

Note to Recorder:
This document is to be recorded and abstracted only as to the real property described in Exhibit "A." It is not to be recorded and abstracted as to the real property described in Exhibit "B".

AFTER RECORDING, PLEASE RETURN TO:
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Jenkins Ronnow Jensen & Bayles, LLP
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St. George, UT 84770

RESTATED AND AMENDED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
STONE CLIFF
A Planned Unit Development

PREAMBLE

This Restated and Amended Declaration of Covenants, Conditions and Restrictions of Stone Cliff (the "Restated and Amended Declaration"), restates and supersedes the following: (i) the Declaration of Covenants, Conditions, and Restrictions of Stone Cliff, a Planned Unit Development, dated March 23 1995, Recorded in the records of the Recorder of Washington County, Utah as Entry No. 496398, in Book 897, at Pages 500 - 528 (the "Declaration") and (ii) all supplements and amendments to the Declaration existing prior to the date of this Restated and Amended Declaration. This Restated and Amended Declaration does not supersede or replace (i) that certain Restated and Amended Declaration of Covenants, Conditions and Restrictions for Stone Cliff Townhomes or (ii) that certain Amendment to Declaration of Covenants, Conditions, and Restrictions for Paragon Cove at Stone Cliff, a Residential Planned Unit Development, but reference is made to such declarations as both the Stone Cliff Townhomes and the Paragon Cove at Stone Cliff developments have been annexed into and made a part of the Stone Cliff Development and made subject to the Declaration and now this Restated and Amended Declaration, except as provided in the covenants contained in the Restated and Amended Declaration of Covenants, Conditions and Restrictions for Stone Cliff Townhomes and the Amendment to Declaration of Covenants, Conditions, and Restrictions for Paragon Cove at Stone Cliff.

Terms contained in this Preamble and the Recitals below, which are hereafter defined in Article I, shall be given the meaning assigned to them in Article I.

RECITALS

A. Traveller/Stone Cliff, L.C. was the original Declarant and has assigned its rights as Declarant to Stone Cliff Development, Inc.

B. Various improvements have been or will continue to be made to the Project to enable its use as a planned unit development containing certain Lots and Common Areas. To provide for the preservation of the values and amenities in said development and for the maintenance of the Common Area the Project shall be subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

C. The Project, and such portions of the Additional Land as annexed into the Project, shall be maintained, developed and conveyed pursuant to a general plan for all of the Project and subject to certain protective covenants, easements, equitable servitudes, liens and charges, all running with the Project as hereinafter set forth.

D. It is hereby declared that all of the Property in the Project shall be maintained, held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, reservations, rights, covenants, conditions, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, and sale of the Property or any portion thereof. The covenants, conditions, restrictions, rights, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Property and shall be binding upon all persons having or acquiring any right, title, or interest in the Property, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon and may be enforced by, Declarant, the Association, as hereinafter defined, each owner and their respective heirs, executors and administrators, and successors and assigns.

E. This Restated and Amended Declaration was approved and adopted by a majority of all the votes of all the Members of the Association at a meeting duly called and held for that purpose on the ____ day of _____, 2007.

I. DEFINITIONS

When used in this Restated and Amended Declaration (including in that portion hereof entitled "Recitals"), the following terms shall have the meanings indicated:

1.1 Additional Land shall mean and refer to the following described real property located in Washington County, Utah.

See Exhibit "B" attached hereto and incorporated herein by this reference.

1.2 Articles or Articles of Incorporation shall mean and refer to the instrument entitled "Articles of Incorporation of the Stone Cliff Owners Association, Inc." which was filed for record in the office of the Utah Division of Corporations and Commercial Code on or about the date that this Restated and Amended Declaration was filed with the office of the County Recorder of Washington County, Utah.

1.3 Association shall mean and refer to the STONE CLIFF OWNERS ASSOCIATION, INC., the Utah nonprofit corporation which is created by the filing of the Articles.

1.4 Common Areas or Common Areas and Facilities shall mean and refer to all portions of the Property owned by the Association for the common use and enjoyment of the Owners, and shall include:

(a) All portions of the Property not specifically included within the individual Lots.

(b) All Common Areas and Limited Common Areas designated as such on the Plat.

(c) All installations, equipment, and improvements now or hereafter located on, over, or under the Common Areas and connected with or related to the furnishing of Project utility services such as water, sewage disposal, electricity, natural gas, and telephone, and which are not owned by a dedicated to a governmental or quasi-governmental authority or public or private utility company and which are not reserved by Declarant.

(d) The Private Streets within the Project.

(e) All buildings, structures and other improvements located on any of the Common Areas described in sections 4(a), 4(b), 4(c) or 4(d) above and owned by the Association.

1.5 Community-Wide Standard. Community-Wide Standard shall mean the standard of conduct, construction, architecture, maintenance, or other activity generally prevailing at the Properties, or the minimum standards established pursuant to the Architectural Design Guidelines, Rules and Regulations, and Board resolutions, whichever is a highest standard. Declarant shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the Properties change.

COMMUNITY-WIDE STANDARD		
<i>The higher of:</i>		
MINIMUM STANDARDS	OR	PREVAILING STANDARD
<i>Architectural Design Guidelines</i>		
<i>Rules and Regulations</i>		
<i>Resolutions of Board</i>		
<i>Example set by Declarant, Board</i>		

1.6. Declarant shall mean and refer to Traveller/Stone Cliff, L.C. and/or any successors to said liability company which, either by operation of law or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relationship to the Project and/or the Additional Land as did its predecessor.

1.7. Declaration shall mean and refer to this Restated and Amended Declaration of Covenants, Conditions and Restrictions, as the same may be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article XI hereof concerning supplements to this Restated and Amended Declaration which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

1.8. Limited Common Areas and Facilities or Limited Common Areas shall mean and refer to those Common Areas designated in this Restated and Amended Declaration or in the Plat as reserved for the use of a certain Lot or Lots or certain Living Units to the exclusion of other Lots or other Living Units.

1.9. Living Unit shall mean and refer to a house, similar structure or portion of a structure located on a lot which is designed and intended for human occupancy.

1.10. Lot shall mean and refer to any of the separately numbered and individually described parcels of land shown on the Plat and intended for private use and ownership.

1.11. Member shall mean and refer to every person who holds membership in the Association.

1.12. Mortgage shall mean a first mortgage or a first deed of trust on any Lot.

1.13. Mortgagee shall mean a mortgagee under a first mortgage on any Lot or a beneficiary under a first deed of trust on any Lot.

1.14. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Washington County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.15. Plat shall mean and refer to the following duly approved and recorded plats:

(a) The plat filed concurrently herewith, entitled "Stone Cliff, Phase 1," executed and acknowledged by Declarant, prepared and certified to by Mark A. Schraut of Bush & Gudgell Engineering, Inc., a duly registered Utah Land Surveyor holding Certificate No. 187849.

(b) Any plat(s), including without limitation, a subdivision plat or a record of survey map respecting all or any portions of the Additional Land, but only after the recordation of such plat(s) and only if and after the recordation in accordance with Article XI hereof of supplement(s) to this Restated and Amended Declaration adding the real property covered by such plat(s) to the Project and subjecting such real property to this Restated and Amended Declaration.

1.16. Private Streets shall mean and refer to each and any of the Project's "private streets" identified as such on the Plat.

1.17. Project shall mean and refer to Stone Cliff, a planned unit development, as shown on the Plat and governed by this Restated and Amended Declaration.

1.18. Property shall mean and refer to the tract of real property described in Article II of this Restated and Amended Declaration, together with each and every portion of the additional Land which is added (from and after the time such portion is added) to the Project in accordance with law and the provisions of this Restated and Amended Declaration.

II.. PROPERTY DESCRIPTION

The Property which is initially to be held, transferred, sold, conveyed, and occupied subject to the provisions of this Restated and Amended Declaration consists of the following-described real property situated in Washington County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

EXCLUDING all presently existing or to be constructed or installed utility lines and related facilities which are now or hereafter owned by any governmental or quasi-governmental authority or by any public or private utility company.

ALL OF THE FOREGOING IS ALSO SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities, all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all easements and rights-of-way of record, otherwise existing, or enforceable in law or equity; and any easements, rights-of-way, encroachments, shortages in area, or discrepancies shown on or revealed by the Plat, or otherwise existing or discoverable from an inspection of the above-described parcel of real property.

RESERVING UNTO DECLARANT, (i) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising common Areas (including, without limitations, Private Streets) and all portions of each Lot located either within fifteen (15) feet of the front or rear or within ten (10) feet of either side of such Lot as may be necessary or convenient for Declarant (in a reasonable manner not inconsistent with this Restated and Amended Declaration) to construct and improve the Common Areas with such roads, structures, facilities, and other improvements including recreational improvements and utilities) designed for the use and enjoyment of all the Members as Declarant may determine in its sole discretion to be appropriate; and (ii) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising Common Areas (including, without limitation Private Streets) and all portions of each Lot located either within fifteen (15) feet of the front or rear or within ten (10) feet of either side of such Lot, with no limits as to the extent of the burden which may be imposed thereon, as may be necessary or convenient to enable Declarant to develop and use any or all of the Additional Land (as determined in Declarant's sole discretion and regardless of whether or not the portion(s) of the Additional Land being so developed have been or will be added to the Project) and to provide for such needs of and services to the Additional Land as may be determined by Declarant in its sole discretion. The easements and rights set forth in the foregoing item(ii) shall include (without limitation) the right to hook into and use any utility line, pipe, conduit, Private Street, walkway or other facility serving the Project and to utilize and/or enlarge all storm water runoff retention areas, structures and Private Streets located in the Project. Declarant shall have the right to assign, convey and/or transfer all or any portion of the easements and rights herein reserved to Washington County, any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project, or any part of the Additional Land (whether or not such part has been or will be added to the Project).

III. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every Owner shall be a Member of the Association. No evidence of membership in the Association shall be necessary other than evidence of ownership of a Lot. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains.

3.2. Voting Rights. There shall be one vote attributable to each Lot, each of said votes to be voted or cast at any meeting of the Association by the Owner of each such Lot as a Member of the Association. Although each of the multiple Owners of a single Lot shall be a Member, in no event shall more than one vote exist or be cast with respect to a single Lot. Which of the multiple Owners of a single Lot shall cast the vote appertaining to that Lot is determined under Section 3 of this Article III.

3.3. Multiple Ownership Interests. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.4. Lists of Owners and Eligible Mortgagees. The Association shall maintain up-to-date records showing: (i) the name of the person who is an Owner, the address of such person and the Lot which is owned by him; and (ii) the name of each person or entity who is a Mortgagee, the address of such person or entity, and the Lot which is encumbered by the Mortgagee held by such person or entity, where the Mortgagee notifies the Association of its name and address and requests notification of any matter affecting the Lot on which it has a lien. In the event of any transfer of a fee or undivided fee interest in a Lot, either the transferor or transferee shall furnish the Association with evidence establishing that the transfer has occurred and that the deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Washington County, Utah. The Association may for all purposes act and rely on the information concerning Owners and Lot ownership which is thus acquired by it, or at its option, the Association may act and rely on current ownership information respecting any Lot or Lots which is obtained from the office of the County Recorder of Washington County, Utah. The address of an Owner shall be deemed to be the address of the Lot owned by such person unless the Association is otherwise advised by the Owner.

3.5. Quorum Requirements. Unless specifically provided otherwise in this Restated and Amended Declaration, the Members attending, by proxy or in person, any duly called meeting of the Members of the Association shall constitute a quorum for transacting Association business.

3.6. Governing Documents. The Association shall be governed by and shall carry on its activities and business in accordance with the provisions of this Restated and Amended Declaration and the Articles of Incorporation and Bylaws of the Association.

IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. Easement of Enjoyment. Each Owner shall have an equal, undivided, and nonexclusive right and easement of use and enjoyment in and to the Common Areas and facilities. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Owner may delegate the right and easement of use and enjoyment described in this Section to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such Owner's Lot. Without limiting the generality of the foregoing, any school bus or other vehicle serving any public or private school system may use the Private Streets for the purpose of transporting any occupant of any Living Unit.

4.2. Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

Lot No. _____, STONE CLIFF, Phase _____, a Planned Unit Development, as said Lot is identified in the Plat recorded in Washington County, Utah on _____, as Entry No. _____, and in the “Restated and Amended Declaration of Covenants, Conditions and Restrictions of Stone Cliff, a Planned Unit Development” recorded in Washington County, Utah on _____, as Entry No. _____, in Book _____, beginning at Page _____, as amended and supplemented; TOGETHER WITH an equal, undivided, and nonexclusive right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Plat and said Restated and Amended Declaration of Covenants, Conditions and Restrictions, as both of said Plat and said Declaration ____ have been amended or supplemented from time to time; AND SUBJECT TO such perpetual easements and rights of use, enjoyment, and ingress and egress on, over, under, through and across the Lot as described and provided for in said Plat and Restated and Amended Declaration, as both of said Plat and said Declaration may have been amended or supplemented from time to time.

Whether or not the description employed in any such instrument is in the above-specified form, however, this Restated and Amended Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot. The right and easement of use and enjoyment to the Common Areas and Facilities shall not be separated from the Lot to which they appertain and even though not specifically mentioned in the instrument of transfer, such nonexclusive right and easement of use and enjoyment to the Common Areas shall automatically accompany the transfer of the Lot to which they relate.

4.3. Transfer of Title. Declarant agrees that, at or prior to the time Declarant first conveys a Lot to an Owner, it will convey by quitclaim deed to the Association good and marketable title to the Common Areas, free and clear of all monetary liens and encumbrances (other than the lien of current general taxes and the lien of any current assessments, charges, or taxes imposed by governmental or quasi-governmental authorities.)

4.4 Limitation on Easement. A Member’s nonexclusive right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to suspend a member’s voting rights and right to the use of the Common Areas (except the Private Streets shown on the Plat for access to his Lot) for any period during which an assessment of the Association pertaining to such Member’s Lot remains unpaid, or for a period not exceeding sixty (60) days for any infraction of the provisions of this Restated and Amended Declaration or of any rule or regulation promulgated by the Association.

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of the Association (without the consent of Owners, Members, Mortgagees, or any other persons or entities) to grant permits, licenses, and easements over, across, through and under the Common Areas to any governmental or quasi-governmental authority, to any public or private utility company, or to any other person or entity for the purpose of installing, maintaining, or providing utilities and related facilities or roads or for such other purposes reasonably necessary or useful for the proper maintenance or operation of the Project; and

(d) The right of Washington County, St. George City, and any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project or any part of the Additional Land (whether or not such part has been or will be added to the Project) to access, and rights of ingress and egress over, across, through, or under, the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental, municipal, or utility service to the Project or the Additional Land.

(e) The right of St. George City to levy taxes and issue bonds.

4.5 Access to Lots. Each Owner's nonexclusive right and easement of use and enjoyment in and to the Common Areas shall include (without limitation) the right of ingress and egress to such Owner's Lot, which right shall be irrevocable, perpetual, and appurtenant to such Lot.

V. ASSESSMENTS

5.1. Personal Obligation and Lien for Assessments. Each Owner (including Declarant) shall, by acquiring or in any way becoming vested with an interest in a Lot, be deemed to covenant and agree to pay to the Association the annual and the special assessments described in this Article, together with the hereinafter provided for interest and costs of collection. All such amounts shall be, constitute, and remain: (i) a charge and continuing lien upon the Lot with respect to which such assessment is made; and (ii) the personal obligation of each person who is an Owner of such Lot at the time the assessment fails due. No Owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights concerning the Common Areas or by abandonment of his Lot.

5.2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of maintaining, repairing and securing the Common Areas and promoting the recreation, health, safety, and welfare of residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the Common Areas; assessments to the Association for the use of any pool, spa, clubhouse, and/or other recreational facilities which the Association may contract with other third

parties to use; legal, accounting, and other professional and service fees; maintenance, repair, operation, management and supervision of the Common Areas and Facilities; major repair or replacement of improvements within the Common Areas and Facilities; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Restated and Amended Declaration or the Articles of Incorporation. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Areas and Facilities.

5.3 Regular Assessments. The Board of Trustees of the Association may from time to time and in its discretion set the amount of regular monthly assessments at such sum as may be necessary to pay the ordinary and reasonable expenses of the Association as allowed and permitted by this Restated and Amended Declaration. The Association may estimate the amount of funds necessary to perform its functions as described herein, and may establish its assessments based on such estimates so as to allow the collection of assessments for the payment of expenses when incurred and due, with an annual and reconciliation of funds assessed, collected, and expended.

5.4 Special Assessments. From and after the date set for commencement of monthly assessments under Section 7 of this Article V, the Association may levy special assessments for the purpose of defraying, in whole or in part: (i) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (ii) the cost of any construction, reconstruction, repair, or replacement of an improvement, building, structure, personal property, or fixture upon the Common Areas. Any such special assessment must be assented to by a majority of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose, date, time, and place of the meeting shall be sent to all Members at least ten (10) days but not more than fifty (50) days prior to the meeting date.

5.5 Quorum Requirements. The quorum required for any action authorized by Section 5.4 above and 5.6 below shall be as follows: At the first meeting called, the presence of Members or of proxies entitled to cast at least one-third (1/3rd) of all the votes of Members shall constitute a quorum. If a quorum is not present at the first meeting or any adjournment thereof, another meeting may be called (subject to the notice requirements set forth in Section 5.4 above) at which meeting a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting.

5.6. Rate of Assessment.

(a) Both monthly and special assessments shall be fixed at a uniform and equal rate for all Lots, regardless of Lot size, at a rate necessary to pay the expenses of the Project as described in paragraph 5.2 above. The monthly assessment for the first year following the recordation of this Restated and Amended Declaration shall be \$195.00. The Board may not increase the monthly assessment from year to year in excess of ten percent (10%) above that years rate of assessment without approval of the Association Membership. Any increase

above ten percent must be approved as provided for in Section 5.5 above.

(b) With respect to the assessments described above in paragraph (a) of this paragraph 5.6, until the sooner to occur of one year after a Lot has been deed to an Owner by Declarant, or the date on which a Living Unit has been completed on the Lot, the Owner of the Lot shall only be assessed one-third (1/3) of the amount of regular or special assessments that otherwise would have been assessed to the Lot pursuant to the provisions of paragraph (a) of this paragraph 5.6. Notwithstanding anything herein to the contrary, it is the intent of this Restated and Amended Declaration that an equal assessment be applied with respect to each Living Unit regardless of the number of Lots on which a Living Unit may be located. Therefore, in the event an Owner purchases more than one Lot, and the Lots are contiguous, and the Owner builds only one Living Unit on said Lots, then said Owner may execute and record against all involved Lots a Declaration of Use, in form acceptable to the Association, declaring and restricting the use of said Lots for only one Living Unit, and from the time of recording such Declaration of Use, the Association shall assess and treat the Lots set forth in said Declaration of Use as being one Lot for purposes of assessments in this Restated and Amended Declaration. The Association shall be the beneficiary of and the party entitled to enforce the covenants and restrictions of said Declaration of use, and said Declaration of use shall not be terminated and cancelled without the written consent of the Association.

5.7. Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence as to all Lots on the first day of the second month following conveyance of the Common Areas to the Association. At least fifteen (15) days prior to such commencement date and at least fifteen (15) days prior to the effective date of any change in amount of the monthly assessment, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned. The monthly assessments shall commence on Lots located on a portion of the Additional Land added to the Project on the first day of the second month following conveyance of the Common Areas in such portion to the Association.

5.8. Certificate Regarding Payment. Upon the request of any Owner, prospective purchaser, or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons (other than the Owner of the Lot concerned) who in good faith and for value rely thereon.

5.9. Additional Assessments. In addition to the annual assessments and special assessments for capital improvements authorized herein, the Association shall levy such assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to the streets or other common or limited common areas from the activities of the City of St. George in maintaining, repairing or replacing utility lines and facilities thereon, it being acknowledged that the ownership of utility lines, underground or otherwise is in the City up to and including the meters for individual units, and that they are installed and shall be maintained to City specifications.

5.10. Effective of Nonpayment - Remedies. Pursuant to Utah Code Ann. §§ 57-8a-101, *et seq.* (2004), any assessment installment payment not paid when due shall, together with the hereinafter provided for interest and costs of collection, be, constitute, and remain a continuing lien on the Lot provided, however, that any such lien will be subordinate to the lien or equivalent security interest of any Mortgage on the Lot recorded prior to the date any such installment payment on assessments become due. If any installment payment on the assessment is not paid within thirty (30) days after the date on which it becomes due, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum plus a late payment service charge of Ten Dollars (\$10.00) if the assessment is not paid within ten (10) days of when it is due, or such larger amount as set by the Board, provided the charge does not exceed twenty-five percent (25%) of the amount of the installment payment, and the Association may, in its discretion, bring an action either against the Owner or to foreclose the lien against the Lot. Any judgment obtained by the Association and any foreclosure commenced shall include reasonable attorney fees, court costs, and each and every other expense incurred by the Association in enforcing its rights. If a monthly installment payment is not timely made, the Board may declare the entire Annual Assessment in default and accelerate the Annual Assessment and declare the entire amount of the Annual Assessment immediately due and owing.

5.11. Washington County Tax Collection. It is recognized that under the Restated and Amended Declaration the Association will own the Common Area and that it will be obligated to pay property taxes to Washington County. It is further recognized that each Owner of a Lot is a Member of the Association and as part of his assessment will be required to pay to the Association his pro rata share of such taxes. Notwithstanding anything to the contrary contained in this Restated and Amended Declaration, or otherwise, Washington County shall be, and is, authorized to collect such pro rata share (on an equal basis) of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot. To the extent allowable, Washington County is hereby directed to do so. In the event that the assessor shall separately assess Common Areas to the Association, the Board may impose, in its discretion a Special Assessment to pay such taxes, or they may be incorporated into the Annual Assessment.

5.12. Lien. The Board may elect to file a claim of lien against the Lot of the delinquent Owner by Recording a notice ("Notice of Lien") setting forth (a) the amount of the claim or delinquency, (b) the interest and costs of collections which have accrued thereon, (c) the legal description of the Lot against which the lien is claimed, and (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the Notice of Lien have been fully paid or satisfied, the Association shall execute and Record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board to cover the cost of preparing and recording the release of lien. Unless paid or otherwise satisfied, the lien may be foreclosed in a like manner as a mortgage or any other manner provided by law, including without limitation, a deed of trust as set forth in this Restated and Amended Declaration.

5.13. Trust Deed for Assessments. By acceptance of a deed for a Lot, each Owner as Trustor conveys and warrants to Trustee in trust for the Association as Beneficiary, with power of sale, the Owner's Lot and appurtenant Limited Common Area, and all Improvements thereon for the purpose of securing payment of all assessments (including basis of collection) provided for in this Restated and Amended Declaration. For purposes of this Section and Utah Code Ann. §§ 57-1-19, *et seq.*, as amended from time to time. The Trustee shall mean Bruce C. Jenkins, Esq., the attorney for the Association and the Association may provide notice and disclosure of a substitution of Trustee by recording a "Substitution of Trustee" on the records of the Washington County Recorder. Each Owner hereby also grants to the Association and Trustee all powers and rights of non-judicial trust deed foreclosure provided for in Utah Code Ann. §§ 57-1-19, *et seq.*

5.14. Perfection of Lien and Priority. Upon the recording of Notice of Lien by the Manager or Board, such lien constitutes a lien on the Lot Owner's interest in the property prior to all other liens and encumbrances, recorded or unrecorded, except:

- (a) tax and special assessment liens on the Lot in favor of any assessing lot or special improvement district; and
- (b) encumbrances on the interest of the Lot Owner:
 - (i) recorded prior to the date of the recording of Notice of Lien; and
 - (ii) that by law would be a lien prior to subsequently recorded encumbrances.

The Manager or Board may enforce the assessment lien by sale or foreclosure of the Owner's interest. The Manager or Board may bid at a sale or foreclosure and hold, lease, mortgage, or convey the Lot that is subject to the assessment lien.

5.15. Discontinuance of Common Utility Service and Suspension of Common Facility Use. If the Owner fails or refuses to pay an assessment when due, the board may, after giving notice and an opportunity to be heard as provided for below, terminate an Owner's right:

- (a) to receive utility services paid as a common expense; and
- (b) of access and use of recreational facilities.

Before terminating utility services or right of access and use of recreational facilities, the Manager or Board shall give written notice to the Owner in the manner provided in the Bylaws. The notice shall inform the Owner (i) that utility service or right of access and use of recreational facilities will be terminated if payment of the assessment is not received within thirty (30) days; (ii) of the amount of the assessment due, including any interest or late payment fee; and (iii) of the right to request a hearing as provided for in this Section. An Owner who is given notice may request an informal hearing to dispute the assessment by submitting a written request to the Board within

fourteen (14) days after the date on which the Owner receives the notice. The hearing shall be conducted by the Board in accordance with the standards provided in the Bylaws. If a hearing is requested, utility services or right of access and use of recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been entered. Upon payment of the assessment due, including any interest or late payment fee, the Manager or Board shall immediately take action to reinstate the terminated utility services and right of access and use of recreational facilities.

5.16. Future Lease Payments. If the Owner of a Lot who is leasing the Lot fails to pay an assessment for more than sixty (60) days after the assessment is due, the Board, upon compliance with this Section, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid. The Manager or Board shall give the Owner written notice of its intent to demand full payment from the tenant under this Section. The notice shall: (i) provide notice to the tenant that full payment of the remaining lease payments will begin with the next monthly or other periodic payment unless the assessment is received within the time period provided in the Restated and Amended Declaration, Bylaws, or Association Rules; (ii) state the amount of the assessment due, including any interest or late payment fee; (iii) state that any costs of collection, not to exceed One Hundred Fifty Dollars (\$150.00), and other assessments that become due may be added to the total amount due; and (iv) provide the requirements and rights described in this Section. If the Owner fails to pay the assessment due by the date specified in the notice, the Manager or Board may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association pursuant to this Section. The Manager or Board shall mail a copy of the notice to the Owner. The notice provided to the tenant under this Section shall state: (i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the intent of the Board to collect all lease payments due to the Association; (ii) that until notification by the Association that the assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (iii) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement. If a tenant makes payments in compliance with this Section, the Owner may not initiate an action against the tenant. All funds paid to the Association pursuant to this Section shall be: (i) deposited in a separate account; and (ii) disbursed to the Association until the assessment due, together with any cost of administration which may not exceed Twenty-Five Dollars (\$25.00), is paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association. Within five (5) business days after payment in full of the assessment, including any interest or late payment fee, the Manager or Board shall mail a copy of such notification to the Owner.

5.17. Statement of Account. The Manager or Board shall issue a written statement indicating any unpaid assessment with respect to a Lot covered by the request, upon the written request of any Owner, and payment of a reasonable fee not to exceed Ten Dollars (\$10.00). The written statement shall be binding in favor of any person who relies in good faith on the written statement upon the (i) remaining Owners; (ii) Manager; and (iii) Board. Unless the Manager or

Board complies with such request within ten (10) days, any unpaid assessment that became due prior to the date the request was made is subordinate to a lien held by the person requesting the statement.

5.18. Payment by Encumbrancer. An encumbrancer holding a lien on a Lot may pay any unpaid assessment due with respect to the Lot. Upon such payment, the encumbrancer has a lien on the Lot for the amounts paid.

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

5.20. Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under this Article V, nor any breach of this Restated and Amended Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Beneficiary under any Recorded first Deed of Trust (meaning any deed of trust with first priority over other deeds of trust) upon a Lot made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Lot by judicial foreclosure or by means of the powers set forth in such Deed of Trust or through a deed in lieu of foreclosure, such Lot shall remain subject to the Restated and Amended Declaration and the payment of all installments of Assessments accruing subsequent to the date such Beneficiary or other Person obtains title.

5.21. Rent After Foreclosure. In the event the Association takes title to a Dwelling Unit through foreclosure, the Board may elect to allow the occupant to remain in the Dwelling Unit and the occupant shall be required to pay a reasonable rental to the Association for the Dwelling Unit.

VI. OPERATION AND MAINTENANCE

6.1. Maintenance by Owners. Each Lot and Living Unit shall be maintained by the Owner thereof in a clean and orderly condition and in such condition as does not detract from the appearance of the Property and as does not affect adversely the value of use of any other Lot, Living Unit, or the Common Areas. The Association shall have no obligation regarding maintenance or care which is required to be accomplished by the Owners. Each Owner, and not the Association, shall be responsible to pay for utility services (including, without limitation, both hookup and installation fees and periodic charges) which are separately charged, billed, and/or metered to his Lot by governmental or quasi-governmental authorities or by public or private utility companies. In addition, each Owner shall pay the Association reasonable hookup and use fees for utility services, if any, provided to his Lot by the Association.

6.2. Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas and Facilities (including, without limitation, utility lines and facilities owned or used by the Association) as may be reasonably necessary or desirable to make them appropriately usable in conjunction with the Lots and Living Units and to keep them clean, functional, attractive, and generally in good condition and repair. Included in such obligation

to maintain and operate the Common Areas are the obligation to provide or cause to be provided, where necessary, garbage collection services to maintain street and other signs and lights located on the Common Areas, to maintain the Private Streets, and to provide revegetation of the Common Areas. The Association shall have the absolute right and authority to regulate the structures, and improvements located on the Common Areas, including without limitation, any and all park areas, tennis courts, swimming pools, clubhouse facilities and other recreational facilities and amenities. The Association, through its Board of Trustees, shall promulgate, publish and distribute such written rules and regulations (the "Rules and Regulations") governing the use of the Common Areas and Facilities, including by way of illustration such matters as the hours for the swimming pools, tennis courts and other recreational facilities may be used by the Owners, their guests and invitees. The Board of Trustees of the Association may amend and modify these Rules and Regulations in accordance with its regular meeting and voting procedures and the requirements as set forth in the Articles of Incorporation and this Restated and Amended Declaration.

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

6.4. Association Access to Lots. The Association shall have an irrevocable right of access to each Lot to make emergency repairs and to do other work reasonably necessary or useful for the proper maintenance or operation of the Project.

VII. USE AND BUILDING RESTRICTION

7.1. Use of Common Areas. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions contained herein and in the Rules and Regulations. No automobile or other vehicle shall be parked at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts.

7.2. Use of Lots and Living Units. All Lots and Living Units are restricted to use as single-family residential housing; provided, however, that a portion of a Living Unit may be used to conduct a business or profession if: (1) such use is approved by all appropriate governmental and quasi-governmental bodies having jurisdiction over such matters; (2) such use is approved by the Architectural Review Committee (as said committee is provided for hereafter); and (3) such use is of a type traditionally conducted in a single-family residence. Under no circumstances shall a Living Unit be used for other than a single-family residence, except as otherwise provided in this Restated and Amended Declaration. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to detract from the appearance or value of any other Lot, Living Unit, or the Common Areas, so as to create a nuisance or interfere with the rights of any Owners, or in a way which would

result in an increase in the cost of any insurance covering the Common Areas. No aluminum foil, newspapers, or any other similar materials may be used to cover the windows in any Living Unit or other structure. A Lot, or any part thereof, may not be used as a road or thoroughfare to gain access, ingress, or egress to any other property, except where an Owner owns two or more contiguous Lots and is constructing only one Living Unit on the combined Lots.

7.3. Vehicles. Boats, trailers, campers, recreational vehicles and similar vehicles owned by the Owner and any residents of the Lot shall be parked only within the Lot of the Owner concerned. When parked within a Lot, such vehicles shall be kept in an enclosed garage. All vehicles or guests or invitees to a Lot remaining overnight may be parked outside of a garage, but must be parked on the Lot and not on the private streets of the Project.

7.4. Animals. No animals other than small pets (dogs, cats, etc.) shall be kept or allowed on any Lot or within any part of the Common Areas. Whenever a permitted animal is allowed to leave a Lot it shall be either on a leash or in a cage. No animals of any kind shall be raised, bred or kept for any commercial purpose. The Association may include in the Rules and Regulations reasonable rules concerning the use of, or damages to, the Common Areas by animals and the liability of individual Owners for such damage.

7.5. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render any part of the Property unsanitary or unsightly or which would be offensive or detrimental to any other part of the Property or to the occupants thereof. No noise or other nuisance shall be permitted to exist or operate upon any part of the Property as to be offensive or detrimental to any other part of the Property or to the occupants thereof.

7.6. Unsightly Articles. No unsightly articles shall be permitted to remain on a Lot so as to be visible from any other Lot or the Common Areas. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container, and any such container shall be kept within an enclosed structure or appropriately screened from view. No metals, bulk materials, scrap, refuse, or trash shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed structure or when appropriately screened from view.

7.7. Signs. No sign of any kind shall be displayed as to the public view without the approval of the Architectural Review Committee, except such signs as may be erected by Declarant for permanent identification of the Project or used by Declarant in connection with the development and sale of Lots and the additional Land, and except such signs of customary and reasonable dimensions as may be displayed on a Lot advertising a Lot or Living Unit for sale or lease. Display of any "for sale" or "for lease" sign more than two (2) feet by one and one-half (1 ½) feet shall require the prior written approval of the Architectural Review Committee. A residential identification sign for a Lot is permitted but should not exceed two (2) square feet in surface area.

7.8. No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any

person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue or fire pit unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

7.9. Motorbikes. All motorcycles, trail bikes, three-wheel powered devices, automobiles, and two or four-wheel drive recreational type vehicles are to be operated only by individuals with driver's licenses and only on established streets and parking areas and are specifically prohibited from all other portions of the Common Areas, and are to be used on said streets only for ingress, egress, and access purposes and not for recreational purposes anywhere within the Project. Further, only vehicles that are licensed and registered may be driven within the Project.

7.10 Weed Control. Each Lot Owner shall, to the extent reasonably feasible, control the growth and proliferation of noxious weeds and other flammable material on his Lot so as to minimize fire and other hazards to surrounding Lots, Living Units, the Common Areas, and surrounding properties, and shall otherwise comply with any applicable ordinances, laws, rules or regulations pertaining to the removal and/or control of noxious weeds. Noxious weeds shall mean and refer to those plants which are injurious to crops, livestock, land, or the public health.

7.11 Temporary and Other Structures. Except for such trailers as may be allowed during construction pursuant to the Design Guidelines, structures of a temporary nature, trailers, basement houses, mobile homes, modular homes, prefabricated housing, tents, or shacks shall not be used at any time as a residence, either temporarily or permanently, nor shall said structures be permitted on the Property at any time. No old or second hand structures shall be moved onto any Lot, it being the intention hereof that all Living Units and other buildings erected on Lots or within the Property shall be new, permanent, on-site construction of good quality workmanship and materials.

7.12 Drainage. No Owner may interfere with the established drainage pattern over any part of the Project unless adequate provision is made for proper drainage and is approved in advance by the Architectural Review Committee. Established drainage shall mean and refer to the drainage which exists at the time they overall grading and development of the Project by Declarant is completed or which is shown on any plans of Declarant or plans approved by the Architectural Review Committee and/or Washington County.

7.13 Stoves and Fireplaces. No wood or coal burning stoves, but only natural gas stoves, shall be allowed in any Living Unit. Wood, coal or natural gas burning fireplaces are acceptable.

7.14 Native Materials. Trees, plants, rocks and other materials native to the area of the Project shall not be removed from any Lot except as may be deemed necessary by the Architectural Review Committee for the construction of a Living Unit, other authorized structure, or necessary site development and landscaping, all in conformity with the Design Guidelines, as hereinafter defined.

7.15 Storage Tanks and Utility Lines. All fuel tanks, water tanks, or similar storage facilities shall either be constructed as an integral part of a Living Unit or shall be installed or

constructed underground. All utility services, including but not limited to, phone lines, power lines, and water and sewer lines shall be located underground.

7.16 No Further Subdividing. No Lot or Common Areas may be further subdivided.

7.17 Exception for Declarant. Notwithstanding the restrictions contained in this Article VIII, until the expiration of Declarant's right to appoint the members of the Architectural Review Committee as described in Section 1 of Article VIII, Declarant shall have the right to use any Lot or Living Unit owned by Declarant, and any part of the Common Areas (including facilities or rooms in any clubhouse or other structure constructed on the Common Areas that are constructed for such intended use) reasonably necessary or appropriate, in furtherance of any marketing or sales effort relating to the Lots owned by Declarant.

7.18. Supplemental Use Restrictions Upon Expansion. In any supplement to this Restated and Amended Declaration which is recorded in conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right in its sole discretion to specify use restrictions and standards applicable to such portion. In Declarant's sole discretion, the restrictions and standards so specified may be different than or in addition to the restrictions and standards set forth in the foregoing sections of this Article.

7.19. Community-Wide Standard. Owners recognize that the Community-Wide Standard is for the benefit of the Property and that it contains both objective and subjective standards, appearances, and other factors which may evolve over time. Owners further agree to abide by the Community-Wide Standard prevailing at the Property at any given time.

VIII. ARCHITECTURAL REVIEW.

8.1. Architectural Review Committee. For a period of time beginning with the date of this Restated and Amended Declaration and terminating on the sooner to occur of twenty years from the date of this Restated and Amended Declaration, or the date on which all three of the following exist: (a) ten years have elapsed from the date of this Restated and Amended Declaration; (b) Declarant has less than ten Lots for sale in the Project; and (c) no plat is then submitted and pending before the City of St. George for approval of additional phases of the Project involving the Additional Land (the "Termination Date"); Declarant shall have the right to appoint, and shall appoint, and after the foregoing Termination Date, (the Board of Trustees of the Association shall appoint, a five-member Architectural Review Committee (the "Committee"), the function of which shall be to insure that all Living Units and other improvements within the Lots harmonize with existing surroundings and structures and comply with the requirements set forth in this Article VIII (as said requirements may be supplemented in supplement(s) to this Restated and Amended Declaration recorded in conjunction with the addition to the Project of portion(s) of the Additional Land) and the requirements set forth in that certain document entitled "Design Guidelines for Stone Cliff" (the "Design Guidelines") dated of even date herewith. The Design Guidelines have been established and developed by the Declarant as part of the development and formation of the Project, and from the date of this Restated and Amended Declaration this Committee shall have the responsibility and

obligation to administer said Design Guidelines on behalf of and for the benefit of the Association and all of the Owners in the Project. The Committee shall have the right to amend the Design Guidelines from time to time as they may deem reasonably appropriate. Any amendment to the Design Guidelines shall be approved by the Board of Trustees (the "Board") of the Association. In addition, the Board shall have the right to amend the Design Guidelines without the recommendation or approval of the Committee. Further, the Committee shall have the right to grant variances or exceptions to the Design Guidelines with respect to individual Owners, where to enforce the design Guidelines as written would impose an unreasonable and unnecessary hardship on the Owner, and provided the variance granted does not substantially or materially deter from the Project and the ambiance and character of the Project as contemplated by the Design Guidelines and this Restated and Amended Declaration. Any decision of the Committee with respect to a variance or exception may be appealed to the Board and the Board may override the decision of the committee. An individual may be member of both the Committee and the Board. The Committee need not be composed of Owners. If such a Committee is not so appointed, the Board itself shall perform the duties required of, and shall constitute the Committee. Each member of the Committee shall serve until he or she resigns or until the Declarant or the Board, as appropriate, replaces him or her with a new member.

8.2. Standards for Approval. In deciding whether to approve or disapprove plans and specifications, or any other matter, submitted to it, the Committee shall use its best judgment to insure that all improvements and construction on Lots within the Property conform to and harmonize with existing surroundings and structures and comply with the requirements of this Article VIII (as said requirements may be supplemented in supplement(s) to this Restated and Amended Declaration recorded in conjunction with the addition to the Project of portions of the additional Land), and the Design Guidelines.

8.3 Submission to Committee. No Living Unit, accessory or addition to a Living Unit, other structure or building, or fence shall be constructed or maintained, and no grading or removal of natural vegetation shall occur, on a Lot unless approved in advance by the committee. In addition, each Owner desiring to construct any Living Unit or any other structure or making any other improvement on any Lot or otherwise anywhere in the Project as a minimum shall make all of the submissions to the committee as required by the Design Guidelines, as the same may be amended from time to time.

8.4 Meetings. The Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required by this Restated and Amended Declaration or the Design Guidelines. The Committee shall keep and maintain a record of all actions from time to time taken by the Committee at such meetings.

8.5 Compensation. Unless authorized by the Board, the members of the Committee shall not receive any compensation for services rendered. Members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Committee function or duty. Professional consultants retained by the Committee shall be paid such

compensation as the Committee determines.

8.6 Amendment of Design Guidelines. The Committee may, from time to time and in its sole discretion, promulgate, adopt, amend, and repeal by unanimous vote amendments to the design Guidelines, which, among other things, interpret, supplement, implement or delete other provisions of the Design Guidelines. All such amendments by the Committee shall be approved by majority vote of the Board of Trustees. In addition, the Board of Trustees may, from time to time and of its own volition without request, recommendation or approval of the Committee, promulgate, adopt, amend and repeal, by majority vote of all members of the Board, amendments to the Design Guidelines. All such amendments, as they may from time to time be adopted, shall be appended to and made a part of the Design Guidelines and shall thereupon have the same force and effect as if they were set forth in and were a part of the Design Guidelines. Each Owner is responsible for obtaining from the committee a copy of the most recently revised Design Guidelines.

8.7 Approval Procedure. Any plans and specifications submitted to the Committee shall be approved or disapproved by it in writing within thirty (30) days after compliance with the requirement of paragraphs (a) through (d) of this Section. In the event the Committee fails to take any action (which action may include notice of reasonable extension of time for the Committee to complete its review) within such period, it shall be deemed to have approved the material submitted. Approval is conditioned upon compliance with the following procedures:

(a) The Owner concerned signing a notice indicating that he has read and understood this Restated and Amended Declaration and the Design Guidelines.

(b) The Owner concerned depositing with the Committee a Two Thousand Five Hundred Dollars (\$2,500.00) security deposit to insure compliance with the provisions of this Restated and Amended Declaration. One Thousand Dollars (\$1,000.00) of such deposit shall be refundable if all provisions of this Restated and Amended Declaration and the Design Guidelines are complied with through the completion of the Living Unit or other structure or building concerned. One Thousand Five Hundred Dollars (\$1,500.00) of said deposit shall be retained by the Association to reimburse it for plan approval costs and any excess shall be deposited into the operating account of the Association. The amount of said security deposit and the amount to be retained by the Association may be increased by the Board of Trustees of the Association without a vote of the Members and without amending this Restated and Amended Declaration, as may be reasonable in light of the cost of the Committee performing its duties.

(c) The Owner concerned with submitting such site layout plans, architectural plans, landscaping plans and other plans and materials as required by the design Guidelines.

(d) Any subsequent changes, improvements, or alterations in such plans must be submitted to the Committee for written approval.

8.8 Living Unit Restrictions. The types and colors of materials used in the construction of a Living Unit, including without limitation, the roofing material, siding material and windows, the landscaping, the minimum and maximum floor areas of Living units, the minimum and maximum floor areas and sizes of garages, the height of Living Units, the location on a Lot of a Living Unit, and the type and location of fences, shall all be governed by and shall meet the requirements set forth in the Design Guidelines.

8.9 Living Unit Construction. In order to promote a harmonious community development and protect the character of the Project, the following construction guidelines shall be complied with:

(a) Time of Construction. Construction of a Living Unit shall be completed within one (1) year of the time such construction is commenced.

(b) Landscaping. The yard of each Lot shall be fully landscaped within four (4) months from the sooner to occur of completion or occupancy of the Living Unit.

8.10 Supplemental Standards Upon Expansion. In any supplement to this Restated and Amended Declaration which is recorded in conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right in its sole discretion to specify building restrictions and standards applicable to such portion. In Declarant's sole discretion, the restrictions and standards so specified may be different than or in addition to the restrictions and standards set forth in the foregoing sections of this Article; provided, however, that the quality of construction in any such portion of the Additional Land shall be at least equivalent to the quality of construction in the first portion of the Project.

8.11 No Exception for Declarant. Declarant shall not be exempt from the provisions, restrictions, and requirements of this Article, as the same may be amended, supplemented, or replaced in accordance with the foregoing Section 10 of this Article.

8.12 No Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval or disapproval by it with respect to any request made pursuant to this Article VIII.

8.13 Governmental Approval. No Living Unit, accessory or addition to a Living Unit, other structure or building shall be constructed or maintained, and no grading or removal of natural vegetation or change in natural or approved drainage patterns shall occur, on a Lot until any required permit or required approval therefor is obtained from the city of St. George or Washington County, as appropriate (or any successor municipality) following submission to the appropriate governmental entity of such information as it may reasonably require. The granting of a permit or approval by any governmental entity with respect to any matter shall not bind or otherwise affect the power of the Committee to refuse to approve any such matter.

8.14 Option Right of Declarant. In the event an Owner of a Lot does not commence

construction of a Living Unit thereon within two years from the date the Owner acquired title to the Lot, then the Declarant shall have an option to repurchase the Lot from the Owner for a purchase price equal to the purchase price paid by the Owner for the Lot. The Declarant may exercise this option by giving written notice to the Owner at any time after the termination of said two year period and before the Owner commences construction of a Living Unit, and closing shall occur within thirty days after such notice is given. The Declarant shall have the right to specifically enforce this provision in court in the event the Owner refuses to honor the option herein granted. Upon any such purchase, the Declarant shall immediately make all normal and reasonable efforts to resell the Lot, subject to the same restrictions as set forth herein for the original sale of a Lot by the Declarant.

8.15 Lease. Any lease or rental agreement for any Living Unit shall be in writing and specifically subject to the provisions, restrictions, and requirements of this Restated and Amended Declaration, the Design Guidelines, the Plat, and the Articles. No lease shall be for a period of less than thirty (30) days. Except through amendment of the Declaration, the Association shall not create or enforce any other restriction relating to the term of a lease or rental agreement of any Lot in the Project. A copy of all leases must be filed with the property manager of the Association.

8.16 FCC Antenna and Dish Policy. Owners are encouraged to use cable service for television and internet. Satellite dishes and antennas not regulated by the FCC are prohibited. Satellite antennas, such as Direct Broadcast Satellite (“DBS”) antennas (dishes) one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed; provided the FCC regulated dish is placed in a location screened from view of the Streets. Location of an FCC approved dish may not be restricted by the Association so as to cause unreasonable delay in installation; unreasonably increase the cost of the equipment or its installation, maintenance, or use; or preclude reception of an acceptable quality signal. No dish may encroach upon the *Common Area* or the property of another Owner. The dish must comply with all applicable city, county and state laws, regulations and codes. The Association must be provided with a copy of any applicable governmental permits. Installation must be pursuant to the manufacturer’s instructions. In order to protect against personal injury and property damage, a dish may not be placed in a location where it may come into contact with a power line. In order to protect against personal injury and property damage, all dishes must be properly grounded and secured. In order to protect against personal injury, dishes may not block or obstruct any driver’s view of an intersection or Street. The Owner is responsible for all costs associated with the installation and maintenance of a dish. The Owner is responsible for all damage caused by or connected with the dish. The Owner must hold the Association harmless and indemnify the Association in the event that someone is injured by the dish. The Owner shall keep the dish in good repair so that it does not violate any portion of this Restated and Amended Declaration. An Owner must complete the notification form attached as Exhibit D and submit a copy of the completed form to the Association within five (5) business days after installing an antenna allowed pursuant to this Amendment. If requested by the Association, the Owner must establish a mutually convenient time to meet with a representative of the Association to review and discuss the antenna. In the event of a violation of this Section, the Association may bring an action for declaratory relief with the FCC or the Fifth District Court, Washington County,

after notice and an opportunity to be heard. If the FCC or Court determines that this Section is enforceable, the Owner shall pay a \$50.00 fine to the Association for each violation. If the violation is not corrected within a reasonable length of time, additional fines of \$10.00 per day will be imposed for each day that the violation continues. If an antenna poses a serious, immediate safety hazard, the Association may seek injunctive relief to compel the removal of the antenna. The Association shall be entitled to recover its reasonable attorney's fees, costs and expenses incurred in the enforcement of this Section. If any provision of this Section is ruled invalid, the remainder of these rules shall remain in full force and effect. If the FCC modifies its rules, the modified rules shall be incorporated into this Section as if fully set forth herein.

IX. ASSOCIATION INSURANCE

9.1. Hazard Insurance. The Association shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(a) A policy of property insurance shall be maintained covering all of the Common Areas and Facilities (except land, foundation excavation, and other equipment, to the extent they are part of the Common Areas, as well as common personal property and supplies owned by the Association. As a minimum, such policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risks" endorsement, where such endorsement is available. Such policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of the Common Areas of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. Such policy shall contain such deductible amount as the Board of Trustees shall determine from time to time. Funds to cover the deductible amount may be included in the reserve fund required to be maintained by the Association pursuant to Section 2 of Article V of this Restated and Amended Declaration.

(b) The name of the insured under each policy required to be maintained by the foregoing paragraph (a) shall be set forth therein substantially as follows: "Stone Cliff Owners Association, a Utah nonprofit corporation." Evidence of insurance shall be issued to an Owner or Mortgagee upon reasonable request.

(c) Each policy required to be maintained by the foregoing paragraph (a) shall contain a provision providing that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

9.2. Fidelity Bonds. The Association may maintain in force and pay the premiums for blanket fidelity bonds for all officers, directors, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association.

Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds may be, at the Association's election, required for the management agent's officers, directors, employees, and agents handling or responsible for funds of, or administered on behalf of the Association. The total amount of fidelity bond coverage required shall be based upon best business judgment. Any bonds required shall meet the following requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee," or similar terms or expressions; (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, directors, employees, and agents) shall be paid by the Association as a common expense; and (4) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

9.3. Liability Insurance. The Association shall maintain in force and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Area and Facilities, public ways in the Project, if any, and commercial spa as owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts deemed appropriate by the Board of Trustees. Nevertheless, such coverage shall not be less than Two Million Dollars (\$2,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection under such other risks as are customarily covered with respect to projects similar to the Project in construction locations, and use, including but not limited to, host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. Such policy shall, by its terms, provide for "severability of interest" or shall contain a specific endorsement to preclude the insurer's denial of an Owner's claim because of the negligent acts of the Association or any Member thereof, and shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association.

9.4. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections 1, 2, and 3 shall be in accordance with and consistent with local and State of Utah insurance law and shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where: (i) by the terms of the carrier's Restated and Amended Declaration, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders or members; or (ii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds. The provisions of this Section 4 and of the foregoing sections 1,2, and 3 shall

not be construed to limit the power or authority of the Association or any Owner to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or such Owners may deem appropriate from time to time.

X. DESTRUCTION OR CONDEMNATION OF COMMON AREAS

10.1. Definitions. The provisions of this Article X shall apply with respect to the destruction or condemnation of all or any part of the Common Areas. As used in this Article, each of the following terms shall have the meaning indicated.

(a) Destruction. “Substantial Destruction” shall exist whenever, as a result of any damage or destruction to the Common Areas or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. “Partial Destruction” shall mean any other damage or destruction to the Common Areas or any part thereof.

(b) Condemnation. “Substantial Condemnation” shall exist whenever a complete taking of the Common Areas has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the estimated costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. “Partial Condemnation” shall mean any other such taking by eminent domain or grant

(c) Restoration. “Restoration,” in the case of any damage or destruction, shall mean restoration of the Common Areas in accordance with this Restated and Amended Declaration, the Plat, and the original plans and specifications for the Common Areas to a condition the same or substantially the same as the condition in which the Common Areas existed prior to the damage or destruction concerned; in the case of condemnation, shall mean restoration of the remaining portion of the Common Areas to an attractive, sound, and desirable condition.

(d) Restored Value. “Restored Value” shall mean the value of the Common Areas (excluding raw land value) after Restoration.

(e) Estimated Costs of Restoration. “Estimated Costs of Restoration” shall mean the estimated costs of Restoration.

(f) Available Funds. “Available Fund” shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Association, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Lot for the condemnation or

taking of the Lot in which they are interested.

10.2. Determination by Board of Trustees. Upon the occurrence of any damage or destruction to the Common Areas or any part thereof, or upon a complete or partial taking of the Common Areas under eminent domain or by grant or conveyance in lieu thereof, the Board of Trustees of the Association shall make a determination as to whether the excess of estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value. In making such determination the Board of Trustees may retain and rely upon one or more qualified appraisers or other professionals.

10.3. Restoration of Common Areas. Restoration of the Common Areas shall be undertaken by the Association promptly without a vote of the Owners in the event of Partial Destruction or Partial Condemnation, and shall also be undertaken in the event of Substantial Destruction or Substantial Condemnation unless the failure to make Restoration is consented to by Members collectively holding at least sixty-seven percent (67%) of the total votes of the Association. Within thirty (30) days after the Board of Trustees has determined that Substantial Destruction or Substantial Condemnation exists, the Association shall send to each Owner a written description of the destruction or condemnation involved, and shall notice a meeting of the Members in accordance with the applicable provisions of this Restated and Amended Declaration and the Articles to determine the preferences of the Members regarding Restoration. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Association exceed the actual cost of Restoration when Restoration is undertaken, the excess shall be paid to the Association and used to offset assessments required. In the event the actual cost of Restoration exceeds Available Funds, all of the Lots shall be equally assessed for the deficiency. Regardless of the extent of destruction and the cost of Restoration, such Restoration will be accomplished if required by Washington County, as for example, in the case of destruction of a detention pond or storm sewer.

10.4. Lack of Restoration. Unless Restoration is accomplished in accordance with the foregoing Section 3, the Association shall take such action as is necessary to make the remaining Common Areas safe for the occupants and Owners of the Project and defray the costs thereof from Available Funds. In the event such Funds are insufficient for such purposes, the Owners of all Lots shall be equally assessed for the deficiency. Any remaining Available Funds shall be paid to the Association and used to offset the assessments required by Article V hereof.

10.5. Authority of Association to Represent Owners in Condemnation or to Restore. The Association, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities. The award in any condemnation proceeding, the proceeds of any settlement related thereto, and the proceeds of any insurance on the Common Areas shall be payable to the Association for the use and benefit of its Members. The Association, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore the Common Areas whenever Restoration is undertaken as provided in Section 3 of this Article or when the Common Areas are made safe as

provided in Section 4 of this Article. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate.

XI. EXPANSION OF PROJECT

11.1. Right to Expand. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof. Notwithstanding any provisions of this Restated and Amended Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Lot Owners, Mortgagee, or the Association) and shall be limited only as specifically provided in this Restated and Amended Declaration. Any given portion of the Additional Land shall be deemed added to the Project and, subject to the terms of this Article XI, to the jurisdiction of the Association at such time as a duly approved subdivision plat and a supplement to this Restated and Amended Declaration containing the information required by Section 3 of this Article XI have been recorded with respect to the portion of the Additional Land concerned. After the recordation of such supplement and plat, title to each Lot thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Common Areas shall be vested in and held by Declarant, and none of the other Lot Owners or the Association shall have any claim or title to or interest in such Lot, such Lot's appurtenant nonexclusive right and easement of use and enjoyment to the Common Areas, and such Lot's appurtenant exclusive right and easement of use and enjoyment to Limited Common Areas, if any, associated with such Lot. In addition, after the recordation of a supplement to this Restated and Amended Declaration and a new plat for the Additional Land being added, each Lot thereby created within the portion of the Additional Land concerned, as with all other Lots previously existing, shall have an equal, undivided, nonexclusive and appurtenant right and easement of use and enjoyment of the Common Areas and Facilities of the Project, as supplemented.

11.2. Rights and Statements Respecting Additional Land. Declarant hereby furnishes the following information and statements respecting the Additional Land and Declarant's right and option concerning expansion of the Project by the addition thereto of the Additional Land or a portion or portions thereof:

(a) All of the Additional Land need not be added to the Project if any part of such Additional Land is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the limits herein prescribed) and from time to time.

(b) There are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the Project.

(c) There are no limitations or requirements (other than zoning and subdivision restrictions as they may exist or be modified from time to time) relative to the layout, design,

size, location, density, permitted uses, legal structure, or other characteristics of the Lots, Living Units, Common Areas, and Limited Common Areas to be created on any portion of the Additional Land added to the Project.

(d) Any Living Unit or structure erected on a portion of the Additional Land added to the Project will be constructed in a good and workmanlike manner.

(e) In conjunction with the addition to the Project of a portion of the additional Land, Declarant shall have the right to reserve, in the instruments through which the addition is accomplished, rights-of-way and/or easements for purposes of enabling access to, furnishing utilities to, and facilitating or enabling development of, such of the Additional Land as has the not been added to the Project.

11.3. Procedure for Expansion. The supplements to this Restated and Amended Declaration by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Declarant; shall be in recordable form, shall be filed for record in the office of the County Recorder of Washington County, Utah, on or before twenty (20) years from the date that this Restated and Amended Declaration is recorded; and shall contain the following information for that portion of the Additional Land which is being added to the Project;

(a) Data sufficient to identify this Restated and Amended Declaration and the plat respecting that portion of the Additional Land being added to the Project.

(b) The legal description to identify this Restated and Amended Declaration and the plat respecting that portion of the Additional Land being added to the Project.

(c) Any amendments, supplements or replacements to the standards and restrictions set forth in Article VII of this Restated and Amended Declaration.

(d) A Statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in this Restated and Amended Declaration, as said Declaration may be amended or supplemented in accordance with the immediately foregoing Paragraph (c).

(e) A statement that Declarant agrees to convey by Quit Claim Deed to the Association, at or prior to the time it first conveys to an Owner a Lot located on the portion of the additional Land being added to Project, good and marketable title to all Common Areas situated in that portion of the Additional Land being added to the Project, free and clear of all monetary liens and encumbrances (other than the lien of current general taxes and the lien of any current assessments, charges, or taxes imposed by governmental or quasi-governmental authorities).

(f) Such rights-of-way and/or easements as are being reserved by Declarant

pursuant to Paragraph (e) of the immediately foregoing Section 2.

(g) A description of any Limited Common Areas being created within the portion of the Additional Land concerned and a statement as to whether the Association or the Owner of the Lot concerned is to maintain such Limited Common Areas.

(h) Such other matters as Declarant may deem to be necessary, desirable or appropriate.

Upon the recordation of any supplement contemplated above, it shall automatically supplement this Restated and Amended Declaration and any supplements previously recorded. At any point in time, the Restated and Amended Declaration for the Project shall consist of this Restated and Amended Declaration, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

11.4. No Obligation to Expand. Except to the extent specifically indicated herein, this Restated and Amended Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the addition to the Project of any or all of the Additional Land; (ii) the creation or construction of any Lot or other improvement; (iii) the carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken; or (iv) the taking of any particular action with respect to any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Restated and Amended Declaration concerning anything that is or is not to occur, apply, or be done nor relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Project. Further, if and when all or any part of the Additional Land is developed without adding the same to the Project before a lot therein is sold, or is made a part of any other subdivision, or planned unit development, that is not made a part of the Project, then such part of the Additional Land shall automatically cease to be Additional Land under this Restated and Amended Declaration.

11.5. Owners' Obligation Concerning Expansion of Project or Development of the Additional Land. Each Owner, by acquiring his interest in the Project, agrees not to inhibit or oppose Declarant's future development of each portion of the Additional Land (whether or not added to the Project) and the obtaining of necessary approvals therefor. Without limiting the scope of the immediately foregoing sentence, no Owner shall oppose such development in public meetings, by petition, or by legal actions.

XII. INHERENT RISKS OF CLIFFS

12.1. Assumption of Risks. By taking title to a Lot, every Owner will be deemed to be aware of and agreed to, and will be deemed to have explained and made known to said Owner's spouse, children, other relatives, visitors, invitees, guests and business associates who come into the Project to visit or at the invitation of said Owner (collectively the "Informed Person"), the facts (a)

that the Project is surrounded by cliffs; (b) that said cliffs pose inherent risks of danger, including falling from or around them and suffering injury, including without limitation, death, physical or emotional injury, paralysis or damage to person, property or third parties, all of which injuries or damage may require costly emergency evacuation and/or emergency or continuing medical care; and (c) that eliminating the risks of living in an environment such as the Project – for example, by entirely surrounding the Project with fences or walls, or by placing warning signs in every possible dangerous location – would be anathema to the Owner’s decision to live in this particular environment, and would greatly reduce the beauty of and the views from the Projects, which beauty and views the Owner is deemed to want more than the removal of such risks. Therefore, every Owner and every Informed Person shall be deemed, by virtue of coming onto the Project, to have made the voluntary decision to confront the risks posed by the cliffs, and to have accepted and assumed all of the risks posed by the cliffs surrounding the Project, whether or not such cliffs are located within the Project, including any Common Areas, or outside of the boundaries of the Project.

Nothing contained in this provision is intended to absolve the Declarant from its duty to abide by all applicable zoning and building ordinances, including when applicable, any ordinance of the City of St. George requiring the Declarant to construct walls, unless the same is waived through official action of said municipality.

12.2. Release and Indemnification. Every Owner, by taking title to a Lot, shall be deemed (a) to have released and forever discharged, and to have agreed to indemnify and hold harmless, the Association and the Declarant from any and all claims, demands, losses, damages injuries or causes of action, which are in any way connected with or result from involvement or contact with the cliffs surrounding the Project, including any such claims, demands or causes of action which allege negligent acts or omissions of the Association or the Declarant; (b) to have released the Association and the Declarant from any duty that either may have to protect the Owner from these risks, which risks Owner by taking title to a Lot, has acknowledged he or she does not want eliminated because of the detrimental impact on the aesthetics and beauty of the Project that would result from eliminating such risks; and (c) to have indemnified and held harmless the Association and the Declarant from any and all claims or causes of action which are brought by or on behalf of the Informed Persons with respect to any matters similar to those from which the Owner has released and indemnified the Association and the Declarant pursuant to the previous provisions of clauses (a) and (b) of this paragraph 2. The releases and indemnifications contained in this paragraph 2 shall include an indemnification by the Owner of the Association and the Declarant from any and all attorneys’ fees and costs incurred by either of them in enforcing their rights under the provisions of this Article XII.

12.3. Execution of Release and Indemnification. In addition to and notwithstanding the provisions of paragraph 1 of this Article XII as set forth above, each and every Owner taking title to a Lot agrees, as a condition of being a member of the Association and as a condition to being entitled to use all of the Common Areas of the Project, to execute and deliver to the Association and the Declarant a “Residents’ Agreement, Release and Acknowledgment of Risk” in the form attached hereto as Exhibit “C.” Until said document has been executed and delivered to the Association, for

the benefit of both the Association and the Declarant, by each and every person who becomes an Owner of a Lot in the Project, the Association shall have the right to disallow the use of all Common Areas, including the roads of the Project, by said Owner, it being understood that an inherent part of being an Owner in the Project is the obligation to execute and deliver said document.

12.4. Rules and Regulations. Notwithstanding the provisions of paragraphs 1, 2 and 3 of this Article XII, the Association, and its Board of Trustees, shall have the right, in furtherance of their rights and duties set out in Article III of this Restated and Amended Declaration, the Articles and Bylaws, and other law, to enact and adopt such rules and regulations governing the use of and access to the cliffs in and around the Project, and to develop such signage, trails, look-out points, walls, fences and other barriers (collectively “Signs and Barriers”), as they deem reasonable and prudent to control and maintain access to and the use of the cliffs in and around the Project. The purpose of promulgating such rules and regulations and constructing and developing any such signs and barrier will not be to eliminate the risks, or even necessarily to ameliorate the risks associated with the cliffs, it being understood that all Owners have assumed those risks pursuant to, and for the reason stated in, the provisions of paragraphs 1, 2 and 3 of this Article XII. Rather, the reason for promulgating such rules and regulations and developing such Signs and Barriers, if any are so promulgated or developed, will be to meet the desires and needs of the Members of the Association. For example, the Members of the Association may desire to minimize the impact to native vegetation in another particular point by building a look-out area pavilion. Such rules and regulations, and Signs and Barriers, will allow the Association and its Members to balance how much risk posed by the cliffs they want to face or allow to exist with impact on the aesthetics, views, vegetation and environment of the Project that occurs when rules, regulations, Signs and Barriers are developed. The Members of the Association through the ordinary operations of the Association, shall be entitled to establish this balance as they deem desirable.

XIII. MISCELLANEOUS

13.1. Enforcement. The Declarant, the Association, and any aggrieved Owner shall have a right of action, either at law or in equity, against the Declarant, the Association, or any Owner for any failure by such person or entity to comply with this Restated and Amended Declaration, the Plat, the Articles, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Restated and Amended Declaration, the Plat, or the Articles. Failure by the Declarant, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any judgment rendered in any action or proceeding pursuant this Restated and Amended Declaration shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

13.2. Unanimous Written Consent in Lieu of Vote. In any case in which this Restated and Amended Declaration requires authorization or approval of a transaction or matter the assent or affirmative vote of a stated percentage of the votes of the Association, such requirement

may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from every Member entitled to cast a vote. The following additional provisions shall govern any application of this Section:

(a) All necessary consents must be obtained prior to the expiration of one hundred eighty (180) days after the first consent is given by any Member.

(b) Any change in ownership of a Lot which occurs after consent has been obtained from the member having an interest therein shall not be considered or taken into account for any purpose.

13.3. Amendment. Except as provided in and/or subject to the terms(a) through (b) below, a majority of the votes of all Members shall be required and shall be sufficient to amend this Restated and Amended Declaration, the Plat, or the Articles. No quorum requirements exist; rather, there need only be in attendance, in person or by proxy, sufficient Members to obtain the approval and vote of a majority of all Members of the Association. Written notice setting forth the purpose of such meeting and the substance of the proposed amendment shall be sent to all Members at least ten (10) but not more than fifty (50) days prior to the meeting date. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument the Association shall certify that the vote required by this Section for amendment has occurred, and if approval of a specified percentage of Mortgagees is required for such amendment, that such approval has been obtained. The foregoing right of amendment shall, however, be subject to the following:

(a) Declarant shall have the right unilaterally to amend and supplement this Restated and Amended Declaration in conjunction with its addition to the Project of each portion of the Additional Land, all in the manner and to the extent, but only in the manner and to the extent, provided for in Article XI of this Restated and Amended Declaration.

(b) The vote of at least seventy-five percent (75%) of the total votes in the Association and the consent of Mortgagees holding Mortgages on at least seventy-five percent (75%) of the Lots which are then subject to Mortgages shall be required for any amendment which would terminate the legal status of the Project as a planned unit development.

The vote and consent requirement set forth in the foregoing paragraphs of this Section shall not be applicable to additions or amendments to this Restated and Amended Declaration the Plat, or the Articles which implement a decision concerning whether or not Restoration of the Common Areas should be undertaken or concerning the nature of such Restoration in accordance with the provisions of Sections 1 through 5 of Article X hereof in the event of Partial or Substantial Destruction of condemnation, or which relate to the addition to the Project of any portion of the Additional Land and comply with Sections 1 through 3 of Article XI hereof. In addition, the granting by the Association of any permit, license, or easement for utility or similar purposes in

Paragraph (c) of Section 4 of the Article IV hereof shall not require an addition or amendment to this Restated and Amended Declaration, the Plat, or the Articles and shall not be restricted in anyway by the provisions and requirements of this Section 5.

13.4. Mortgagee Protection. The lien or claim against a Lot for unpaid assessments or charges levied by the Association pursuant to this Restated and Amended Declaration shall be subordinate to any Mortgage recorded on or before the date such assessments or charges become due. In the event that the State of Utah should enact the Uniform Planned Community Act or any other statute applicable to planned unit developments with a provision that would allow such assessments or charges, including special assessments, to have a limited priority over a Mortgage recorded before such assessments or charges became due, or in the event that the State of Utah should enact any law which would allow a lien for unpaid assessments or charges to survive foreclosure or exercise of a power of sale, all such assessments and charges, including special assessments, shall after the date of such enactment be made due and payable to the Association on a monthly basis and the lien for any fees, late charges, fines or interest that may be levied by the Association in connection with such unpaid assessments or charges shall be deemed subordinate to the Mortgage on the Lot upon which such assessments or charges are levied.

The lien or claim against lot for such unpaid assessments or charges shall not be affected by any sale or a foreclosure of the Mortgage affecting such Lot or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments of charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Lots as common expenses of the Association. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Lot from liability for, nor such Lot from the lien of, any assessment or charges becoming due thereafter.

The Association shall make available to Lot Owners, to Mortgagees, and to holders, insurers, or guarantors of any Mortgage, current copies of this Restated and Amended Declaration, the Design Guidelines, the Plat, the Articles, any rules and regulations concerning the Project, and the books and records and financial statements of the Association. "Available", as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

13.5. Indemnification.

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee or officer of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action or proceeding, had no reasonable cause to believe his conduct was unlawful. The

termination of any action, suit or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he believed to be in and not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, shall not, of itself, create a presumption that the person had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that said person is or was a Trustee or officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he believed to be in and not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue, been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

(c) The following provisions shall govern and apply to the right of indemnification set forth in this paragraph 5:

(i) Any person seeking indemnification from the Association under paragraph (a) of this paragraph 5 as a result of being made a party to or being threatened to be made a party to any action suit, or proceeding shall, within a reasonable time and before taking any significant or material action with respect to such action, suit or proceeding, notify the Association in writing with respect thereto and provide to the Association the opportunity to reasonably participate in such person's defense thereto and any settlement thereof. Failure to comply with the requirements of this subparagraph (i) shall bar any claim of such person for indemnification by the Association.

(ii) To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in paragraph (a) or (b) of this paragraph 5, or in defense of any claim, issue, or other matter therein, he shall be indemnified against expenses (including attorneys' fee) actually and reasonably incurred by him in connection therewith. Any other indemnification under paragraph (a) or (b) shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in paragraph (a) or (b). Such determination shall be made either by the Board of Trustees of the Association by the affirmative vote of at least a majority of the

disinterested trustees, or by the Members by the affirmative vote of at least a majority of the total votes of the Association at any meeting duly called for such purpose.

(iii) Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in paragraphs (a) and (b) may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a determination by the Board of Trustees of the Association by the affirmative vote of at least a majority of the disinterested Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by paragraphs (a) and (b).

(iv) The indemnifications provided for by paragraphs (a) and (b) shall not be deemed exclusive of any other rights to which those persons indemnified may be entitled under any agreements, by a vote of disinterested Members or Trustees, or otherwise, as to action in such persons official capacity. The indemnification authorized by paragraphs (a) and (b) shall apply to all present and future Trustees and officers of the Association and shall continue as to such persons who cease to be Trustees or officers of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

(v) The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee or officer of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

13.6. Declarant's Rights Assignable. All of the rights of Declarant under this Restated and Amended Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment.

13.7. Interpretation. The captions which precede the Articles and Section of this Restated and Amended Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Restated and Amended Declaration shall not affect the validity or enforceability of the remainder hereof.

13.8. Covenants to Run with Land. This Restated and Amended Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all parties who

hereafter acquire any interest in a Lot or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Lot or Living Unit shall comply with, and all interests in all Lots and in the Common Areas shall be subject to, the terms of this Restated and Amended Declaration and the provisions of any rules, regulations, agreements, instruments, amendments, and determinations contemplated by this Restated and Amended Declaration. By acquiring any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Restated and Amended Declaration.

13.9. Effective Date. This Restated and Amended Declaration, any amendment or supplement hereto, and any amendment to the Plat shall take effect upon its being filed for record in the Office of the County Recorder of Washington County, Utah.

13.10. Fines. The Association may assess a fine against a Lot Owner (and an agent for the Lot Owner, such as a contractor, to the extent the agent is in privity of contract with the Association) for a violation of this Restated and Amended Declaration, the Design Guidelines, Bylaws, Resolutions of the Board, and Rules and Regulations of the Association (as used herein collectively “governing documents”). The Association may assess the fine against the Owner for the Owner’s violations and the violations of the Owner’s family members, guests, friends and invitees. Before assessing a fine, the Association shall:

- (a) notify the Lot Owner of the violation;
- (b) inform the Lot Owner that a fine will be imposed if the violation is not remedied within the time provided in the Association’s governing documents, which shall be at least 48 hours;

An assessment of a fine will be made only for a violation of a rule, covenant, condition, or restriction that is specifically listed in the Association’s governing documents, and will be in the amount specifically provided for in Schedule of Fines adopted by a Resolution of the Board for that specific type of violation or in an amount commensurate with the nature of the violation. A fine will accrue interest at the rate of 18% percent per annum and a late fee of \$25 per month for each month the fine is unpaid; the rate of interest and late fee may be changed by resolution of the Board. Any unpaid fines may be collected as an unpaid assessment.

A Lot Owner who is assessed a fine may request an informal hearing to protest or dispute the fine within fourteen (14) days from the date the fine is assessed. If a hearing is requested, it shall be conducted in accordance with standards provided in the Association’s Bylaws and if no standards are provided the Bylaws then according to Robert’s Rules of Order. No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

IN WITNESS WHEREOF, the President of the Association hereby represents that this

Restated and Amended Declaration was approved and adopted by a majority of all the votes of all the Members of the Association at a meeting duly called and held for that purpose on the ____ day of _____, 2007.

EXECUTED by the President of the Association this _____ day of _____, 200__

STONE CLIFF OWNERS ASSOCIATION, INC.:

By: _____
_____ (print name)

Its: President

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this _____ day of _____, 2007, before me personally appeared _____, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (of affirmed), did say that he is the President of Stone Cliff Owners Association, Inc., and that the foregoing document was signed by him on behalf of the Corporation by authority of its Bylaws, Articles, or resolution of the Board of Directors and he acknowledged before me that he executed the document on behalf of the Corporation and for its stated purpose.

NOTARY PUBLIC

Residing at:

EXHIBIT A
[DESCRIPTION OF ALL LOTS OF ALL RECORDED PLATS]

EXHIBIT B
[DESCRIPTION OF THE ORIGINAL EXPANDABLE PROPERTY,
LESS AND EXCEPTING ALL RECORDED LOTS]

EXHIBIT “C”
RESIDENTS’ AGREEMENT, RELEASE
AND ACKNOWLEDGMENT OF RISK

In consideration of the past, present and future services and assets provided by Stone Cliff, L.C. (The “Developer”), the developer of Stone Cliff, a planned unit development (“Stone Cliff”), and by the Stone Cliff Owners Association, Inc. (The “Association”), and their agents, members, partners, managers, officers, trustees, volunteers, employees, and all other persons or entities acting in any capacity on their behalf, and as additional consideration for the opportunity to purchase a Lot in Stone Cliff, I hereby agree to release, discharge and indemnify the Association and the Developer on behalf of myself, my children, parents, heirs, assigns, invitees, guests, personal representatives and estate, as follows:

1. I acknowledge that residing in the Stone Cliff development, and thereby being a member of the Association, signifies my choice to live in a natural environment which is intended to be as undisturbed as possible and which offers – by virtue of its location atop a towering plateau – wide open and spectacular views.
2. I have physically explored and studied Stone Cliff and I acknowledge that the development is surrounded by cliffs that present potential dangers. I acknowledge that these cliffs pose inherent risks of falling from or around them. I understand that any injury suffered in such a fall may cause death, physical or emotional injury, paralysis, or damage to myself, to property, or to third parties, and/or may require costly emergency evacuation and/or emergency or continuing medical care.
3. Furthermore, I understand and acknowledge that eliminating the risks of living in an environment such as Stone Cliff – for example, by entirely surrounding the development with fences, or by placing warning signs in every particularly dangerous location – would be anathema to my choice to live in this particular environment, and would greatly reduce the beauty of and the views from the development, which I would not want to happen.
4. Therefore, I expressly agree and promise to accept and assume all of the risks posed by the cliffs surrounding Stone Cliff. My choice is purely voluntary, and I elect to do so in spite of the risks.
5. Further, I hereby voluntarily release, forever discharge, and agree to indemnify and hold harmless the Association and the Developer from any and all claims, demands, losses, damages, injuries or causes of action, which are in any way connected with or result from involvement or contact with the cliffs surrounding Stone Cliff, whether on private land or within common areas of Stone Cliff, *including any such claims, demands, or causes of action which allege negligent acts or omissions of the Association or the Developer*. I understand that I am releasing the Association and Developer from any duty to protect me from these risks, which risks I acknowledge I do not wish to have eliminated because of the negative and detrimental impact on the aesthetics and beauty of Stone Cliff that would result from eliminating such risks.

6. In consideration of my minor children, whether now existing or yet to be born, being permitted to live in Stone Cliff and to enjoy the common areas of this development, I further agree to indemnify and hold harmless the Association and the Developer from any and all claims which are brought by or on behalf of those children in respect of those matters from which I have released and indemnified the Association and the Developer pursuant to the provisions of paragraph 5 above.

7. In consideration of my guests and invitees, including without limitation my relatives, friends, acquaintances, and business associates, being permitted by the Association and its governing rules to visit Stone Cliff and to enjoy this development, including its common areas. I further agree to indemnify and hold harmless the Association and the Developer from any and all claims which are brought by or on behalf of those guests and invitees in respect of those matters from which I have released and indemnified the Association and the Developer pursuant to the provisions of paragraph 5 above.

8. Should the Association or the Developer or anyone acting on their behalf, be required to incur attorney's fees and costs to enforce this agreement, I agree to indemnify and hold them harmless for all such fees and costs.

9. I certify that I have adequate insurance to cover any injury or damage I may cause or suffer because of the cliffs surrounding Stone Cliff, or on account of my obligations under this document, or else I agree to bear the costs of such injury or damage myself. I further certify that I have no medical or physical conditions which could interfere with my safe enjoyment of the cliffs surrounding Stone Cliff, or else I am willing to assume - and bear the costs of - all risks that may be created, directly or indirectly, by any such conditions.

By signing this document, I acknowledge that if anyone is hurt or property is damaged as a result of the inherent risks of my choice to live at Stone Cliff, I may be found by a court of law to have waived my right to maintain a lawsuit against the Association or the developer on the basis of any claim from which I have released them herein.

I have had sufficient opportunity to read this entire document. I have read and understood it, and I agree to be bound by its terms.

Resident's Signature: _____

Print Name: _____

Address: _____

Phone: _____

Date: _____

EXHIBIT "D"

Notice of Installation of Antenna
on Individually-Owned or Exclusive-Use Area

Homeowner(s): _____

Address: _____

Phone (Day) _____ (Evening) _____

Type of Antenna: _____

Direct broadcast satellite 18-inch Other Size _____

Television broadcast

Multi-point distribution service Size _____

Internet Size _____

Company Performing Installation _____

Identify Installation Location: Patio Rear Deck Balcony
Other Indicate "other:" _____

Date Installation Performed: _____

Please indicate the method of installation.

Will the installation be in compliance with all Association guidelines (which include manufacturers' guidelines and applicable building codes)? Yes No

Please provide three days and times for which you are available to meet with us to discuss antenna installation. At this meeting, you will need to provide information supporting the necessity for non-routine installation.

I will comply with all of the Association's rules for installing, maintaining, and using antennas. I assume liability for any damage to Association and other owners' property that occurs due to antenna installation, maintenance, and use.

Signed: _____ Date: _____