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MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
PINEBROOK
A MASTER PLANNED DEVELOPMENT
SUMMIT COUNTY, UTAH

March 25, 1991

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MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
PINEBROOK
A MASTER PLANNED DEVELOPMENT
SUMMIT COUNTY, UTAH

THIS DECLARATION OF MASTER COVENANTS, CONDITIONS AND RESTRICTIONS is made and executed effective as of March ____, 1991 by PINEBROOK DEVELOPMENT COMPANY, a Utah corporation, with a mailing address of EAB Plaza, East Tower 13th Floor, Uniondale, New York 11556-0121 (hereinafter called the Declarant").

RECITALS:

A. Declarant is the owner of the property located in Summit County, Utah more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Property").

B. The Property is a substantial portion of the land covered by the Pinebrook Master Plan (hereinafter called the "Master Plan") originally approved by the Summit County Planning Commission in 1979 and most recently extended for five years by the Summit County Planning Commission on May 9, 1989. The area covered by the Master Plan (hereinafter called the "Planned Area") is designated in the plat of the Master Plan attached as Exhibit "B" hereto and made a part hereof.

C. Some development has already taken place on the Planned Area as Subdivisions, Condominiums and Planned Unit Developments. These developments are set out in Exhibit "C" attached hereto and made a part hereof (hereinafter called "Existing Developments"). Also, some of the Planned Area not included in the Existing Developments is owned by parties other than Declarant (which property is hereinafter called "Other Property"). The Existing Developments and Other Property are not committed to or bound by this Declaration but may be annexed and become committed to and bound by the provisions of this Declaration as hereinafter provided.

D. This Declaration is intended to provide for the development of the Property as provided by the Master Plan and accommodate the mix of land uses provided in the Master Plan, including open space, and to protect the natural beauty, quality, desirability and attractiveness of the Project (as hereinafter defined).

E. It is expected that the future development of the Project will result in declarations of covenants, conditions and restrictions for individual Phases of Development (as hereinafter defined). This Declaration is not intended to preempt or take the place of the

Phase Declarations (as hereinafter defined) for the Phases of Development but is intended to supplement such Phase Declarations and to provided for a common scheme of development with common or shared interests in the open spaces and improvements. This Declaration is designed to complement local government regulations, and to the extent conflicts occur, the more restrictive requirement shall apply.

F. Pinebrook Master Association, a non profit corporation, has been or will be incorporated under the laws of Utah, (hereinafter called the "Master Association") in order to allow for the common control, management and ownership of the Master Association Property (as hereinafter defined) and improvements that may be made on the Master Association Property for the benefit of all of the Phases of Developments to be developed on the Project as well as any Existing Developments and Other Property that may hereafter be annexed to the Project. Sub-Associations (as hereinafter defined) will be formed for the Phases of Development of the Project.

NOW THEREFORE, it is hereby declared that the Property is held and shall be held, sold, conveyed, developed, improved, leased, encumbered, occupied and used subject to this Declaration as to the following covenants, conditions, restrictions, reservations, limitations, easements, liens and charges, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Project and in furtherance of the protection, maintenance, subdivision, development, improvement, sale and lease of the Project in accordance with the Master Plan. The provisions of this Declaration shall be for the mutual benefit of all owners of the Property and shall constitute covenants to run with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, the Master Association, its successors and assigns, and all subsequent owners of all or any part of the Property, together with their grantees, successors and assigns.

I. DEFINITIONS

1.1. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the following meanings when used in this Declaration:

(a) "Annexable Area" shall mean the portion of the Planned Area included in Existing Developments and Other Property.

(b) "Annexed Property" shall mean any Annexable Area or other real property annexed to the Project as provided in Article II of this Declaration.

(c) "Articles" shall mean the Articles of Incorporation of the Master Association filed or to be filed in the Utah Division of Corporations and Uniform Commercial Code, as such Articles may be amended from time to time.

(d) "Board" shall mean and refer to the Board of Trustees of the Master Association as duly elected in accordance with the Articles and Bylaws.

(e) "Bylaws" shall mean the Bylaws of the Master Association, as such Bylaws may be amended from time to time.

(f) "Delegate" shall mean a natural person selected to represent a Delegate District and to cast votes on behalf of all Owners within such Delegate District as provided in Section 4.3 of this Declaration.

(g) "Delegate District" Shall mean a Phase of Development or other group of Members established by this Declaration, or hereafter established by the Board, from which a Delegate is chosen to represent the collective voting power of the Owners as provided in Section 4.3 of this Declaration.

(h) "Declarant" shall mean Pinebrook Development Company and/or any of its successors or assigns which may acquire ownership of the Project or any part thereof and where Pinebrook Development Company's rights as Declarant hereunder are assigned or otherwise pass by operation of law.

(i) "Declaration" shall mean this instrument as it may be amended from time to time as herein provided.

(j) "Design Review Committee" or "Committee" shall mean the committee to be created pursuant to Article VII of this Declaration.

(k) "Design Guidelines" shall mean the guidelines and rules promulgated by the Design Review Committee as provided in Section 7.2 of this Declaration.

(l) "Equivalent Unit" shall mean the Equivalent Unit(s) assigned to commercial property and residential rental apartments for voting, assessment and other purposes as provided in Section 2.3 of this Declaration. Equivalent Unit may also mean the commercial property and/or residential rental apartments to which such Equivalent Units attach.

(m) "Existing Development" shall mean and refer to each development that has taken place on the Planned Area as of the date of this Declaration as set out in Exhibit "C" to this Declaration.

(n) "Limited Use Property" shall mean any property (including improvements thereon) for the common use and benefit of some but not all Members under an arrangement between the Master Association and more than one Sub-Association or any other group of Members, other than a single Sub-Association, for common areas and facilities or amenities to be owned and/or managed by the Master Association for the benefit and use of less than all Members of the Master Association.

(o) "Master Association" shall mean the Pinebrook Master Association that has been or will be incorporated as referred to in Recital F of this Declaration.

(p) "Master Association Documents" shall mean this Declaration, the Articles and Bylaws and all rules and regulations adopted by the Master Association under this Declaration, including, by way of example and not limitation, the Design Guidelines and the rules and regulations relating to the use of the Master Association Property.

(q) "Master Association Property" shall mean the property (including improvements thereon) owned and/or managed by the Master Association for the common use and benefit of all Members of the Master Association.

(r) "Member" shall mean and refer to every person or entity holding a membership in the Master Association as provided herein.

(s) "Mortgage" shall mean any deed of trust, mortgage or other security instrument by which a Unit, Equivalent Units or any part thereof are encumbered.

(t) "Mortgagee" shall mean any beneficiary, holder or mortgagee under a Mortgage or any successor in interest of such beneficiary, holder or mortgagee.

(u) "Open Space" shall mean the portion of the Project designated on the Master Plan as "Open Space" as that designation may be changed from time to time by amendment of the Master Plan.

(v) "Other Property" shall mean property in the Planned Area other than the Property and property included in the Existing Developments.

(w) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, including Declarant, of a fee simple record title to any Unit, including contract sellers but excluding those having such interest merely as security for the performance of an obligation and shall not include any Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. Owner shall also mean any owner of undeveloped portions of the Property and owners of any commercial development or residential rental apartments to which assessable Equivalent Units are attached.

(x) "Participating Developer" shall mean a Person, other than Declarant or its successors, who acquires a portion of the Property for the purpose of improving such portion for resale or lease to the general public.

(y) "Person" shall mean a natural person, a corporation, a partnership, a trustee or any other legal entity.

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(z) "Phase Declaration" shall mean the declaration of covenants, conditions and restrictions for each Phase of Development on the Project and all amendments thereto and all supplementary declarations used to annex additional property to such Phase of Development.

(aa) "Phase of Development" shall mean each subdivision, condominium project, planned unit development project or other development, and any combination or additions to the same, located on the Project that is covered or governed by a separate Phase Declaration and has a separate Sub-Association.

(bb) "Planned Area" shall mean all of the property covered by the Master Plan, which includes the Property, Existing Developments and Other Property.

(cc) "Project" shall mean the Property and all Other Property, Existing Developments, Units and additional real property hereafter annexed to and made subject to this Declaration and to the jurisdiction of the Master Association pursuant to Article II of this Declaration.

(dd) "Property" shall mean the real property described in Section 2.1 of this Declaration.

(ee) "Sub-Association" shall mean the owners association formed or to be formed for each Phase of Development to have the responsibility and to fulfill the purposes set out in the Phase Declaration for the Phase of Development and/or the owners association for any Existing Development that is annexed into the Project, and the successors and assigns of each such association.

(ff) "Sub-Association Architectural Committee" or "Architectural Committee" shall mean any architectural control committee, however designated, which is responsible for approving construction, improvements and landscaping for a Phase of Development pursuant to a Phase Declaration.

(gg) "Unit" shall mean any residential lot, condominium unit, or other residential unit, other than a residential rental apartment unit, whether attached or unattached, or parcel of land, other than common areas, shown on the recorded subdivision plat or plat of condominium for any Phase of Development in the Project.

II. DEVELOPMENT OF PROJECT - ANNEXATION

2.1. Development of Project in Accordance With Master Plan. It is Declarant's intent (but not an obligation) that the Project, and all portions thereof, be developed and used in accordance with the Pinebrook Master Plan. Declarant reserves the right to seek the approval of any amendment of the Pinebrook Master Plan as it affects the

Property and upon any such amendment, the Project shall be developed in accordance with the Master Plan as so amended.

2.2. Phases of Development. As any portion of the Property is developed as single-family or multi-family residential units, Declarant or Participating Developer, shall, with respect thereto, record a Phase Declaration or an amendment or supplement to an existing Phase Declaration annexing the property being developed into an existing Phase of Development. All Phase Declarations shall be subject to this Declaration and shall incorporate this Declaration therein by reference. Such Phase Declaration shall designate the areas affected and may impose such further or more restrictive conditions, covenants, restrictions, land uses and limitations as Declarant or the Participating Developer may deem advisable, taking into account the particular requirements of each Phase of Development. This Declaration shall control in the event of any conflict between any Phase Declaration and the provisions of this Declaration, although such documents shall be construed to be consistent with one another to the extent possible. The inclusion in any Phase Declaration of conditions, restrictions, covenants, land uses and limitations which are more restrictive or more inclusive than the restrictions contained in this Master Declaration shall not be deemed to constitute a conflict with the provisions of this Master Declaration. A Phase Declaration for each Phase of Development of the Project shall provide for the establishment of a Sub-Association, with all Owners of Units within the Phase of Development to be members of the Sub-Association. As each Phase of Development is developed, title to and control over the common areas within the Phase of Development, if any, shall be transferred to the Sub-Association in accordance with the provisions of the Phase Declaration.

2.3. Non-residential Development. Those portions of the Project that are designated for commercial or residential rental apartment purposes under the Master Plan, as the same may be amended from time to time, are not required to be included in a Phase of Development. Commercial property that is developed shall be assigned "Equivalent Units" on the basis of five Equivalent Units per acre. Residential rental apartments built on the Project shall be assigned Equivalent Units on the basis of one Equivalent Unit for each four apartment units plus one Equivalent Unit for any extra one to four units. Equivalent Units shall be treated the same as other Units for voting and assessment purposes and, except as this Declaration may otherwise provide, for other purposes under this Declaration.

2.4. Designation and Conveyance of Master Association Property. Declarant and its successors shall convey the Open Space, as required by the Master Plan, to the Master Association in such portions and at such time as Declarant shall determine as the Project is developed and additional Members are added to the Master Association. Declarant will convey to the Master Association fee title to the first portion of the Open Space within 30 days of conveyance of the first Unit to a Person other than Declarant or a Participating Builder. It is the intent of Declarant that additional parcels of the Open Space be conveyed to the Master Association in such parcels and at such times that the taxes and other costs of ownership of the Master Association Property by the Master Association can be met by assessing the Members within the assessment limits set out in Article VI of this Declaration.

Declarant may convey more of the Open Space to the Master Association than the Master Association can carry and maintain with the Common Assessments of the Members at any point in time and help with such costs as provided in Article VI of this Declaration. Declarant may also grant to the Master Association a non-exclusive easement for the use, care and maintenance of the Open Space prior to conveyance of fee title to the Master Association. The Master Association shall accept title to all Property conveyed to it by Declarant.

2.5. Limited Use Property. Declarant or a Participating Developer may convey Limited Use Property to the Master Association for the common use and benefit of some but not all Members. Two or more Sub-Associations or another identifiable group of Members, other than a single Sub-Association, may convey to Master Association or may enter into an agreement with the Master Association to manage common areas and facilities or amenities for the benefit and use of less than all Members of the Master Association. All of the costs associated with the ownership, operation, maintenance, repair, replacement and insurance of Limited Use Property shall be assessed against the Owners of Units and Equivalent Units in only those Sub-Associations or other groups of Members committed to and benefited or served by such Limited Use Property. If Limited Use Property is for Members of Sub-Associations, the Sub-Associations' documents shall indicate that Units within the applicable Phases of Development are subject to Limited Use Assessments. If Limited Use Property benefits any group of Members other than Sub-Associations, a document shall be recorded which identifies the Limited Use Property and the Units and Equivalent Units subject to Assessment for the Limited Use Property and which contains a statement that such Units and Equivalent Units shall be subject to Limited Use Assessments.

2.6. Annexation of Annexable Area. The owner or owners of any portion of the Other Property may, with Declarant's written consent so long as Declarant is a Class B Member, and thereafter with the consent of the Master Association, from time to time, annex all or any portion of the Other Property to the Project by recording a Notice of Annexation as provided in Section 2.7. Existing Developments may be from time to time be annexed to the Project upon the recording of a Notice of Annexation as provided in Section 2.7 signed by the owners association for the Existing Development and by all owners of Units or other property within the Existing Development to be annexed. Individual owners of Units in an Existing Development that has not been annexed may cause their individual Units to be annexed by recording a Notice of Annexation covering its Unit as provided in Section 2.7. Existing Developments and individual Units within an Existing Development may be annexed without the consent of the Master Association, the Members or the Declarant. Upon the recording of a Notice of Annexation covering any portion of the Annexable Area and containing the provisions set forth in Section 2.7, the covenants, conditions and restrictions contained in this Master Declaration shall apply to the Annexed Property and the Annexed Property shall be subject to the jurisdiction of the Master Association in the same manner as if such Annexed Property were originally covered by this Master Declaration and constituted an original portion of the Project. Thereafter the rights, privileges, duties and liabilities of the parties to this Master Declaration with respect to the Annexed Property shall be the same

as with respect to the Property, and the rights, obligations, privileges, duties and liabilities of the Owners, lessees and occupants of Units within the Annexed Property shall be the same as in the case of the Units originally covered by this Master Declaration.

2.7. Notice of Annexation of Annexable Area. The Notice of Annexation referred to in subsection 2.6 shall contain: (i) a reference to this Master Declaration which shall state the date, and book and page of its recordation, along with any other relevant recording data; (ii) a statement that the provisions of this Master Declaration as set forth herein shall apply to the Annexed Property; (iii) an exact legal description of the Annexed Property; and (iv) the acknowledged signature of all owners of the Annexed Property. If the Annexed Property is Other Property, the Notice of Annexation must also contain the written and acknowledged consent of Declarant, for so long as Declarant is a Class B Member, and thereafter the written consent of the Master Association.

2.8. Withdrawal of Property. Declarant, or its successor, reserves the right to unilaterally amend this Declaration to withdraw any of the Property not theretofore included in a Phase of Development or conveyed to the Master Association for the purpose of excluding the withdrawn property from the provisions of this Declaration so long as the Master Plan is also amended to exclude the land to be withdrawn.

2.9. Annexation of Additional Real Property. The owner of real property in the vicinity of the Project, other than the Annexable Area, may annex its property to the Project with the consent of the Master Association and, so long as Declarant is a Class B Member, the consent of the Declarant. Approval by the Master Association to the annexation of real property other than the Annexable Property shall require the affirmative vote of a majority of the votes of the Association represented at a meeting duly called for such purpose. If the annexation of the additional land is approved by the Master Association and Declarant, the annexation shall be effected by recording a Notice of Annexation which shall contain: (i) a reference to this Master Declaration which shall state the date, county, and book and page of its recordation, along with any other relevant recording data; (ii) a statement that the provisions of this Master Declaration as set forth herein shall apply to the property being annexed; (iii) an exact legal description of the property being annexed; (iv) the acknowledged signature of all owners of the property being annexed; and (v) the written and acknowledged consent of the Master Association and, so long as Declarant is a Class B Member, the written and acknowledged consent of Declarant.

III. MASTER ASSOCIATION PROPERTY

3.1. Member's Easement of Enjoyment. Every Owner and other Member shall have a non-exclusive right and easement of use and enjoyment in and to the Master Association Property, which easement shall be appurtenant to and shall pass with title to every Unit and Equivalent Unit subject to the following provisions:

(a) The right of Declarant or any Participating Developer to designate and convey to the Master Association additional Master Association Property pursuant to Article II of this Declaration.

(b) The right of the Master Association to establish uniform rules and regulations pertaining to the use of the Master Association Property and any recreational and other facilities located thereon and to prohibit access to portions of the Master Association Property, such as landscaped rights of way, not intended for use by the Members. The rules and regulations shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Master Association Property or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Members.

(c) The right of the Master Association to charge Members uniform and reasonable admission and other fees for the use of any facilities situated upon the Master Association Property.

(d) The right of the Master Association to permit non-members to use the Master Association Property and any facilities situated on the Master Association Property upon the payment of fees established by the Board.

(e) The right of the Master Association to improve that Master Association Property by constructing facilities and improvements, by replacing, refurbishing, reconstructing or repairing any improvement, destroyed trees or other vegetation on Master Association Property and by planting trees, shrubs and ground cover thereon, and the right of the Master Association to close or limit the use of portion of the Master Association Property, while repairing and maintaining the same.

(f) The right of the Master Association, with the affirmative vote of two-thirds of the voting power of the Master Association, to borrow money for the purpose of improving the Master Association Property and facilities and in aid thereof, to mortgage, pledge or deed in trust any or all of its real or personal property as security for money borrowed or debts incurred.

(g) The right of the Master Association to suspend the right of any Member and the persons deriving such rights from any Member to use the Master Association Property (i) for any period during which any assessment against such Member's Unit remains unpaid and delinquent; (ii) for a period not to exceed 60 days for any infraction of this Declaration or other Master Association Documents; and (iii) for successive 60 day periods if any such infraction is not corrected during any prior 60 day suspension period.

(h) The right of the Master Association to transfer or grant to Declarant, Participating Builders, public agencies, authorities or utilities easements, licenses, permits or rights of way in, on or over the Master Association Property for public utilities, roads and/or for other purposes consistent with the intended use of the Master Association

Property or as provided in the Master Plan and this Master Declaration and reasonably necessary or useful for the proper development, use, maintenance or operation of the Project, which are intended to benefit the Project and which do not have any substantial adverse effect on the enjoyment of the Master Association Property by the Members. The right of the Master Association hereunder is concurrent with the rights of Declarant reserved in Section 3.3.

(i) The right, but not the obligation, of Declarant and of Participating Builders, with Declarant approval, to construct improvements on the Master Association Property at any time and from time to time for the improvement and enhancement thereof and for the benefit of the Master Association and Owners, so long as such construction does not directly result in an increase in the then current and applicable Common Assessments by more than the amount allowed in Article VI. Declarant and any Participating Builder shall convey or transfer such improvements to the Master Association and the Master Association shall be obligated to accept title to, care for and maintain the same.

(j) The right of Declarant and its sales agents, prospective customers, guests and representatives, and of any Participating Developer, with the written consent of the Declarant, to the non-exclusive use of the Master Association Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, exhibit purposes and other purposes deemed useful by Declarant, the Participating Developer and their representatives in advertising and promoting the Project, subject to the time limitations set forth in Section 11.5 hereof. Such use shall not unreasonably interfere with the rights of enjoyment of the Members as provided herein.

(k) The right of Declarant and any Participating Developer to an easement for encroachments over the Master Association Property created by construction and overhangs as designed or constructed by Declarant or such Participating Developer and for settling, shifting and movement of any portion of the improvements thereon. A valid easement for such encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Master Association Property. Encroachments referred to herein include, but are not limited to, encroachments caused by: (i) error in the original construction of any improvements constructed on the Project by Declarant or such Participating Developer; (ii) error in any recorded plat or map; (iii) settling, rising or shifting of the earth; or (iv) changes in position caused by repair or reconstruction of any improvement.

3.2. Delegation of Use. Any Owner may delegate, subject to reasonable rules and regulations adopted by the Board and in accordance with any applicable provisions of the Bylaws, his right of enjoyment to the Master Association Property and the facilities thereon to the members of his family, his tenants, or contract purchasers under a recorded installment sale contract who reside in or occupy his Unit subject to the provisions of Section 4.2. hereof. Guests of an Owner may use the Master Association Property and the facilities thereon only in accordance with the rules and regulations adopted by the Board, which rules

and regulations may limit the number of guests who may use the Master Association Property and the facilities thereon. The Board may also promulgate rules and regulations limiting the use of the Master Association Property and facilities thereon to one co-owner and his immediate family with respect to any Unit in co-ownership.

3.3. Easement Rights of Declarant. Declarant reserves to itself the right, for so long as it retains its Class B Membership, to establish by declaration or to grant to others easements, licenses, permits or rights of way in, on or over the Master Association Property for public utilities, roads and other purposes reasonably necessary or useful for the proper development, use, maintenance or operation of the Project which do not have any substantial adverse effect on the enjoyment of the Master Association Property by the Members. Declarant also reserves to itself and grants to Participating Developers, with the consent of Declarant, an easement for access, ingress, and egress over, in, upon, under, and across the Master Association Property, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's and Participating Developer's construction on the Project; provided, however, that no such rights or easements shall be exercised in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Member to any recreational facility located on the Master Association Property.

3.4. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Master Association, nor release his Unit or Equivalent Units owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the Master Association Property and the facilities thereon or by abandonment of his Unit or Equivalent Units.

3.5. Transfer of Title to Master Association Property upon Dissolution of the Master Association. In the event of the dissolution of the Master Association, the Master Association Property shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the Bylaws, the Articles or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Master Association Property shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Master Association and improvements on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth in Article VI of this Declaration. To the extent the foregoing is not possible, the Master Association Property shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners.

IV. MEMBERSHIP IN MASTER ASSOCIATION

4.1. Membership. Members of the Master Association shall be (i) Declarant (irrespective of whether Declarant is the Owner of a Unit), for so long as Declarant is a Class B Member pursuant to Section 4.2 of this Article, and (ii) each Owner (including Declarant and any Participating Developer) of one or more Units subject to assessment in any Phase of Development; and (iii) each Owner (including Declarant and any Participating Developer) of residential rental apartments and commercial property to which Equivalent Units have attached pursuant to Section 2.3. The Person or Persons who constitute the Owner of a Unit or Equivalent Unit shall automatically be the holder of the Membership in the Master Association, which Membership shall be appurtenant to the Unit or to the commercial property or residential rental apartments to which Equivalent Units have attached. Such Membership shall automatically pass with fee simple title to the Unit and Equivalent Units. Ownership of a Unit or Equivalent Unit shall be the sole qualification for an Owner's Membership in the Master Association. Declarant shall hold a separate Membership in the Master Association for each Unit or Equivalent Unit owned by Declarant. Except for Declarant's Class B Membership, Membership in the Master Association shall not be assigned, transferred, pledged or alienated in any way separate and apart from the transfer of fee simple title to a Unit or Equivalent Unit. Declarant's Class B Membership may not be partially assigned or held by more than one entity and may not be transferred except to a successor to Declarant's rights to all or a portion of the Property. Any attempt to make a prohibited Membership transfer shall be void and will not be reflected on the books of the Master Association. Membership in the Master Association shall be in addition to membership in any Sub-Association responsible for the Phase of Development in which a Member's Unit is located. Declarant's Class B Membership in the Master Association shall not be deemed to create any comparable membership rights in any Sub-Association.

4.2. Voting Rights in Master Association. The Master Association shall have two classes of voting Membership as follows:

(a) Class A. Class A Members shall be all Owners of Units and Equivalent Units (including the Declarant and Participating Developers). There shall be one vote for each Unit in a Phase of Development for which assessments have commenced and one vote for each Equivalent Unit for which assessments have commenced. Unless otherwise specified in this Declaration or the Bylaws, the vote of each Unit and Equivalent Unit shall be exercised by the Voting Delegate as provided in Section 4.3. In any situation where a Member is personally entitled to vote his Class A Membership and more than one person holds an interest in the Unit (or Equivalent Unit) only one such co-owner shall be entitled to exercise the vote to which the Unit is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes shall not be allowed, and the Class A vote for each Unit shall be exercised, if at all, as a unit. Where no voting co-owner is designated, or if such designation shall be revoked, the vote for such Unit shall be exercised as mutually agreed upon by the co-owners of the Unit. Unless the Board receives a written objection from a co-owner, it shall be presumed that the voting co-owner is acting

with the consent of his or her co-owners. No vote shall be cast for any Unit if all co-owners, present in person or by proxy, owning such Unit, cannot agree to said vote or other action. Any Mortgagee who acquires title to a Unit or Equivalent Units pursuant to a judgment of foreclosure or a trustee sale shall automatically become entitled to exercise all voting rights which the Owner of said Unit or Equivalent Unit would otherwise have had.

(b) Class B. The Class B Member shall be Declarant. The rights of the Class B Member, including rights reserved to the Declarant for so long as it retains Class B Membership, are specified elsewhere in this Declaration. The Class B Member shall not be considered a part of the voting power of the Master Association and shall only have the right to elect a majority of the members of the Board. The Class B Membership shall continue for as long as Declarant or the assignee of the Class B Membership owns Units, Equivalent Units and/or undeveloped Property on which Units and/or Equivalent Units can be developed which in the aggregate equal at least 5% of the total Units and Equivalent Units that can be developed on the Project under the Master Plan. Declarant or the assignee of the Class B Membership may terminate the Class B Membership at any time by recording a declaration terminating the Class B Membership.

4.3. Delegate Voting System. Except as this Declaration or other Master Association Documents may provide for votes to be personally cast by individual Owners, all Class A Members' Votes shall be cast by Delegates of Delegate Districts as hereinafter provided.

(a) Delegate Districts. Each Phase of Development shall constitute a Delegate District for exercising the voting rights of the Class A Members in the Master Association. The Sub-Association for each Phase of Development shall exercise the voting power of all the Class A Members in such Sub-Association. Each Sub-Association shall designate an officer or trustee to act as the Delegate to exercise the voting power of the Members of the Sub-Association and an officer or trustee to act as the alternate Delegate to exercise the voting power of the Members of the Sub-Association in the absence of the Delegate. All Members who own individual Units that have been annexed and are located in Existing Developments that have not been annexed shall constitute a separate Delegate District and such Members shall hold annual elections to elect a Delegate and an alternate Delegate to exercise their voting power in the Master Association. All owners of residential rental apartments and commercial property for which Equivalent Units have been assigned that are not included in a Phase of Development, shall constitute a separate Delegate District and such Members shall hold annual elections to elect a Delegate and an alternate Delegate to exercise their voting power in the Master Association. The Board may designate additional Delegate Districts or different Delegate Districts for the above Members who are not members of a Sub-Association as the Board may determine will best serve the interests of such Members and the Master Association. Each Sub-Association and other Delegate District shall submit the name of its Delegate and alternate Delegate five days prior to the annual meeting of the Master Association and at such other time as the Delegates may be changed by the Sub-Association or Delegate District.

