

**ARTICLE I**

**DEFINITIONS**

**SECTION 1.** The following terms when used in this Declaration and/or any Supplement or Amendment thereto shall have the following meanings unless prohibited by the context:

(a) "Association" shall mean and refer to the particular Skyline Heights Homeowners Association, that would have jurisdiction of any given parcel or lot.

(b) "Properties" shall mean or refer to the real property shown in the recorded plats of the Skyline Heights Subdivision.

(c) "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area shall consist of the property designated as common area of the plat and all real property and improvements thereto within the Project, for the benefit of the member. This also includes roadways designated on the plat.

(d) "Lot" shall mean and refer to any parcel of land shown upon any recorded subdivision plat of the Properties with the exception of the Common Area as heretofore defined.

(e) "Member" shall mean and refer to every person or entity who holds membership in the Association.

(f) "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee title entered in any Lot which is a part of the Properties except an owner who holds title or interest in any said Lot merely as security for the performance of an obligation.

(g) "Declarant" shall mean and refer to the Skyline Heights Inc.

(h) "Architectural Control Committee" shall mean the committee of three or more persons appointed by the Board of Directors of the Homeowners Association.

000425 8 200276 8/13/02

(i) "Board of Directors" shall mean and refer to persons elected by the Homeowners Association.

(j) "Project" shall mean or refer to the real property shown in the recorded plat of the Skyline Heights Subdivisions.

(k) "Days" are specified as business days.

(l) "Parcel" shall mean and refer to any plot of land designated by description that is bound under these covenants but not part of a platted subdivision.

(m) "Project Documents" article of incorporation, By-laws, this Declaration and rules and regulations of this association.

ARTICLE II

MEMBERSHIP

SECTION 1. Membership. Every person or entity who is an Owner as hereinabove defined of any Lot which is subject to assessment by the Association shall be a member of the Association. When more than one person is an owner of record of a Lot, all such persons shall be members, but shall only be entitled to one vote.

Membership shall be appurtenant to and may not be separate from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership.

SECTION 2. Classes of Membership. The Association shall have two classes of membership:

Class A. All the Owners as defined in Section 1 of this Article with the exception of the Declarant.

Class B. The Declarant.

## ARTICLE III

VOTING RIGHTS

SECTION 1. Class A Members. Those Class A members holding an interest in any one Lot shall collectively be entitled to one vote for said lot. The vote for each Lot shall be exercised by the Owners thereof as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

SECTION 2. Class B Members. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Section 1 of Article II, provided that the Class B membership shall cease and become converted to a Class A membership on the happening of either of the following events, which ever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) On December 31, 2015.

## ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREA

SECTION 1. Title to Common Area. The Declarant agrees to convey title to the Common Area to the Association free and clear of all liens and encumbrances.

SECTION 2. Culinary System. Water systems for the Subdivisions shall be primarily for domestic use but may be used for irrigation of home gardens and lawns. However, in the event there is a water shortage or drought, each owner shall be obligated to conserve water, to eliminate waste of water, to not use water for irrigation purposes, and to otherwise conserve water so as not to be a detriment to other owners in the Subdivision. Metered water service will be guaranteed to the Subdivision Lot Owners of record, provided that they are current in payment for that service.

The actual culinary system shall be independently owned and operated with rates to the users that are commensurate with other residential water services. Skyline Heights Homeowners Association shall be granted a first right of refusal for each time this culinary water system is sold.

SECTION 3. Member's Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights of the Association;

(a) The right of the Association to suspend the voting rights and right to the use of the Common Area and any recreational facilities thereon of a Member or members of families for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area and to limit the Member of guests of the Members using the Common Area.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area or appurtenance thereunto belonging to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each Class of Membership agreeing to such dedication or transfer, and unless written notice of the proposed agreement and action there under is sent to every Member at least fifteen (15) days and not more than fifty (50) days prior to such dedication or transfer.

SECTION 4. Any Member may, in accordance with the By-Laws, share his or her right of enjoyment to the Common Area with the members of his or her family, invitee, licensee, guests, or assigns.

#### ARTICLE V

#### COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Definition. The Homeowners Association will be responsible for the following areas to include but not be limited to; 1) the Common Areas, 2) the jogging, bicycle, and equestrian paths, 3) roads, and when and if required for, and common use.

00042518 Bk00375 Pg00369

**SECTION 2. Personal Obligation for Assessment.** The Declarant, and each owner of any lot covenants and agrees to pay to the Association as follows:

- (1) Annual assessments or charges hereinafter provided in Article V, Section 3, and 4.
- (2) Special assessments for capital improvements as set forth below. Such assessments to be established and collected from as necessary by the Association as hereinafter provided in Article V, Section 5.
- (3) The annual and special assessments, together with such interest thereon, cost of collection and reasonable attorney's fees, shall be the personal obligation of the person or person who were the owner(s) of such property at the time when the assessment fell due. These monies will be kept in a special reserve fund to be used as set forth herein.

**SECTION 3. Purpose of Assessments.** The assessments levied by the Association upon the Lots shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the residents of the Properties and in particular for the improvements, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the payment of taxes and insurance for the common area, repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

**SECTION 4. Basis and Maximum of Annual Assessments.** Each lot shall, as hereinafter provided, be subject to an annual assessment of not more than \$300.00. The Board of Directors shall fix the annual assessment within this amount and may lower said annual assessment within said maximum as they deem necessary in their discretion after proper presentation and approval by Association Members. From and after January 1, 2015, the maximum annual assessment may be increased or decreased by the assent of two-thirds (2/3) of the vote of each class of Members who are voting in person or by proxy, at a meeting of the Members, written notice of which setting forth the fact that the question of the change in the assessment limit shall be considered shall be sent to all Members not less than fifteen (15) days and not more than fifty (50) days prior to the meeting.

**SECTION 5. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy in any fiscal year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members, who are voting in person or by proxy at the meeting of the Members, written notice of which setting forth the fact that the imposition of the special assessment shall

be discussed, shall be sent to all Members not less than fifteen (15) days and not more than fifty (50) days prior to the meeting.

**SECTION 6. Quorum for any Action Authorized Under Sections 3 & 4.** The quorum required for any action authorized by Sections 3 and 4 hereof shall be as follows:

Those present at the meeting of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not coming forth at any meeting, another meeting may be called, provided there has been ten (10) days prior written notice to all Members and there shall be no required quorum in order to conduct business at the subsequent meeting, provided that no such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. It is the responsibility of each lot owner or owners to designate one authorized person to cast votes and receive mail and notices in behalf of the lot ownership. The result of each meeting must be duly documented and each appointed and authorized voting member shall receive the results thereof at the address furnished to the Association. A current directory of authorized voting agents and accurate mailing address will be tendered to the Association by each lot ownership.

**SECTION 7. Date of Commencement of Annual Assessments; Due Dates.** The first annual assessment provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of title for purchase of a lot. The first annual assessment will be pro-rated based on 12 months of the calendar year. For the second and each succeeding year thereafter, the annual assessment will be due and payable on June 1st. The Association shall, upon demand, at any time furnish to any person, with respect to a particular Lot, a certificate in writing signed by an officer of the Association, setting forth the amount of the annual and special assessments on said Lot and whether said assessments are current.

**SECTION 8. Assessment Lien.** Assessments levied upon Lots shall be in perpetual lien upon said Lots until such assessments and any interest, penalties, attorney fees, and charges which may accrue thereon shall have been paid or the conditions occur as hereinafter provided; but such liens shall be subordinates to the lien of any trust deed or mortgages. Sales or transfer of any Lot shall not affect the Assessment Lien.

**SECTION 9. Effect of Non-payment of Assessments; Remedies of the Association.** Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot.

**SECTION 10. Exempt property.** The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein:

- (a) All properties to the extent of an easement or other interest therein dedicated and accepted by a local public authority and devoted to a public use and devoted to a public use;
- (b) The Common Area.

## ARTICLE VI

### ARCHITECTURAL CONTROL COMMITTEE

**SECTION 1. Appointment Duties.** The Board of Directors of the Homeowners' Association shall appoint three persons and one alternate who need be Members of the Association to serve as the Architectural Control Committee. No member can serve in the Committee when his or her own plans are under consideration. It shall be the duty of the Architectural Control Committee and it shall have power by the exercise of its best judgement to see that all structures, improvements, construction, decorating, and landscaping on the Properties conform to and harmonize with the existing surroundings and structures. For convenience, the Architectural Control Committee shall hereinafter sometimes be referred to in this Article IV as the "Committee". Term of appointment to the Committee is one year. They will establish regular meeting.

**SECTION 2. Review by the Committee.** No structure, whether residence, accessory building, tennis court, swimming pool, antennae, whether on a structure or on a Lot, flag poles, fences, walls, exterior lighting, or other improvements, shall be constructed or maintained upon any Lot and no alteration or repainting to the exterior of the structure shall be made and no landscaping performed unless complete plans, specifications, and lot plans therefore, showing the exterior design, height, building materials and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping fencing, walls and windbreaks, and the grading plans shall have been submitted to and approved in writing by the Committee and an copy of such plans, specifications and lot plans as finally approved and deposited with the Committee. Application to the County of Sanpete for a Building Permit shall not be made prior to the approval of plans by this Committee.

**SECTION 3. Procedure.** The Architectural Control Committee shall approve or disapprove all plans and requests within ten (10) days after requests have been submitted. If the Committee does not act within fifteen (15) days after submission, approval will not be required, and this Article will be deemed to have been fully complied with. A majority vote of the members of the Committee is required for approval or disapproval of purposed improvements.

The Architectural Control Committee shall maintain written records of all applications submitted to it and of all action taken. In approving or disapproving the plans submitted to it, the Architectural Control Committee shall take into consideration the design, style, and construction of the proposed building or alteration, its location on the lot, the harmony of its design, architecture and location with the terrain and surrounding neighborhood and shall determine whether such proposed building is consistent with the architecture of other buildings located upon the Properties subject to this Declaration and whether or not the construction or alteration of said building will adversely affect or decrease the value of other Lots because of its design, location, height or type of material used in construction. The Committee may make reasonable requirements of the Lot Owner, including the submission of additional plans, to insure conformance of such buildings when erected with these restrictions and covenants and the plans submitted and approved. The Committee may require such changes as may be necessary to conform to the general purposes as herein expressed.

The Committee shall have authority to grant variances from the provisions of this Declaration in cases of irregularly shaped lots, unusual terrain, or other conditions wherein the strict enforcement of these restrictions would result in unusual hardship. The Committee shall be the sole and exclusive judge of whether or not such hardship exists.

Whenever the Committee disapproves of any proposed plans or specifications, it shall state in writing its reason for such disapproval, in specific terms, so that the objections can be met by alteration acceptable to the Committee.

All plans submitted to the Committee shall be left on file with the Committee Chairperson.

It is the intent of these declarations that the Committee shall exercise broad discretionary powers hereunder and its decisions shall be final and conclusive except for any arbitrary abuse of its discretion or an act in excess of its authority. Members of the committee may be removed by two-thirds (2/3) vote of Association Members. The Committee shall resolve all questions of interpretation. They shall be interpreted in accordance with their general purpose and intent as herein expressed.

SECTION 4. Liability of Committee. The Architectural Control Committee shall not be liable in damages to any person submitting a request for approval or to any Lot Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such requests.

## ARTICLE VII

### EXTERIOR MAINTENANCE

SECTION 1. The Owner of each Lot shall maintain the structure on any grounds in a neat and attractive manner as is harmonious with natural growth and safety with common courtesy to neighbors.

SECTION 2. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance, the Board of Directors may, as it option, after giving the Owner six (6) months written notice, make repairs to and improve the appearance of such structure in a reasonable and workmanlike manner. The owner with adequate notice given, will be responsible for said costs.

SECTION 3. Assessment of Cost. The cost of such maintenance referred to in Sections 1 and 2 above, shall be assessed against the Lot upon which such maintenance is done and shall be added to and become part of the monthly maintenance assessment or charge to which such Lot is subject under Article V hereof.

SECTION 4. Access at Reasonable Hours. For the purpose solely of performing the maintenance referred to in Section 1 and 2 of this Article, the Association shall, through its duly authorized agents or employees, have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any structure situated thereon at reasonable hours of any day except Sunday.

#### ARTICLE VIII

#### USE RESTRICTIONS, COVENANTS AND EASEMENTS

The following restrictions, covenants and easements are imposed uniformly upon the Properties and the use thereof as a common scheme for the benefit of each Lot and the Common Area may be enforced by the Association or any Lot Owner.

SECTION 1. Land Use and Occupancy. All Lots shall be used for residential and or agriculture purposes only.

SECTION 2. Subdividing. No Lot shall be subdivided.

SECTION 3. Set-Back Requirements and Building Height. The set-back requirements will be as shown on the final plat of the Subdivision. There will be a 24 foot building height limit. Unless otherwise approved by the Architectural Control Committee, the minimum living space will be 500 square feet.

SECTION 4. Number of Living Shelters. A maximum number of two (2) dwellings may be constructed on each Lot within the guidelines of state and local statutes and code. (one main residence and one guest home). Deviation from initial plans must be approved by Architectural Committee regarding outbuildings or additions.

SECTION 5. Building Character and Construction. All buildings erected on the Properties shall be designed and constructed in accordance with the following standards or guidelines:

(a) **Materials and color** - A similar palette of traditional materials such as wood, stone, stucco, logs, and earth-tone finishes for staining and trim should be used on homes throughout the development. Accent colors, used in moderation, may be acceptable as approved by the Architectural Control Committee. Roof coverings shall be a minimum of Class C, wood shake shingles (treated or untreated) will be excluded from this requirement. Exterior vertical walls shall be constructed of at least 1/2 inch nominal sheathing or equivalent material and shall extend from ground level to roof line. The underside of the decks and structures with stilt foundations shall be enclosed with the material specified for exterior vertical walls. Eaves, cantilever balconies, and similar underside overhangs, shall be enclosed with materials that equal or exceed 1/2 inch nominal sheathing. All glazed openings (windows and doors) that face concentrations of vegetative fuels within 30 feet of the openings shall be provided with closable, solid exterior shutters. Every chimney, vent, or flue shall be provided with an approved spark arrestor consisting of 12 gauge wire mesh with openings not to exceed 1/2 inch. All chimney outlets shall be constructed with 10 foot clearance from all vegetation and obstructions. Manufactured homes shall meet all applicable construction and safety standards and shall be provided with full skirting constructed of material specified for exterior vertical walls. All building exteriors shall be completed within 18 months of beginning construction.

(b) Should any portion of a Lot extend into the original Common Area, that Lot will be deed restricted to assure that the portion extending onto the Common Area shall in perpetuity remain part of the common use area.

(c) Every Owner will be required to install a fire protection sprinkling system within and above their home. Such as rain-birds with outside valves or as specified by the Architectural Committee and by county code for fire protection.

**SECTION 6. Boundary Fences and Walls.**

- (a) All fences shall be construction of natural colored wood or of color or material of the house on that Lot.
- (b) All walls shall be constructed of stone or wood or of the type allowed for the construction of exterior walls of the dwelling.
- (c) Wildlife - Safe fences shall be used to protect indigenous wildlife.
- (d) No barbed-wire or chain-link fences will be permitted. Electric wire is permitted to contain large animals.
- (e) The entire area of the Lot may be fenced, provided public, not private roadways are left open and unimpaired. The use of suitable cattle guards are permitted.

Fences shall not exceed 5 feet in height unless approved by the Architectural Control Committee. It is intended that Lot perimeters may be fenced, and that fencing be restricted to within deeded lot boundaries and inside easement boundaries, as approved by the Architectural Control Committee.

**SECTION 7. Landscaping.** Where consistent with ecological factors, planting less fire-prone vegetation shall be encouraged. Annual grasses within 30 feet of structures shall be mowed to 4 inches higher or less. Ground litter shall be removed annually. No firewood shall be stacked against any structure, nor under or above any balcony. Such wood should be stacked no less than 25 feet away from any structure.

**SECTION 8. Trash.** No garbage, refuse, rubbish or cuttings shall be deposited on any street, road or Common Area and on any Lot unless placed in a suitable container. The burning of trash in outside incinerators, barbecue pits, or the like is prohibited, it being intended that all refuse, trash, garbage and the like shall be hauled from the property by owner. Garbage cans are to be inside garages, behind decorative fencing or otherwise hidden from view to the roadways.

**SECTION 9. Storage of Building Materials.** No building material of any kind or character shall be placed upon any Lot except in connection with construction or maintenance approved by the

Architectural Control Committee. As soon as building materials are placed on any Lot in such connection, construction shall be promptly commenced and diligently pursued.

SECTION 10. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, street, road, or Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other property owners.

SECTION 11. Fires and Fireworks. Outside fires must be contained in a fire pit at least 6" deep lined with non-combustible material with 3' wide ring around it cleared of all burnable debris. Flames should not exceed 3' above ground and attended to at all times. When leaving, ashes must be cold. Discharge of fire works of any kind, at any time is prohibited on all properties.

SECTION 12. Firearms. Neither Firearms nor archery shall be discharged within the interior boundaries of the properties.

SECTION 13. Commercial Vehicles, Campers or Trailers. No campers, recreational vehicles, trailers, commercial type vehicles and no trucks shall be stored or parked in any Lot except in a closed garage or hidden behind visual screening as approved by the Committee, nor parked on any street, road or Common Area except while engaged in transport to or from a dwelling or the Common Area. For the purpose of this restriction, a truck having a 3/4 ton manufacturer's rated capacity, commonly known as a pick-up truck, shall not be deemed to be a commercial vehicle or a truck. Special permission must be obtained from the Homeowners Association in such cases as visiting family trailers for limited time periods.

SECTION 14. Animal Control. The keeping of animals shall be allowed on Lots, provided that said animals are well kept and provided for and do not become a health hazard or nuisance to the neighborhood. Grazing animals will be allowed on Lots, so long as over grazing, and visual damage to the area is not evidenced. One large animal per 2 acre is adequate.

No Owner shall have or allow any guest, tenant or other person lawfully on the premises to have or permit any animals at large upon the property. Definition of animal at large shall be: any animal either;

1. Not attached to a person by chain or leash, or
2. Not caged, fenced, or similarly confined.

SECTION 15. Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than five (5) square feet advertising the property for sale. Small signs displaying the Owner's name and street address are allowable.

SECTION 16. Gravel surfaced driveways and parking areas are acceptable on all Lots. Signage identification for all street and road signs shall be located at intersections and legible from all directions of vehicle travel for a distance of not less than 100 feet. All reflectorized and contrasting with the background color of the sign. Signs shall be mounted 6 to 8 feet above the surface of the road, unless local conditions or existing standards prescribe otherwise. Newly constructed or approved public and private roads and streets shall be identified by a name or a number in a consistent system that provides for patterned numbering and non-duplicated naming. All public and private roads or driveways shall be brushed back a distance of 5 feet from the disturbed portion of the road bed.

SECTION 17. Exterior Lighting. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of the adjacent property.

SECTION 18. Motor Vehicles.

- (a) No motor vehicles owned or leased by Owners of Lots in the Properties shall be parked or maintained on any road within the Properties.
- (b) All unused motor vehicles of any kind, shall not be stored or parked on Lots, except in a closed garage, or behind visual screening with approval of the Homeowners Association. "Unused vehicle" shall be defined as any motor vehicle which has not been driven within a thirty-five (35) day period or a vehicle which has expired license plates. Recreation Vehicles, boats, snowmobiles, etc.
- (c) No motorized vehicle shall be driven in the Common Area except as authorized by the Association.
- (d) ATV's motorcycles, snowmobiles etc. must stay on designated roads.

SECTION 19. Easement and Right-of-ways. Easements and right-of-way for jogging, equestrian, and bicycle paths, lighting, heating, electricity, gas, telephone, water, and sewage facilities, and any other kind of public or utility service are reserved as shown on the plat.

The Declarant or its nominee shall have the right to construct, operate and maintain waste, sewer, gas, electrical, water, and telephone lines, over and across the parties' properties as may be required for the development of the Subdivision, with proper notice to owners and approval by the Board, as long as said use does not interfere with the owners reasonable use of his property.

SECTION 20. Rights of Declarant. Declarant hereby reserves in itself the following easements and rights over the Properties to the extent reasonably necessary to complete and sell, lease, rent or otherwise dispose of Declarant's interest and the equity associated therewith:

- (a) Easement for ingress and egress, drainage, encroachment, utilities, maintenance of temporary structures, operation and storage of construction equipment and vehicles, for doing all acts reasonably necessary to complete or repair the Project, or to discharge any other duty of Declarant under the Project Documents or sales contracts or otherwise imposed by law.

SECTION 21. Conflict with Ordinances. In the event the terms and conditions of this Declaration conflict with any applicable statutes or rules and regulations of governmental agencies, now existing and as many as may be hereafter adopted or amended, then the higher standard shall control.

## ARTICLE IX

### GENERAL PROVISIONS

SECTION 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association; or the Owner of any lot subject to this Declaration; their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration, if recorded. After which time, said covenants shall be automatically extended for successive periods of fifteen (15) years.

SECTION 2. Amendments. These covenants and the restrictions of this Declaration may be amended during the first twenty (20) years from the date of the Declaration, by an instrument signed by the Owners of not less than sixty percent (60%) of the Lots and thereafter by an instrument signed by the Owners of not less than fifty percent (50%) of the Lot Owners.

SECTION 3. Enforcement. The Association or any Owner shall have the right to enforce these covenants and restrictions by any proceeding at the law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants or restrictions herein contained.

SECTION 4. Severability. Invalidation of any one of these covenants or restrictions by judgment of court order shall in no way affect other provisions which shall remain in full force and effect.

SECTION 5. Notices. Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be sent to the last known address of the Owner of record of the Lot in which Member has an interest as shown on the records of the Association at the time of such mailing.

ARTICLE X  
ASSOCIATION POWERS, RIGHTS, DUTIES, LIMITATIONS

Management of Project. The management of the Project shall be vested in the Association in accordance with the Project Documents and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project.

General. The Association shall have the power to perform any action reasonably necessary to exercise any right or discharge any duty enumerated in these Covenants or elsewhere in the Property Documents or reasonably necessary to operate the Property.

Enumerated Rights. In addition to those Association rights which are provided elsewhere in the Property Documents, the Association shall have the following rights:

DELEGATION. To elect, employ, appoint, to assign and to delegate the rights and duties of the Association to officers, employees, agents and independent contractors.

ENTER CONTRACTS. To enter specific contracts with third parties to furnish goods or services to the Property, within a preset, and Membership approved authority amount, as presented to members in a called meeting and as is approved.

ESTABLISH RULES AND REGULATIONS. To adopt reasonable rules not inconsistent with this Declaration, the Articles or the By-Laws, relating to the use of the Common Area and all facilities thereon, and the conduct of Members and Owners and their contract purchasers, lessees, tenants and guests with respect to the Project. A copy of the Rules shall be posted in a conspicuous place within the Common Area. The secretary will be responsible for posting.

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

1. **Manage and Maintain Common Areas.** The Association shall manage, maintain, operate, repair and replace any property acquired by or subject to the control of the Association, including personal property, in a safe, sanitary and attractive condition.

2. **Enforce Project Documents.** To enforce the provisions of the Project Documents by appropriate means.

3. **Levy and Collect Assessments and Individual Charges.** To fix, levy and collect assessments and individual charges.

4. **Taxes and Assessments.** To pay all real and personal property taxes and assessments and all other taxes levied against the Common Area, 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 tax returns with the Federal Government and the State of Utah and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association.

5. **Water and other Utilities.** To acquire, provide and pay for utility services as necessary for the Common Area.

6. **Legal and Accounting.** To obtain and pay the cost of legal and accounting services necessary or proper to the maintenance and operation of the Project and the enforcement of the Project Documents.

7. **Insurance.** To obtain and pay the cost of insurance for the Project.

8. **Bank Accounts.** To deposit all funds collected from Owners 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 purpose for which such funds have been collected.

(b) Funds which the Association shall collect for reserves for capital expenditures relating to the repair and maintenance of the Common Area, and for such other contingencies as are required by good business practice shall, within thirty (30) 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 purpose for which such

amounts have been collected.

9. **Annual Report of Domestic Non-profit Corporation.** To make timely filings of the annual report required by the Utah Non-profit Corporation and Cooperative Association Act. Such annual reports shall be made on forms prescribed and furnished by the Secretary of the State of Utah and shall be delivered to the Secretary of the State of Utah between the first day of January and the first day of April of each year, except that the first annual report shall be between the first day of January and the first day of April of the year next succeeding the calendar year in which the certificate of incorporation was issued by the Secretary of the State.

10. **Preparation of Financial Information.** To regularly prepare budgets and financial statements:

11. **Maintenance of Books and Records.** To cause to be kept adequate and correct books of account, and 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 Project and to present a statement thereof to the Members at the annual meeting of Members.

12. **Compensation for Board Members and Architectural Com.** Compensation for time and monies spent by Board Members and Architectural Committee members will be assessed and voted on by members.

13. **Statements of Status.** To provide, upon the request of any member, Owner or Mortgagee, a written statement setting forth the amount, as of a given date of any unpaid assessment or individual charge against any 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 ten (10) days of the request.

14. **Architectural Control.** To maintain architectural control over the Project and appoint the members of the Architectural Control Committee.

DATED this 5 day of February, 1996.

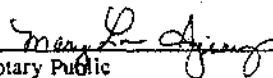
The Skyline Heights Inc.

BY: [Signature]  
its Secretary / Treasurer

00042518 BANCORP 05/03/02

STATE OF UTAH     )  
                              : SS.  
COUNTY OF JUAB    )

On the 5th day of February, A.D. 1996, personally appeared before me, a Notary Public in and for the State of Utah, Nichole Robertson who being by me duly sworn did say that she, the said Nichole Robertson is the secretary-treasurer of Skyline Heights Inc., a Nevada corporation qualified to do business in the State of Utah, and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Nichole Robertson duly acknowledged to me that the said Corporation executed the same.

  
\_\_\_\_\_  
Notary Public  
Residing at Mona, Utah

My Commission Expires: 6/15/98





