless otherwise permitted by the Board, no motor vehicles shall be parked or left on any portion of the Subdivision other than (1) motor vehicles of a Member or his guests and invitees, which motor vehicles shall be parked within a driveway or other parking area on the Lot of said Member, and (2) motor vehicles of Members or the public temporarily parked at Association designated public parking areas on Common Areas when said individual is using a Common Area according to the Rules and Regulations of the Association.

3.4. Animals. No animals, livestock, poultry, or reptiles, of any kind, shall be bred, raised, or kept on any Lot or any of the Common Areas if such animal, livestock, poultry, or reptile is a nuisance in any way to any other Lot Owner or the Association, or if it is bred, raised, or kept for commercial purposes. All pets shall be confined to their owner's Lot, and the pet owner shall take all measures to insure that the owner's pet does not trespass on any other Lot or on any of the Common Areas, make undue noise, or otherwise interfere with another Owner's quiet enjoyment of his Lot.

3.5. Garbage and Refuse Disposal. Each Owner shall be responsible for removing regularly, at least weekly, all rubbish, trash, garbage and other waste from his Lot, and shall not allow it to accumulate thereon. Rubbish, trash, garbage and other waste shall be kept in sanitary containers on the Owner's Lot. Further, each Owner shall transport, at his expense, all such rubbish, trash, garbage, and other waste, to the Sanpete County landfill used for dumping of garbage, except household garbage which the Owner may place in the Association's dumpster located on a Common Area near the Association's Clubhouse. The term "household garbage", as

used in the preceding sentence, shall mean and refer to, and shall be limited to, paper goods, food and drink containers, and food scraps remaining after consumption.

3.6. No Right to Lease or Rent. No Owner may rent or lease his Lot or any Structure thereon.

3.7. Drainage. No Owner shall do any act or construct any Improvement which would interfere with the natural or established drainage systems or patterns within or without the Subdivision.

3.8. Oil, Gas, Minerals, Water, and Geothermal Resources. All oil, gas and mineral rights, in, on, and under the land comprising the Subdivision, are owned by the Association. The Board shall have authority, on behalf of the Association, to enter into any lease(s) of such oil, gas, and/or mineral rights, upon the approval of the lease by the affirmative vote of a majority of the Class A Members present in person or by proxy at a duly called meeting of the Class A Members. No drilling, exploration, refining, quarrying, or extraction operations of any kind shall be conducted or permitted to be conducted on any part of the Subdivision except upon the prior written approval of the Board and, as to such operations to the extent they affect the surface rights of a Lot, the prior written approval of the Owner of the Lot. No drilling for water or geothermal resources or the installation of such wells shall be allowed on any Lot unless specifically approved in writing by the Board.

3.9. Water Use. No Owner of a Lot contiguous to a stream or body of water shall have any rights over or above those of other Owners with respect to use of the water, the land thereunder or the water therein. No person shall acquire or be divested of title to any land adjacent to or beneath such water within the Subdivision due to accretion, erosion or change in water levels. No Lot shall be contoured or sloped, nor may drains be placed upon any Lot, so as to encourage drainage of water from such Lot into any body of water without the approval of the Board. All streams and other natural bodies of water within the Subdivision are protected as watershed, and access thereto by persons and domestic animals is strictly prohibited.

Further, no outside watering on any Lot is permitted except by the use of irrigation water shares currently owned or acquired in the future for such purposes by the Association or by Skyline Mountain Special Service District, and conditioned upon the approval of the Association or SMSSD, as the case may be, for such use, or acquired by the Owner of the Lot, delivered by him to, and used by him on, his Lot.

3.10. Compliance with Subdivision Documents. Each Owner, Member, contract purchaser, guest, invitee or other occupant of a Lot or user of the Common Areas shall comply with the provisions of the Subdivision Documents.

3.11. Restriction on number of days per year an Upper Elevation Lot can be used or occupied. An Upper Elevation Lot, and any cabin, other Dwelling, or other Structures thereon, shall not be used or occupied more than 180 days per calendar year, due to State of Utah Drinking Water Board rules and regulations on water consumption. The term "Upper Elevation Lot", as used in this Declaration, means and refers to all Lots as shown on the Subdivision Plat whose number begins with D, F, G, H, J, K, L, N, O, or M except M3, M93, M94, M95, M96, and M97.

ARTICLE IV THE ASSOCIATION MEMBERSHIP AND VOTING

4.1. Management of Subdivision. The management of the Subdivision shall be vested in the Association in accordance with the Subdivision Documents.

4.2. Membership. Various classes of Members, and their respective voting rights, are established in accordance with the provisions of the Bylaws. All classes of Members shall have rights to use the Common Areas in accordance with the provisions of the Bylaws and the Rules and Regulations. Each Owner of a Lot shall hold a Class A Membership in the Association, subject to the Subdivision Documents.

4.3. Transfer of Membership. Membership in the Association shall not be transferred, pledged or alienated in any way except in accordance with the Subdivision Documents. As to Class A Memberships: upon conveyance of a Lot together with the undivided interest in the Common Areas, recording of the deed conveying same, written verification by the selling Owner and/or the buying Owner to the Association verifying such conveyance, payment to the Association of any delinquent Regular Assessments, Special Assessments, Individual Charges, and Use Fees, owed by the selling Owner, and payment to the Association of the applicable membership transfer fee, such Class A Membership shall automatically be transferred to the new Owner.

ARTICLE V ASSOCIATION POWERS, RIGHTS, DUTIES, LIMITATIONS

5.1. General. The Association shall have the power to perform any action reasonably necessary to exercise any right or discharge any duty (1) enumerated in this Article V or elsewhere in the Subdivision Documents (2) enumerated in the Community Association Act, and (3) otherwise reasonably necessary to operate the Subdivision. In addition, the Association

shall have all the rights and powers of a nonprofit corporation under the laws of the State of Utah.

The Association shall act through its Board, Officers, and Architectural Control Committee, who shall have the power, right and duty to act for the Association except that actions which require the approval of the Members of the Association shall first receive such approval.

5.2. Enumerated Rights. In addition to those Association rights which are provided elsewhere in this Declaration or in the other Subdivision Documents, the Association shall have the following rights:

5.2.1. Delegation. To elect, employ, appoint, assign, and delegate the powers and duties of the Association to officers, employees, agents and independent contractors.

5.2.2. Enter into Contracts and Leases. To enter into certain contracts and leases with third parties to furnish goods or services to the Common Areas, Structures thereon, roads, water facilities and water springs, of the Subdivision.

5.2.3. Borrow Money. To borrow money and, upon the approval by the affirmative vote of a majority of the Class A Members present in person or by proxy at a duly called meeting of the Class A Members, to mortgage, pledge, deed in trust, or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred.

5.2.4. Dedicate and Grant Easements. To dedicate or transfer all or any part of the Common Areas, not already so dedicated or transferred, to any public agency, authority or utility or any other entity for such purposes and subject to such conditions as may be agreed to by the Association; provided, however, that no such dedication or transfer shall be effective unless (i) such dedication or transfer is approved by the affirmative vote of a majority of the Class A Members present in person or by proxy at a duly called meeting of the Class A Members, and (ii) an instrument in writing is signed by the Secretary of the Association certifying that such dedication or transfer has been approved by such vote of the Class A Members.

5.2.5. Establish Rules and Regulations. To adopt reasonable Rules and Regulations not inconsistent with the other Subdivision Documents including this Declaration, relating to the use of the Common Areas and all Structures thereon, and the conduct of Members and Owners and their contract purchasers and guests with respect to the Subdivision. A copy of the Rules and Regulations shall be posted at the Association's Clubhouse.

5.3. Enumerated Duties. In addition to those Association duties which are imposed elsewhere in the Subdivision Documents, the Association shall have the following duties:

5.3.1. Enforce Subdivision Documents. To enforce the provisions of the Subdivision Documents by appropriate means as provided at Article VII hereof.

5.3.2. Levy and Collection of Assessments and Individual Charges. To fix, levy and collect Assessments and Individual Charges in the manner provided in Articles VI and VII hereof.

5.3.3. Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the Common Areas, against personal property owned by the Association, or against the Association. Such taxes and assessments may be contested or compromised by the Association; provided, that they are paid or that a bond or other security insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

To prepare and file annual income tax returns with the federal government and the State of Utah and to make such elections as may be appropriate to reduce the tax liability of the Association.

5.3.4. Water and Other Utilities. To acquire, provide and pay for utility services as necessary for the Common Areas and Improvements thereon.

5.3.5. Legal and Accounting. To obtain and pay the cost of legal and accounting services necessary or proper to the operation of the Subdivision and the enforcement of the Subdivision Documents.

5.3.6. Insurance. To obtain and pay the cost of insurance for the Common Areas and Structures thereon as provided in Section 8.1.

5.3.7. Bank Accounts. To deposit all funds collected from Owners pursuant to Articles VI and VII hereof and all other amounts collected by the Association as follows:

(a) All funds shall be deposited in a separate bank account ("General Account") with a federally insured bank located in the State of Utah. The funds deposited in such account may be used by the Association only for the purposes for which such funds have been collected.

(b) Funds which the Association shall collect for reserves for capital

expenditures relating to the repair, maintenance, replacement, and restoration of the Common Areas and any Improvements thereon, and for such other contingencies as are required by good business practice shall, within ten days after deposit in the General Account, be deposited into an interest bearing account with a federally insured bank or savings and loan association located in the State of Utah and selected by the Association, or invested in Treasury Bills or Certificates of Deposit or otherwise prudently invested, which shall all herein be collectively referred to as the "Reserve Account". Funds deposited into the Reserve Account shall be held in trust and may be used by the Association only for the purposes for which such amounts have been collected. The Board shall cause to be conducted a "reserve analysis" no less frequently than, and in accordance with the procedures set forth in the Community Association Act.

5.3.8. Annual Report of Domestic Nonprofit Corporation. To make timely filings of the annual report required by the Utah Revised Nonprofit Corporation Act. Such annual report shall be made on forms prescribed and furnished by the Division of Corporations of the State of Utah.

5.3.9. Preparation of Financial Information. To regularly prepare budgets and financial statements, including at least annually to prepare and adopt a budget for the Association.

5.3.10. Maintenance of Books and Records. To cause to be kept adequate and correct books of account, a register of Members, minutes of Member and Board meetings, a record of all corporate acts, and other records as are reasonably necessary for the prudent management of the Subdivision and to present a statement thereof to the Members at the annual meeting of Members.

5.3.11. Statements of Status. To provide, upon the written request of any Member, his mortgagee, or closing agent, a written statement setting forth the amount, as of a given date, of any unpaid Assessments or Individual Charges against such Member. Such statement, for which a reasonable fee may be charged, shall be binding upon the Association in favor of any person who may rely thereon in good faith. Such written statement shall be provided within five business days of the written request.

5.3.12. Architectural Control. To maintain architectural control over the Subdivision and appoint the members of the Architectural Control Committee in connection therewith, pursuant to Article IX hereof.

ARTICLE VI
ASSESSMENTS

6.1. Agreement to Pay Assessments and Individual Charges. Each Class A Member, except Declarant, is deemed to covenant and agree to pay to the Association all Regular Assessments and all Special Assessments (collectively "Assessments"), all Individual Charges, and all Use Fees, to be established and collected as provided in this Declaration, the Bylaws, and in the other Subdivision Documents. Each Class B and Class C Member is deemed to covenant and agree to pay to the Association all Individual Charges and Use Fees, to be established and collected as provided in this Declaration, the Bylaws, and in the other Subdivision Documents.

6.2. Purpose of Assessments. The purpose of Assessments is to raise funds necessary to operate and fund development of the Subdivision. Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and for the improvement, maintenance and administration of the Subdivision and other expenditures incurred in the performance of the duties of the Association as set forth in the Subdivision Documents.

6.3. Regular Assessments. The purpose of Regular Assessments is to raise funds necessary to pay the anticipated costs of operating the Subdivision during the fiscal year and to accumulate reserves to pay costs anticipated in future years.

6.4. Special Assessments.

6.4.1. General. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, and unexpected repairs or replacements of capital improvements to any of the Common Areas, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by the Board, it shall become a Special Assessment. The Board may, in its discretion, provide for the payment in installments of such Special Assessment over the remaining months of the fiscal year or levy the Assessment immediately against each Member. Special Assessments shall be due by the twenty-fifth day of the month following the month in which notice of their levy is mailed to the Members.

6.4.2. Limitation on Special Assessments. Any Special Assessment which singly or in the aggregate with previous Special Assessments for the fiscal year would amount to more than 1/3 of the Regular Assessment then in force shall require approval by the affirmative vote of a majority of the Class A Members present in person or by proxy at a duly called meeting of the Class A Members.

6.5. **Individual Charges.** Individual Charges may be levied against a Member or an Owner (i) as a monetary penalty imposed by the Association as a disciplinary measure for the failure of the Member or the Owner, his family members, guests, or invitees to comply with the Subdivision Documents, or (ii) as a means of reimbursing the Association for costs incurred by the Association for repair of damage to Common Areas, roads, or any Improvements thereon for which the Member or Owner, his family members, guests or invitees, was responsible, or to otherwise bring the Member or the Owner into compliance with the Subdivision Documents. Individual Charges against an Owner shall be enforceable through the lien provisions of the Subdivision Documents. Notwithstanding the foregoing, charges imposed against a Member or an Owner consisting of reasonable late payment penalties and/or charges to reimburse the Association for loss of interest earnings, and/or for costs reasonably incurred (including attorneys' fees) in the efforts to collect delinquent Assessments, shall be fully enforceable through the lien provisions of the Subdivision Documents.

6.6. **Personal Obligation for Assessments and Individual Charges.** All Assessments and Individual Charges, together with late charges, interest, costs, and reasonable attorneys' fees incurred in collecting delinquent Assessments and Individual Charges, shall be the personal obligation of the Member at the time when the Assessments or Individual Charges fell due. No Member may exempt himself from liability for his Assessment or Individual Charges obligation by waiver of the use or enjoyment of any of the Subdivision.

ARTICLE VII ENFORCEMENT OF SUBDIVISION DOCUMENTS

7.1. **General.** The Association shall have the power to enforce the Subdivision Documents pursuant to (1) the Community Association Act, (2) any other statute of the State of Utah then in force, and/or (3) the Subdivision Documents including this Declaration. In the event of any conflict between the Community Association Act or other statute of the State of Utah on the one hand, and the Subdivision Documents on the other hand, the applicable statute of the State of Utah shall govern if the statute does not allow the Subdivision Documents to govern under the particular circumstance.

The Association and any Member shall have the right to enforce compliance with the Subdivision Documents in any manner provided by law or in equity, including without limitation, the right to enforce the Subdivision Documents by bringing an action for damages, an action to enjoin the violation or specifically enforce the provisions of the Subdivision Documents, to enforce the liens provided for herein (except that no Member shall have the right to enforce independently of the Association any Assessment, Individual Charge, or Assessment lien created herein) and any statutory lien provided by law, including the foreclosure of any such

lien and the appointment of a receiver for a Member and the right to take possession of the subject Lot and any Improvements thereon in the manner provided by law. However, no Member shall proceed to enforce compliance with the Subdivision Documents unless written notice of the noncomplying act or condition is first given to the Association and the Association fails to take action to enforce compliance within thirty (30) days following receipt of such notice, or fails, thereafter, to diligently pursue such enforcement. In the event the Association or any Member shall employ an attorney to enforce the provisions of the Subdivision Documents against any Member or the Association, as authorized and limited above, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other amounts due as provided for herein. All sums payable hereunder by an Owner shall bear interest at eighteen percent (18%) per annum from the due date or, if advanced or incurred by the Association or any other Member pursuant to authorization contained in the Subdivision Documents, commencing fifteen (15) days after repayment is demanded. All enforcement powers of the Association shall be cumulative. Failure by the Association or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

7.2. Specific Enforcement Rights. In amplification of, and not in limitation of, the general rights specified in Section 7.1 above, the Association shall have the following rights:

7.2.1. Enforcement by Disciplinary Action. The Association may impose reasonable monetary penalties, suspensions of reasonable duration of an Owner's rights as a Member of the Association including restrictions from access to and use of the recreational facilities and Common Areas of the Subdivision, and other appropriate discipline, for failure to comply with the Subdivision Documents. Notwithstanding the foregoing, the Association shall have no right to interfere, except to the extent of the restrictions and limitations on snow removal as set forth in the Rules and Regulations, with an Owner's right of ingress to or egress from his Lot as part of any disciplinary action under this Section 7.2.1.

Before disciplinary action authorized under this subarticle can be imposed by the Association, the Member against whom such action is proposed to be taken shall be given notice and the opportunity to be heard as follows:

(a) The Board shall give written notice to the Member at least fifteen days prior to the meeting at which the Board will consider imposing disciplinary action. Such notice shall set forth those facts which the Board believes justify disciplinary action, and the time and place of the meeting;

(b) At such meeting, the Member shall be given the opportunity to be heard, including the right to present evidence, either orally or in writing, and to question witnesses;

(c) The Board shall notify the Member in writing of its decision within fifteen days of the decision. The effective date of any disciplinary action imposed by the Board shall not be less than fifteen days after the date of said decision.

7.2.2. Suit to Collect Delinquent Assessments or Individual Charges. A suit to recover a money judgment for unpaid Assessments or unpaid Individual Charges, together with late charges, interest, costs, and reasonable attorneys' fees, shall be maintainable by the Association. In the case of unpaid Assessments such suit shall be maintainable, without foreclosing or waiving the lien securing such unpaid Assessments.

7.2.3. Enforcement of Lien. If there is a delinquency in the payment of any Assessment or Individual Charges, any amounts that are delinquent together with the late charges, interest (at 18% per annum), costs of collection and reasonable attorneys' fees, shall be a lien against the Owner's Lot and all Improvements thereon upon the recordation in the office of the Recorder of Sanpete County of a Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall be signed by an authorized representative of the Association and shall state the amount of the delinquent Assessment or Individual Charges, a description of the Lot assessed, and the name of the record Owner(s). Such lien shall be prior to all other liens and encumbrances, recorded or unrecorded, except (1) tax and special assessment liens on the Lot in favor of any assessing agency or special improvement district, and (2) encumbrances on the interest of the Lot Owner recorded prior to the date of the recording of the Notice of Delinquent Assessment described above and that by law would be a lien prior to subsequently recorded encumbrances.

The Notice of Delinquent Assessment shall not be recorded unless and until the Board or its authorized representative has mailed to the delinquent Owner, not less than thirty calendar days before the recordation of the Notice of Delinquent Assessment, a written demand for payment and, in accordance with the form and content required by the Community Association Act, written notification that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Lot to enforce the Association's lien for the unpaid Assessment and of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure, and the Owner does not make proper and timely written demand for judicial foreclosure in accordance with the requirements of the Community Association Act.

After the recording of the Notice of Delinquent Assessment, the Board or its authorized representative may cause the Lot and any Improvements thereon with respect to which a Notice of Delinquent Assessment has been recorded to be sold in the same manner as a sale under Utah law for the exercise of powers of sale as though the lien were a trust deed, or through judicial foreclosure in the same manner provided by law for the foreclosure of a mortgage. In connection with any sale under Utah law for the exercise of a power of sale, the Board is authorized to

appoint any attorney who is an active member of the Utah State Bar who maintains a place within the State of Utah where the trustor or other interested parties may meet with the Director, or any title insurance company that holds a certificate of authority or license under Utah's Insurance Code to conduct insurance business in the State of Utah, is actually doing business in the state, and maintains a bona fide office in the state, as Director for purposes of giving notice and conducting the sale, and such Director is hereby given the power of sale. The Association, as beneficiary under the lien as a trust deed, shall convey and warrant to said Director, pursuant to Utah Code Annotated §§57-1-20 and 57-8a-302, with power of sale, the Lot and all improvements thereon for the purpose of securing payment of the Assessments under the terms of this Declaration. Any purchaser of a Lot and any Improvements thereon sold by the Board or its authorized representatives shall be required to either be a Member of the Association, or the Association itself. If a delinquency including Assessments and other proper charges is cured after recordation of the Notice of Delinquent Assessment but before sale, or before completing a judicial foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the Sanpete County Recorder a certificate setting forth the satisfaction of such claim and release of such lien. The Association, acting on behalf of the Members, shall have the power to bid upon the Lot and any Improvements thereon at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot and any Improvements thereon.

7.2.4. Transfer by Sale or Foreclosure. In a voluntary conveyance, the grantee of a Lot (which shall also include the purchaser of a Lot under an installment sales contract) shall be jointly and severally liable with the grantor (which shall also include the seller of a Lot under an installment sales contract) for all unpaid Assessments and Individual Charges against the latter for his share of the Assessments and the Individual Charges against him up to the time of the grant, sale or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Board or its agent setting forth the amounts of the unpaid Assessments and Individual Charges against the grantor, and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid Assessments and Individual Charges against the grantor in excess of the amount set forth in said statement. Otherwise, the sale or transfer of any Lot shall not affect the Assessment lien or lien right.

ARTICLE VIII INSURANCE, DESTRUCTION, CONDEMNATION

8.1. Insurance. In addition to other insurance required to be maintained by the Subdivision Documents, the Association shall maintain in effect at all times the following insurance:

8.1.1. Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance reasonably available within the meaning of the Community Association Act, insuring the Association, the Board, the Declarant, Members, Owners, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership, use or maintenance of the Common Areas and shall include a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured, and which shall preclude the insurer from denying the claim of an Owner based on negligent acts of the Association. The limits of such insurance shall not be less than One Million Dollars, or at such higher insured amount as the Board may determine and set from time to time, covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against any liability customarily covered with respect to projects similar in construction, location, and use.

8.1.2. Fire and Extended Coverage for Common Area. The Association also shall obtain and maintain a policy of fire and extended coverage insurance for not less than the full replacement cost (without deduction for depreciation) if replacement cost coverage is reasonably available within the meaning of the Community Association Act, otherwise such insurance shall be for the then current depreciated value of the Improvement, of all of the insurable Improvements within the Common Areas. Such insurance shall include coverage against any risk customarily covered with respect to projects similar in construction, location, and use. The policy shall name as insured the Association for the benefit of the Members.

8.1.3. Other Insurance. The Board shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees and uninsured contractors of the Association. The Board also shall purchase and maintain fidelity coverage against dishonest acts on the part of Directors, Officers, managers, employees or volunteers of the Association who handle or who are responsible to handle the funds of the Association. In connection with such fidelity coverage, an appropriate endorsement to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The Board shall also purchase and maintain insurance on personal property owned by the Association for one hundred percent of the replacement cost of such property if replacement cost coverage is available at reasonable cost, otherwise such insurance shall be for the then current depreciated value of the item of personal property, and any other insurance that it deems necessary.

8.1.4. Owner's Liability Insurance. An Owner shall be responsible at his expense to obtain and maintain death, personal injury, and property damage liability insurance coverage with respect to his Lot and any Improvements thereon.

8.1.5. Owner's Fire and Extended Coverage Insurance. Each Owner shall be

responsible to obtain and maintain at his expense fire, casualty and extended coverage insurance for the full replacement cost, or the then current depreciated value if replacement cost coverage is not available, of the Structures and other Improvements on his Lot.

8.1.6. Officer and Director Insurance. The Association may purchase and maintain insurance on behalf of any Director, Officer, or member of a committee of the Association (collectively the "agent") against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under applicable law.

8.1.7. Payment of Premiums. Premiums on insurance maintained by the Association shall be a common expense funded by Assessments levied by the Association.

8.2. Destruction Affecting any Common Areas, Commercial Area, or Roads. The Board shall have the right and duty to repair and reconstruct any Improvement on any of the Common Areas, the Subdivision commercial area, and the Subdivision roads, without the consent of Members and irrespective of the amount of available insurance proceeds, in all instances.

8.2.1. Special Assessment to Rebuild. If necessary, the Association may levy a Special Assessment against all Members to cover the cost of rebuilding not covered by insurance proceeds.

8.2.2. Rebuilding Contract. The Board shall obtain bids from at least two reputable contractors, and shall award the repair and reconstruction work to the most reasonable bidder in the opinion of a majority of the Board. The Board shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds shall be disbursed to said contractor according to the terms of the contract. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction within a reasonable time.

8.2.3. Destruction Affecting Dwelling. If there is a total or partial destruction of a Dwelling, the Owner of the Dwelling shall have the following options:

(a) The Owner shall rebuild or repair the Dwelling in substantial conformity with its appearance, design and structural integrity immediately prior to the damage or destruction all in accordance with the approval provisions of Article IX hereof; or

(b) The Owner shall clear all damaged structures from the Lot and shall landscape it in a manner which is approved by the Architectural Control Committee.

Rebuilding or landscaping shall be commenced within a reasonable time after the date of the damage or destruction and shall be diligently pursued to completion.

8.3. Condemnation.

8.3.1. Condemnation Affecting Common Area.

8.3.1.1. **Sale in Lieu.** If an action for condemnation of all or a portion of the Common Areas is proposed or threatened by any entity having the right of eminent domain, then on the affirmative vote of a majority of the Class A Members present in person or by proxy at a duly called meeting of the Class A Members, the affected Common Areas may be sold by the Board. The proceeds of the sale shall be deposited in the Reserve Account referred to in Section 5.3.7 and used for the further development or maintenance of Common Areas from time to time.

8.3.1.2. **Award.** If any part of the affected Common Area is not sold but is instead taken, the amount of the judgment of condemnation, less the Association's attorneys fees and costs of action not recovered shall be deposited in said Reserve Account for the same purposes described in Section 8.3.1.1.

ARTICLE IX ARCHITECTURAL CONTROL

9.1. Approval of Alterations and Improvements.

9.1.1. **General Limitation.** Subject to the exceptions described at Section 9.1.2, no Improvement may be constructed, painted, altered or in any other way changed on any Lot in the Subdivision without the prior written approval of the Architectural Control Committee ("Committee").

9.1.2. **Exceptions.** Notwithstanding Section 9.1.1, no Committee approval shall be required for (i) Improvements which had been properly approved by the Board or the Committee prior to the date of this Declaration or which were properly exempted by the Board from approval prior to the date of this Declaration; (ii) normal maintenance of previously exempted or previously approved Improvements; (iii) rebuilding a previously exempted or previously approved Improvement in accordance with its original design and dimensions; (iv) changes to the interior of a previously exempted or previously approved Structure; or (v) work reasonably required to be performed in an emergency for the purpose of protecting any person or property from damage.

9.2. Architectural Control Committee.

9.2.1. Number, Appointment, Terms. The Committee shall be composed of not less than three nor more than five Members. The Board shall appoint all of the members of the Committee. Members appointed to the Committee by the Board shall be from the Membership of the Association.

The terms of the Committee members shall be two years. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Vacancies on the Committee caused by resignation or removal of a member shall be appointed by the Board. No member of the Committee may be removed without the majority vote of the Board.

9.2.2. Operation. The Committee shall meet from time to time as necessary to properly perform its duties hereunder. The requirements for valid Committee meetings and actions shall be the same as that which is required for valid Board meetings and action as provided in the Bylaws. The Committee shall keep and maintain a record of all action from time to time taken by the Committee at meetings or otherwise, and shall maintain files of all documents submitted to it, along with records of its activities. Unless authorized by the Association, the members of the Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in connection with the performance of their duties.

9.2.3. Duties. The Committee may adopt Architectural Control Guidelines ("Guidelines") as provided in Section 9.3 and shall perform other duties imposed upon it by the Subdivision Documents or delegated to it by the Board.

The address of the Committee shall be the principal office of the Association as designated by the Board from time to time. Such address shall be the place for the submittal of plans and specifications and the place where current copies of the Guidelines shall be kept.

9.3. Committee Guidelines; Standards.

9.3.1. Committee Guidelines. The initial Guidelines adopted by the Committee and approved by the Board are set forth in Sections 9.4, 9.5 and 9.6 below. Board approval shall be required for any amendment of the Guidelines. The Guidelines shall interpret and implement the provisions of this Article IX by setting forth more specific standards and procedures for Committee review. All Guidelines shall be in compliance with all applicable laws and regulations of any governmental entity having jurisdiction over any of the Improvements, may

be more restrictive than such applicable laws and regulations, shall incorporate high standards of architectural design and construction engineering, shall be in compliance with the minimum standards of Section 9.3.2 and otherwise shall be in conformity with the purposes and provisions of the Subdivision Documents.

A copy of the Guidelines shall also be available for inspection and copying by any Owner at any reasonable time during business hours of the Association at the Association office.

9.3.2. Standards. The following minimum standards shall apply to any Improvements constructed on the Subdivision:

(a) All Improvements shall be constructed in compliance with the applicable zoning laws, building codes, subdivision restrictions and all other laws, ordinances and regulations applicable to the Improvements.

(b) In reviewing proposed Improvements for approval, the Committee shall consider at least the following:

- i. Does the proposed Improvement conform to the purposes and provisions of the Subdivision Documents?
- ii. Is the proposed Improvement of a quality of workmanship and materials comparable to other Improvements that are proposed or existing on the Subdivision?
- iii. Is the proposed Improvement of a design and character which is harmonious with proposed or existing Improvements and with the natural topography in the immediate vicinity?

9.4. Requirements for All Lots.

The term "RV" means and refers to a motor home, travel trailer including fifth wheel trailer, camping trailer, or camper.

9.4.1. Construction Standards. All construction and excavation must meet the full requirements of Utah State statutes, Sanpete County ordinances and regulations, and the Subdivision Documents. In the event of any conflict between State of Utah statutes and Sanpete County ordinances and regulations on the one hand, and any of the provisions of the Subdivision Documents on the other hand, the State statute, county ordinance or regulation, or the provision

of the Subdivision Documents, whichever is more restrictive, shall govern and apply. For example, if a Sanpete County ordinance requires a 50 foot front setback but this Declaration only requires a 40 foot front setback, the ordinance shall govern and apply.

9.4.1.1. Association Permit Application. Upon request of any Owner, the Association will provide Owner with a Building Permit Application form to be filled out and signed prior to the Owner submitting plans and drawings to the Committee.

9.4.1.2. Requirements Prior to County Building Permit. To obtain a building permit from Sanpete County and the Association, all requirements of the Subdivision Documents, State of Utah statutes and Sanpete County ordinances must be met. All dues and assessments must be current prior to application. Signatures of at least two members of the Committee must be shown on all plans.

9.4.1.3. Written Approval Prior to Excavation. Prior to beginning any construction or excavation, the Committee must approve all construction or excavation, including driveways, decks, remodeling or outbuildings. This approval must be in written form.

9.4.1.4. Time Allowed for Completion. Outside construction must be completed within one year of Sanpete County building permit issuance.

9.4.1.5. Submissions to the Committee. Applicant needs to submit two copies of blueprints and plot plan drawn to scale, dimensioned and with detailed specifications as to construction methods and materials to be used. Hand sketches will not be considered. Applicant is responsible for compliance with correct snow load requirements (these vary by elevation and the Association has information on Lot elevations). After review, one signed copy will be retained in the Committee's permanent file and the other signed copy will be returned for Sanpete County permit application.

9.4.1.6. Plot Plan Requirements. Plot plan must show setbacks. Any Structure must be a minimum of 40 feet from front of property as measured from the centerline of the road/property line and 10 feet from side and rear property lines. Any exceptions require prior written approval which the Committee shall have the right to withhold.

9.4.1.7. Required Copy of Sanpete County Building Permit. After such approval, and upon Owner obtaining a Sanpete County building permit, Owner shall promptly furnish a copy of said permit, together with any changes required by Sanpete County, to the Committee to be retained in its files.

9.4.1.8. RV Limitations for Golf Course Lots. RVs may be used during the construction period of permanent residences for a time not to exceed the one-year building permit on Golf Course Lots. Members are allowed to have their guest's RVs for limited temporary visits provided the guest's RV is not connected to the sewer or septic tank system of the Lot.

9.4.1.9. RV Limitations for Full Time Lots. Other than Golf Course Lots, no more than a combination of either two RVs, or a permanent Dwelling and one RV, can occupy a Full Time Residential Lot for any extended period of time. Exception can be made for a guest's RV for a visit of two weeks or less. After said two week visit, the guest's RV must be removed from the Subdivision for not less than one week before returning. No more than two RV pads per Lot may be constructed or used.

9.4.2. Structures.

9.4.2.1. Compliance. All Structures must comply with this Declaration including all Guidelines.

9.4.2.2. Siding Limitations. Aluminum or vinyl siding materials may be used only for soffit or fascia.

9.4.3. Utilities.

9.4.3.1. Roads. Any road cut or grade change to an existing roadway requires written permission from the Association. Driveway access must include a culvert pipe at least 8" in diameter for drainage or as required by the Association. Any road damage done in the placement of utilities will be the responsibility of the Owner to repair. Road cuts must be approved by the Association and repaired by Owner at Owner's expense to the Association's satisfaction.

9.4.3.2. Utility Interruption. Any interruption of utility service requires written approval from the Association's manager. The Association will use its best effort to assist in approximate location of existing utilities but accepts no responsibility for their repair if damaged during construction. Blue Stakes is required before any digging or excavation.

9.4.3.3. Irrigation Interruption. Any interruption of irrigation service requires written approval of the controlling irrigation company.

9.4.3.4. Rights of Way and Easements. All rights of way and easements for utilities must be adhered to.

9.4.4. Damage.

9.4.4.1. **Responsibility for Damage.** The Owner will be responsible for damage caused by his contractors, subcontractors, and their equipment, vehicles, and employees. The Owner is responsible also to inform such contractors and subcontractors of the Rules and Regulations, and to police their behaviors, including no excessive vehicle speeds by the same.

9.4.4.2. **Inoperable Motor Vehicles or RVs.** Inoperable motor vehicles or RVs will be removed at the Lot Owner's expense, after written notice from the Association to the Lot Owner requiring such removal within a reasonable and specified period. For approved RV's see sections 9.4.1.8 and 9.4.1.9 above.

9.4.5. Trash or Refuse.

9.4.5.1. **Owners Responsible for Trash.** Lot Owners are required to contain and clean up construction debris and trash. Trash or refuse may not be thrown or dumped on any part or portion of the Subdivision. Construction debris shall not be dumped in the Association dumpsters which are for household garbage only as defined in Section 3.5 above.

9.4.5.2. **Signs.** Except for real estate for sale signs of appropriate limited dimensions meeting the requirements of Sanpete County ordinances, private or commercial signs or billboards may not be erected or displayed on any Lot. Each Lot must display a Lot designation identifier which may include the Owner's name.

9.4.6. Fences.

9.4.6.1. **Fence Limitations.** Property line fences are not allowed on Lots, except the Committee and the Board may approve in writing an exception thereto prior to construction of such a fence, which approval the Committee and/or the Board shall have the right to withhold. Privacy fences around hot tubs, decks or patios are not prohibited.

9.4.7. Complaints and Compliance.

9.4.7.1. **Submit Complaints in Writing.** Members may submit to the Committee in writing complaints regarding the violation of the Rules and Regulations, other Subdivision Documents, State statute, or county ordinance or regulation. The Committee will address and forward to the Board such complaints for resolution or disciplinary action.

9.5. Requirements Specific to Mountain Lots and Part Time Residential Lots. This Section 9.5 applies to the Mountain Lots and Part Time Residential Lots. In addition to the definitions set forth in Article 1 above, the following definitions apply to this Section 9.5:

The terms "Mountain Lots" or "Part Time Residential Lots" mean and refer to all Lots whose designation begin with D, F, G, H, J, K, L, N, O, or M except Lots M3, M93, M94, M95, M96, and M97.

9.5.1. Dwellings on Mountain or Part Time Residential Lots. Every Lot is considered as residential in use with only one single family Dwelling per Lot allowed. Dwellings on Mountain Lots or Part Time Residential Lots must be on a permanent foundation and must be at least 480 square feet of main floor area with a minimum of 600 sq. ft. total.

9.5.2. RV Limitations on Mountain and Part Time Lots. No more than a combination of either two RVs, or a permanent Dwelling and one RV, can occupy a Mountain Lot or Part Time Residential Lot for any extended period of time. Exception can be made for a guest's RV for a visit of two weeks or less. After said two week visit, the guest's RV must be removed from the Subdivision for not less than week before returning. No more than two RV pads per Lot may be constructed or used.

9.5.3. Structures.

9.5.3.1. Dwelling Exteriors. Dwelling exteriors must be of log, cedar siding, brick, rock, stucco, T-111 plywood or fiber cement siding.

9.5.3.2. Additional Structures. Any detached Structure must conform in design and materials with the Dwelling. Above grade conex or surplus shipping containers are permitted with the addition of a pitched roof with a minimum of 4/12 pitch and, if not covered with siding, must be painted with colors that are natural to the surroundings such as earth tones or forest green.

9.5.3.3. Roof Requirements. Metal roofs are required on all Structures.

9.5.4. Utilities.

9.5.4.1. Utilities Owners Responsibilities. All utilities and the cost of installation will be the sole responsibility of the Owner. A 1,000 gallon water tank is required by Sanpete County for each Dwelling on Mountain Lots or Part Time Residential Lots. Installation must be in accordance with Sanpete County ordinances and regulations.

9.5.4.2. Underground Utilities. All Mountain Lots and Part Time Residential Lots must have underground utilities.

9.6. Requirements Specific to Golf Course Lots and Other Lower Elevation Full Time Residential Lots. This Section 9.6 applies to Golf Course Lots and other lower elevation Full Time Residential Lots. In addition to the definitions set forth in Article I above, the following definitions apply to this Section 9.6.

The term "Golf Course Lots" means and refers to all Lots whose designation begins with GC plus all A and B designated Lots with at least one property line common to any part of the Association golf course. The Golf Course Lots are available for full time residence.

The term "Full Time Residential Lots" means and refers to all Lots whose designation begins with A, B, C, E, and Lots M3, M93, M94, M95, M96, and M97 (except those Lots described above as Golf Course Lots).

9.6.1. All Lots Residential. Every Lot is considered as residential in use with only one single family Dwelling per Lot allowed. Golf Course Lot Dwellings must be on a permanent foundation and must be at least 1250 square feet of main floor area and must not exceed 32 feet in total height from original average grade prior to construction. Other Full Time Residential Lot Dwellings must be on a permanent foundation and must be at least 1000 square feet of main floor area and must not exceed the 32 foot height maximum defined above in this paragraph.

9.6.2. Structures.

9.6.2.1. Dwelling Exteriors. Dwelling exteriors must be of log, cedar siding, brick, rock, stucco or fiber cement siding.

9.6.2.2. Detached Structures Conforming. Any detached Structure must conform in design and materials with the Dwelling. On Golf Course Lots no conex or surplus steel shipping containers are allowed. On other Full Time Residential Lots, above grade conex or surplus shipping containers are permitted with the addition of a pitched roof with a minimum of 4/12 pitch and, if not covered with siding, must be painted with colors that are natural to the surroundings such as earth tones or forest green.

9.6.2.3. Roof Requirements. Although metal or tile roofing is recommended, fiberglass or other fire resistant composition roofing is permitted.

9.6.3. Utilities.

9.6.3.1. Utility Costs to be Borne by Owner. All utilities and the cost of installation will be the sole responsibility of the Owner.

9.6.3.2. Golf Course Lots Require Underground Utilities. Golf Course Lots must have underground utilities while overhead power is permitted on Full Time Residential Lots if mandated by the electric company.

9.7. Committee Approval Process.

9.7.1. Approval Application. Any Owner proposing to construct, paint, alter or change any Improvement on his Lot which does not come under one of the exceptions set forth in Section 9.1.2 and therefore requires the prior approval of the Committee, shall apply to the Committee in writing for approval of the work to be performed and a proposed time schedule for performing the work.

In the event additional plans and specifications for the work are required by the Committee, the applicant shall be notified of the requirement within thirty days of receipt by the Committee of his initial application or the application shall be deemed sufficiently submitted. If timely notified the applicant shall submit plans and specifications for the proposed work in the form and context reasonably required by the Committee and the date of his application shall not be deemed submitted until that date. Such plans and specifications may include, but are not limited to, showing the nature, kind, shape, color, size, materials, and location of the proposed work.

9.7.2. Review and Approval. Upon receipt of all documents reasonably required by the Committee to consider the application, the Committee shall proceed expeditiously to review all of such documents to determine whether the proposed work is in compliance with the provisions and purposes of the Subdivision Documents and all Guidelines of the Committee in effect at the time the documents are submitted. In the event the Committee fails to approve an application, it shall notify the applicant in writing of the specific matters to which it objects. One set of plans as finally approved shall be retained by the Committee as a permanent record. The determination of the Committee shall be final and conclusive and, except for an application to the Committee for reconsideration, there shall be no appeal therefrom.

9.7.3. Commencement and Completion of Approved Work. Upon receipt of the approval of the Committee, the applicant shall proceed to have the work commenced and diligently and continuously pursued to completion in compliance with the approval of the Committee including all conditions imposed therewith. The approval of the Committee shall be

effective for a period of one year after the date of the approval subject to the right of the Committee to provide for a longer period at the time of its approval, or subsequently to extend the period upon a showing of good cause, and in the event the approved work is not commenced within the effective period of the approval, then the applicant, before commencing any work, shall be required to resubmit its application for the approval of the Committee.

All work approved shall be completed within two years after the date of commencement, or such other reasonable period specified by the Committee at the time of approval, with the period of time subject to extension, at the option of the Committee, by the number of days that work is delayed by causes not under the control of the applicant or his contractor or as otherwise extended by the Board. Upon completion of approved work, the applicant shall give written notice thereof to the Committee.

If for any reason the Committee fails to notify the applicant of any noncompliance within sixty days after receipt of said notice of completion from the application, the Improvement shall be deemed to be completed in accordance with said approved plans.

9.7.4. Inspection, Noncompliance. The Committee, or any authorized representative, shall have the right at any reasonable time, after reasonable notice, to enter upon any Lot of the Subdivision and any Structures thereon for the purpose of determining whether or not any work is being performed or was performed in compliance with the Subdivision Documents and the Guidelines.

If at any time the Committee determines that work is not being performed or was not performed in compliance with the Subdivision Documents or the Guidelines, whether based on a failure to apply for or obtain approval, a failure to comply with approval, a failure to timely commence or complete approved work or otherwise, the Committee shall notify the Owner in writing of such noncompliance specifying the particulars of noncompliance within a reasonable and specified time period.

In the event that the offending Owner fails to remedy such noncompliance within the specified period, the Committee shall notify the Board in writing of such failure. The Board shall, subject to the notice and hearing requirements of Section 7.2.1, have the right to remedy the noncompliance in any appropriate manner permitted by the Subdivision Documents or otherwise permitted by law, or in equity, including but not limited to removing the noncomplying Improvement, or recording a notice of noncompliance on the Lot, as appropriate. The Owner shall have the obligation to reimburse the Association for any costs incurred in enforcing these provisions and, if the Association is not reimbursed, upon demand the Board shall have the right to Individually Charge the cost thereof to such Owner.

9.8. Waiver. The approval by the Committee of any plans, drawings, or specifications of any Improvements constructed or proposed, or in connection with any matter requiring the approval of the Committee under the Subdivision Documents shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter submitted for approval. Where unusual circumstances warrant it, the Committee may grant reasonable variances from the architectural control provisions hereof or from the Guidelines. Such variances shall be made on a case-by-case basis and shall not serve as precedent for the granting of any other variance.

9.9. Estoppel Certificate. Within thirty days after written demand is delivered therefor to the Committee by any Owner or an Owner's mortgagee, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Committee shall execute and deliver in recordable form, if requested, an estoppel certificate executed by any two of the Committee's members, certifying, with respect to any portion of the Subdivision, that as of the date thereof either (a) all Improvements made and other work done upon or within said portion of the Subdivision comply with the Subdivision Documents, or (b) such Improvements or work do not so comply in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Such statement shall be binding upon the Association and Committee in favor of any person who may rely thereon in good faith.

9.10. No Liability of the Declarant, the Committee or any of the Committee's Members, or the Board or any of the Board's Directors. Neither the Declarant, the Committee, the Board nor any member of the Committee or the Board shall be liable to the Association or to any Owner or to any third party for any damages, loss, or prejudice suffered or claimed on account of (a) the approval or disapproval of such plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any portion of the Subdivision, or (d) the execution and filing of an estoppel certificate pursuant to Section 9.9 or the execution and filing of a notice of noncompliance or noncompletion pursuant to Section 9.7.4, whether or not the facts therein are correct, if the Declarant, the Board, the Committee or such Member has acted in good faith on the basis of such information as may be possessed by him. Specifically, but not by way of limitation, it is understood that with respect to plans and specifications neither the Committee, the members thereof, the Association, the Members, the Board nor Declarant assumes liability or responsibility therefor, or for any defect in any Structure constructed from such plans and specifications.

ARTICLE X
GENERAL PROVISIONS

10.1. Notices. Notices provided for in the Subdivision Documents shall be in writing and shall be deemed sufficiently given when delivered personally or 48 hours after deposit in the United States mail, postage prepaid, addressed to a Member at the last address such Member designates to the Association for delivery of notices, or in the event of no such designation, at such Member's last known address, or if there be none, at the address of the Member's Dwelling, if any, or if there be none, then upon completion of publication of the notice by the Association once each week for three consecutive weeks in a newspaper of general circulation in Sanpete County. Notices to the Association shall be addressed to the address designated by the Association by written notice to all Owners.

10.2. Construction, Headings. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a planned community and for the maintenance of the Subdivision. The Article headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

10.3. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or provisions contained herein shall not invalidate any other provisions hereof.

10.4. Binding Effect. This Declaration shall inure to the benefit of and be binding on the Members, the Association, successors and assigns of the Association, and the heirs, personal representatives, grantees, successors and assigns of each and every Member.

10.5. Violations and Nuisance. Every act or omission whereby a covenant, condition or restriction of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Member or Owner.

10.6. Violation of Law. Any violation of any State statute, or county or other local law, ordinance or regulation, pertaining to the ownership, occupation or use of any portion of the Subdivision, inclusive of the Lots, Common Areas and roadways, is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

10.7. Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

10.8. Conflict Between Subdivision Documents. If there is any conflict among or between the Subdivision Documents, the provisions of the Subdivision Plat and this Declaration shall prevail; thereafter, priority shall be given to the following Subdivision Documents in the following order: Articles of Incorporation, Bylaws, Architectural Control Guidelines, and Rules and Regulations.

10.9. Termination of Declaration. This Declaration shall run with the land, and shall continue in full force and effect for a period of fifty years from the date on which this Declaration is executed. After that time, this Declaration and all of its covenants and other provisions shall be automatically extended for successive ten year periods unless this Declaration is revoked by an instrument executed by the Board but only upon the approval of the Class A Members for such revocation in the following manner:

1. The affirmative vote of a majority of all Class A Members shall be sufficient for such revocation if at least a majority of all Class A Members are present in person or by proxy at a duly called meeting of the Class A Members when such revocation is considered; or

2. If at least a majority of the Class A Members are not present in person or by proxy at a duly called meeting of the Class A Members when such revocation is considered, then the affirmative vote of not less than two-thirds of the Class A Members present in person or by proxy at a subsequently duly called meeting of the Class A Members when such revocation is again considered, shall be sufficient for such revocation.

The Member vote on said revocation, if approved pursuant to either paragraph 1 or paragraph 2 above, and the recording of said revocation in the Office of the Sanpete County Recorder, must take place within one year prior to the end of said 50 year period or any succeeding 10 year period, as the case may be, in order to be valid.

10.10. Amendment of Declaration. This Declaration may be amended, but only upon the approval of the Class A Members for such amendment in the following manner:

1. The affirmative vote of a majority of all Class A Members shall be sufficient for such amendment if at least a majority of all Class A Members are present in person or by proxy at a duly called meeting of the Class A Members when such amendment is considered; or

2. If at least a majority of the Class A Members are not present in person or by proxy at a duly called meeting of the Class A Members when such amendment is considered, then the affirmative vote of not less than two-thirds of the Class A Members present in person or by proxy at a subsequently duly called meeting of the Class A Members when such amendment is again considered, shall be sufficient for such amendment.

Any such amendment, if approved pursuant to either paragraph 1 or paragraph 2 above, must be executed by the President and Secretary of the Association and recorded in the Office of the Sanpete County Recorder.

The undersigned, being the Declarant herein, has executed this Declaration on the 10th day of January, 2015.

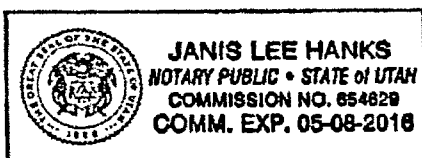
SPORTS HAVEN INTERNATIONAL, a Utah
Nonprofit Corporation, dba Skyline Mountain
Resort

By Everett Taylor
Everett Taylor
Its President

By Sue Schmidt
Sue Schmidt
Its Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SANPETE)

On the 10th day of January, 2015, personally appeared before me Everett Taylor and Sue Schmidt, personally known to me or proved to me on the basis of satisfactory evidence, who being by me duly sworn did say that they are the President and Secretary, respectively, of SPORTS HAVEN INTERNATIONAL, a Utah nonprofit corporation, dba Skyline Mountain Resort, the Declarant above named, and that they signed the within and foregoing Declaration of Covenants, Conditions, and Restrictions of Skyline Mountain Resort Subdivision for and in behalf of said corporation.



Janis Lee Hanks
Notary Public
Rt #1 Box 247
Fairview, Utah
84629