

When Recorded, Return To:
Paraiso 2800, LLC
Attn: Devin Sullivan
1363 E 170 S, Suite 301
Saint George, Utah 84790

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
of
PARAISO SOUTH**

THIS DECLARATION, by Paraiso 2800, LLC, a Utah limited liability company, its successors and assigns (hereinafter referred to as “Declarant”).

BACKGROUND AND INTENT

Declarant is the fee simple title holder of real property located in Washington County, Utah as further described in Article 2 below (the “Property”) and desires to provide for the preservation of the values and to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth for the benefit of the Lot Owners thereof. The Association, a nonprofit Utah corporation, has been formed and shall have the powers of administering and enforcing these covenants, restrictions and easements, and collectively and disbursing the assessments, all as more particularly set forth herein.

DECLARATION

Declarant intends to develop the Property as a residential subdivision to be known as Paraiso South containing residential Lots (hereinafter the Property shall be sometimes referred to as “Paraiso South”). Declarant does hereby publish and declare that the Property described in Article 2 below is subject to the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations, obligations, assessments, charges, liens, and the Plat (defined in Article 1 below), which all are for the purpose of protecting the value and desirability of the Property as a residential project; and all of which shall be construed as covenants of equitable servitude and shall run with the land and be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE 1
DEFINITIONS AND MEANINGS**

The following words and phrases when used in this Declaration, unless the context should clearly reflect another meaning, shall have the following meanings:

1.1 “Act” means Utah Community Association Act, Utah Code Section 57-8a-101 et seq. With respect to any amendments to the Act which per their terms become effective and

applicable after the date of recording of this Declaration then the provisions of the Act as it exists upon recording of this Declaration shall control unless the Board, by resolution, determines otherwise.

1.2 “Annual Assessment” shall mean the charge against each Lot and Lot Owner and for an equal share of the funds required for payment of Common Expenses, pursuant to the annual budget established by the Association.

1.3 “Articles of Incorporation” shall mean the document establishing and governing the Association.

1.4 “Association” shall mean and refer to Paraiso South Homeowners’ Association, a Utah nonprofit corporation, its successors and assigns.

1.5 “Association Property” means that property, real and personal, owned by the Association for the use and benefit of its Members including all Common Property.

1.6 “Association Rules and Regulations” means the rules and regulations applicable to the Association and the Lot Owners that may be adopted by the Board as permitted or contemplated by this Declaration or the Act.

1.7 “Board” shall mean the Board of Directors or other representative body which shall be responsible for administration of the Association.

1.8 “Bylaws” means one or more codes of rules, other than the Articles of Incorporation, adopted pursuant to Utah Revised Nonprofit Corporation Act for the regulation or management of the affairs of the Association.

1.9 “Common Area” shall mean the walking trails not otherwise owned by or dedicated to the City of Hurricane that are located within the Association Property and any other area designated as common area on the Plat or otherwise by the Board.

1.10 “Common Expense” shall mean all expenses, services, reserves and assessments of the Lot Owners which shall be properly incurred by the Association, including, not limited to, the costs and expenses of operation incurred or paid by the Association in administering, operating, reconstructing, maintaining, repairing and replacing the Association Property for the benefit of the Lot Owners or of the Common Property, including without limitation, grounds maintenance, landscaping, tree cutting and trimming, maintenance of irrigation system, and replacement, maintenance and service of amenities, maintenance of underground utilities and services, street maintenance and all other repair and replacement of the Common Property. Common Expenses also includes, the payment of taxes on Association property and insurance maintained by the Association; the payment of the cost of repairing, replacing, maintaining and constructing or acquiring additions to the Common Areas; the payment of administrative expenses of the Association; insurance deductible amounts; the payment of any professional or management services deemed necessary and desirable by the Board; and other amounts required by this Declaration or that the Board shall determine to be necessary to meet the primary purposes of the

Association. The Common Expenses may also include, at the discretion of the Board, charges including (without limitation) maintenance, management, utility, cable television, telecommunication services, trash collection, sewer and water charges to the extent available to all Members.

1.11 “Common Property” shall mean all real and personal property owned or to be maintained by the Association for the common use and enjoyment of the Members, including the Common Area, private streets (if any) and parking areas (if any) within the boundary of Paraiso South and common drainage areas.

1.12 “Declaration” means this instrument and any and all supplements or amendments hereto which shall be recorded in the Washington County Records’ Office, Washington County, Utah.

1.13 “Governing Documents” shall mean this Declaration, the Articles of Incorporation, Bylaws and the Association Rules and Regulations.

1.14 “Member(s)” shall mean and refer to a Lot Owner(s) who may vote and participate in Association matters (or select one of their number) to vote and participate in Association matters. “Association Members” and “Members” shall mean and refer to the same persons or entities.

1.15 “Mortgagee” means any lending institution having a first mortgage lien upon a Lot and appurtenant Common Property.

1.16 “Plat” means the map or plat of Paraiso South, as recorded in the Washington County Records’ office, Washington County, Utah, and as the same may hereafter be modified, amended, supplemented, or expanded in accordance with the provisions of this Declaration.

1.17 “Property” shall mean the real property described in Article 2 below, as the same may hereafter be modified, amended, supplemented, or expanded in accordance with the provisions of this Declaration.

1.18 “Special Assessment” means any assessment levied against the Lot Owners to defraying in whole or in part, the cost of any unanticipated and non-budgeted Common Expenses.

1.19 “Specific Assessment” means an assessment levied against a particular Lot Owner or Lot Owners as contemplated in Section 5.6 below.

1.20 “Lot” shall mean a particular portion of the Property described and depicted on the Plat with corresponding Lot numbers, and any additional Lots (if any) that may be added by annexation or expansion of the Property as permitted under Article 13 below. “Lots” shall mean all the Lots collectively.

1.21 “Lot Owner” shall mean and refer to the record holder, whether one or more persons of an entity or entities, of the fee or undivided fee, simple interest title to any Lot and includes the Declarant. “Lot Owners” shall mean all the record Lot Owners collectively.

1.22 “Voting Interest” means the voting rights of the Members pursuant to the Articles of Incorporation and Bylaws of the Association and this Declaration. With respect to matters on which Members are entitled to vote, each Member shall be entitled to one (1) vote for each Lot in which such person or entity holds the interest required for membership. When more than one person or entity holds such interest or interests in any Lot, the one (1) vote for such Lot shall be held and may be cast in the manner specified in the Bylaws.

ARTICLE 2 REAL ESTATE SUBJECT TO THIS DECLARATION

The real property, easements and other interests which are and shall be held, transferred, sold, conveyed, leased and occupied, subject to this Declaration, is located in Washington County, Utah and is more particularly described as follows:

SEE **EXHIBIT A** THAT IS ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

ARTICLE 3 THE ASSOCIATION

3.1 The Association.

The name of the Association is Paraiso South Homeowners’ Association. The name of the residential project to be constructed on the Property is “Paraiso South”. The project is not a cooperative.

A true and complete copy of the Articles of Incorporation and Bylaws of Paraiso South Homeowners’ Association are attached hereto as Exhibits “B” and “C” and incorporated herein.

3.2 Purpose and Powers of Association.

The purposes and powers of the Association are to promote the health, safety and welfare of the Members and to implement, administer, enforce and interpret the provisions of the Governing Documents and the Act; and to establish, make, levy and collect annual operating and special assessments against each Member and against each Member’s Lot.

3.3 Purpose and Powers of Board.

Except as otherwise provided in this Declaration, the Articles of Incorporation or the Bylaws, the Association, acting under the supervision of the Board, shall have all the powers and privileges granted to nonprofit corporations under the laws of the State of Utah. Without limiting the generality of the foregoing, the Board shall have the right, on behalf of the Association, to:

3.3.1 In compliance with Section 57-8a-217 of the Act, establish, make and enforce Association Rules and Regulations governing the use and enjoyment of all Common Property, parking restrictions and limitations, limitations upon vehicular travel within Paraiso South, and restrictions on other activities or improvements on the Common Area which, in the opinion of the Board, create a hazard, nuisance, unsightly appearance, excessive noise, or offensive smell, and other matters for which the Governing Documents or Community Association Act expressly or impliedly give the Board the right to regulate;

3.3.2 Enforce or oversee the enforcement of the provisions of this Declaration or the other Governing Documents;

3.3.3 Establish fines and a fine schedule for failure to abide by the Association Rules and Regulations or this Declaration;

3.3.4 Retain service providers, including, without limitation, landscaping and Common Area maintenance services, telecommunication services, and property management companies to perform such duties and provide such services as the Board may authorize and determine appropriate;

3.3.5 Exercise any other right or privilege given to the Board by the Governing Documents or the Act, or reasonably implied from or reasonably necessary to effectuate any such right or privilege; and

3.3.6 Charge reasonable fees to a Lot Owner as contemplated herein.

A copy of the Association Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered or made available for review to each Lot Owner and may, but need not, be recorded. Upon such mailing or other delivery or availability, said Association Rules and Regulations shall have the same force and effect as if they were set forth in and were a part of this Declaration. In addition to or in lieu of providing notice by mail, the Board may provide notice by electronic means such as electronic mail (e-mail) to the Lot Owners or website access made available to the Lot Owners, and may require that Lot Owners, in addition to keeping the Board informed as to their current mailing address, maintain a current e-mail address with the Board for such purpose.

3.4 Declarant's Exemption; Right to Promulgate Rules.

The Declarant hereby reserves for itself, its affiliates and assigns, prior to the Turnover Date (as defined in the Bylaws), an exemption from the Association rules and the rulemaking procedure set forth in the Community Association Act. Consistent with that exemption, the Declarant reserves for itself, prior to the Turnover Date, the right to adopt, amend, and repeal rules and regulations governing the Property.

3.5 Membership.

Any person or entity who is now or becomes a Lot Owner shall automatically be a Member of the Association holding a Voting Interest, provided, however, that any such person or entity who holds such interest as a security for the performance of an obligation shall not be a Member and shall not have a Voting Interest, unless such person or entity acquires such interest pursuant to foreclosure proceedings or other lawful means in lieu of foreclosure. At such time as a person or entity is no longer a Lot Owner, the membership in the Association and the Voting Interest of such person or entity shall automatically terminate.

3.6 Association Property Appurtenant To Lot.

A Member's interest in Association Property cannot be conveyed, assigned, hypothecated or otherwise transferred, except as an appurtenance to such Member's Lot and no Member shall bring or have the right to bring any action for partition or division. Notwithstanding the foregoing, an Owner may delegate any right of enjoyment to the Common Area to family members or tenants who reside within that Owner's Lot, subject to any rules and regulations established by the Board, including but not limited to the Board's right to require, as it determines necessary and as it establishes by rule, an Owner to forfeit the Owner's right of use for so long as the Owner has delegated such right to the Owner's tenant.

ARTICLE 4
PROTECTIVE COVENANTS AND USE RESTRICTIONS

4.1 Residential Use.

Each Lot shall be used for residential purposes only. No Lot shall be reduced in size by further subdivision or by conveying or leasing less than the entire Lot.

4.2 Commercial Use Prohibited.

No commercial or business activities may be conducted on the Property without prior approval from the City of Hurricane. Notwithstanding the foregoing, the construction, development and sale or rental of improved Lots or the construction and maintenance of Common Area services such as utilities, communications, security and the construction and maintenance of Common Area improvements shall be permitted.

4.3 Declarant's Right of Use.

Notwithstanding anything to the contrary contained in this Declaration and in recognition of the fact that Declarant, its affiliates and assigns will have a continuing and substantial interest in the development and administration of the Property, Declarant hereby reserves for itself and its successors, affiliates and assigns the right to the use of all Common Property in conjunction with and a part of its program of sale, leasing, constructing and developing of and within Paraiso South without charge or cost to Declarant for such rights and privileges. For purposes of this Article, the term Declarant shall include any Mortgagee who has loaned money to Declarant or one of them to acquire or construct improvements upon the Property if such Mortgagee acquires title to the

Property or any Lot as the result of the foreclosure of any mortgage or acquires title thereto by deed in lieu of foreclosure.

4.4 Common Property.

The Common Property shall be used only for the purposes for which they are intended in the furnishing of services and facilities to the Lot Owners and the Association.

4.5 Disputes as to Use.

In the event there is any dispute as to whether the use of the Property or any portion thereof complies with this Declaration, such dispute shall be referred to the Board and a determination rendered by the Board shall be final and binding; provided, however, any use by Declarant of the Property or any affiliates thereof, in accordance with the terms of this Declaration, shall be deemed in compliance with this Declaration.

4.6 No Waiver of Use.

No Lot Owner may exempt himself or his Lot from liability for his contribution toward Common Expenses or Annual or Special Assessments by waiver of the use of or enjoyment of any of the Common Property or by abandonment or by lease of the Lot.

4.7 Nuisances.

Lot Owner shall not cause or permit any unreasonably loud or obnoxious noises, sounds or odors and shall not cause or permit nuisances of any kind that shall be the source of annoyance to other Lot Owners or which interferes with the peaceful possession and proper use of the Property and to the general health, safety and welfare of the neighborhood.

4.8 Illegal Activities.

No immoral, improper, illegal or offensive activities or use shall be made of any Lot or Association Property, and all valid laws, zoning ordinances and regulations of the governing authorities having jurisdiction therein, shall be complied with and observed.

4.9 Clothes Drying.

Clotheslines and clothes drying activity shall not be permitted outside of a Lot.

4.10 Garbage, Trash and Refuse.

In order to preserve a sanitary, odorless and inoffensive condition of the Property, no garbage, trash, refuse, rubbish or other solid or liquid waste material shall be deposited, dumped or kept outside a Lot or upon the Property, except in designated closed containers, secured trash bags or re-cycling bins for collection and disposition as may be established by the Association or the city of Hurricane, Utah, from time to time.

4.11 Animals and Pets.

Household pets may be permitted as allowed by Hurricane City ordinance governing the number, type and size of permitted pets and prohibiting or regulating the use by such pets of the Common Areas. No animal, livestock or poultry of any kind shall be raised, bred or kept for commercial purposes in any Lot or on any portion of the Common Area.

4.12 Additional Use Restrictions.

No improvement, addition, modification, structure or change of any kind, including, without limitation, any building, shed, carport, trailer, awning, wall, sign, fence, walkway or screen enclosure, either temporary or permanent, shall be erected, installed, placed or maintained within any portion of a Lot or on Common Areas, without the prior written approval of the Board.

4.13 Agreement and Right to Access.

All Lot Owners shall permit the Board, its agents, subcontractors or employees, to enter upon the exterior of any Lot or Common Area for the purpose of fulfilling its obligations, duties and responsibilities imposed by this Declaration, Articles of Incorporation or Bylaws of the Association, including, without limitation, maintaining the Common Areas; to determine, in case of emergency, the circumstances threatening persons or property therein; and to determine each Lot Owner's compliance with provisions of this Declaration and the Bylaws and Association Rules and Regulations of the Association. The Association shall have the further right to have its employees, agents and subcontractors appointed by it, to enter upon any Lot and the Common Area at all reasonable times to do as is deemed reasonably necessary by the Board to enforce compliance with the provisions of the Governing Documents.

4.14 Parking.

No motor vehicle which is inoperable shall be allowed within the Property.

Any vehicle that at any time inhibits the flow of traffic on the streets in the Property is subject to removal by the Association, at the vehicle owner's expense. Upon demand, the owner of the vehicle shall pay any expense incurred by the Association in connection with the removal of that owner's vehicle or trailer. If the vehicle or trailer is owned by an Owner, any amounts payable to the Association shall be secured by the Lot and the Association may enforce collection of said amounts in the same manner provided for in this Declaration for the collection of assessments.

ARTICLE 5 ASSESSMENTS

5.1 Assessments in General.

The Association is hereby granted the right, which shall be operative and binding upon each Lot Owner, to establish, make, levy and collect Annual Assessments and Special Assessments against each Lot Owner and against each Lot except as provided by Paragraph 5.9 below.

5.2 Uniform Assessments applicable to Annual and Special Assessments.

All Annual Assessments and any Special Assessments established, made, levied and collected against the Lot Owners and their respective Lots shall be at a uniform rate of assessment for all Lots. Annual Assessments may be prepaid annually, otherwise such Annual Assessment shall be prorated on a monthly basis against each Lot commencing monthly in advance on the first day of each and every month following its purchase by an individual or entity other than Declarant.

5.3 Budget.

The Board shall establish an annual budget and such budget shall project all operating expenses for the forthcoming year and such capital maintenance and replacement funds which are required to implement the purposes and powers of the Association. The Board shall present the adopted budget to Members at a meeting of the Members. After the Turnover Date (as defined in the Bylaws), the Members may disapprove the budget if within 45 days after the date of the meeting of Members at which the budget was presented:

5.3.1 there is a vote of disapproval by at least 51% of the votes held by Members in the Association; and

5.3.2 the vote is taken at a special meeting called for that purpose by the Members under this Declaration, the Articles of Incorporation or the Bylaws.

If a budget is disapproved under this Section 5.3, the budget that the Board last adopted that was not disapproved by Members continues as the budget until and unless the Board presents another budget to members and that budget is not disapproved.

5.4 Capital Replacements.

The Board, in establishing an annual budget, shall include a sum to be collected and maintained as a special reserve fund for capital replacements. Money placed in the reserve fund may not be used (i) for the Association's daily maintenance expenses, unless a majority of Members vote to approve the use of reserve fund money for that purpose; or (ii) for any purpose other than the purpose for which the reserve fund was established. The Association shall maintain any reserve fund separate from other Association funds.

5.5 Special Assessments.

In addition to Annual Assessments, the Association may levy in any assessment year, a Special Assessment applicable to that year only, for the purpose of defraying in whole or in part, the cost of any unanticipated and non-budgeted Common Expense.

5.6 Specific Assessments.

The Association may levy Specific Assessments against a particular Lot to cover (i) costs incurred in bringing any Lot or the exterior of any building into compliance with the Governing Documents, or (ii) costs or damages incurred as a consequence of the conduct of the Lot Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the Governing Documents or other applicable law, before levying any Specific Assessment under this Section. In addition, the Association may charge as a Specific Assessment fees to Lot Owners for responding to requests for information, updating Lot Owner lists and leasing information, and other services to such Lot Owner or such Lot Owner's lender or prospective buyer or other interested or related party to such Lot Owner.

5.7 Exclusive Use; Reserve Funds.

The assessments levied by the Association shall be used exclusively for the purpose of paying the cost of implementing the purposes and powers of the Association, subject to the requirement set forth above regarding the use of reserve funds.

5.8 Reinvestment Fee.

5.8.1 Upon sale and transfer of record title to any Lot, the transferee shall pay a reinvestment fee (the "Reinvestment Fee") to the Association in an amount set by resolution of the Board, which may be a flat rate from year to year or, if so determined by the Board, may be a percentage of the value or sales price of the Lot; provided, that, the Reinvestment Fee may not exceed .5% of the value of the Lot sold. The Reinvestment Fee shall be in addition to, not in lieu of, the annual assessment, and shall not be considered an advance payment of such assessment. The Reinvestment Fee shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association.

5.8.2 The Association will use the Reinvestment Fee for (a) common planning, facilities, and infrastructure; (b) obligations arising from an environmental covenant; (c) community programming; (d) resort facilities; (e) open space; (f) recreation amenities; (g) charitable purposes; (h) Association expenses, or (i) any other expenses authorized by Utah Code § 57-1-46.

5.8.3 The following transfers are exempt from the Reinvestment Fee: (a) an involuntary transfer; (b) a transfer that results from a court order; (c) a bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity; (d) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution; or (e) the transfer by a financial institution.

5.9 Effect on Declarant.

Notwithstanding any provision contained in this Declaration to the contrary, for so long as Declarant, or their successors in interest, are the owner or owners of any Lot for the purposes of

development or sale in the ordinary course of business, Declarant shall have no liability of any kind to the Association for the payment of Annual Assessments or Special Assessments or Common Expense deficits or Reinvestment Fees or capital contributions of any kind or amounts.

ARTICLE 6

LIEN RIGHTS AND REMEDIES AND OBLIGATIONS OF OWNERS

6.1 Personal Obligation.

Each Lot Owner, on the first day of the first month after acquiring their Lot, and by acceptance of such deed, covenants and agrees to pay the Annual Assessment, any Special Assessments and any Specific Assessments to the Association and such assessments shall be fixed, established and collected from time to time, as hereinafter provided. Each such assessment, together with interest thereon and the cost of collection thereof, shall also be the personal obligation of the person or entity that was the Lot Owner on the payment due date set forth in this Declaration or as otherwise established by the Board.

6.2 Creation of Claim of Lien.

6.2.1 If the assessments, as provided for herein, are not paid on the date when due, then such assessments shall become delinquent and, together with interest thereon and the cost of collection thereof, shall thereupon become a continuing lien on the Lot.

6.2.2 The Declarant hereby conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8a-302 to Southern Utah Title Company, with power of sale, the Lots and all improvements to the Lots and the appurtenant rights corresponding to such Lots for the purpose of securing payment of assessments under the terms of this Declaration. Under the power of sale, the Lot of a Member may be sold in the manner provided by Utah law pertaining to deeds of trust as if said Association were beneficiary under a deed of trust. The Association may substitute for the named trustee above any other person or entity qualified by law to serve as trustee for purposes of power of sale foreclosure in the manner provided by Utah law pertaining to deeds of trust.

6.3 Effect of Non-Payment of Assessment – Remedies of Association.

6.3.1 Any assessment or installment thereof not paid within thirty (30) days after the due date therefor shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or such lesser rate as the Board shall determine appropriate) until paid. In addition, the Board may assess a late fee for each delinquent installment which shall not exceed ten percent (10%) of the installment.

6.3.2 As a remedy against any delinquent Lot Owner, the Board may, in the name of the Association,

(i) bring an action at law against the Lot Owner personally obligated to pay any such delinquent assessment without waiving the lien of assessment;

(ii) foreclose the lien against the Lot in accordance with the laws of the State of Utah applicable to the exercise of powers of sale in deeds of trust or to the foreclosure of mortgages, or in any other manner permitted by law;

(iii) restrict, limit, or totally terminate any or all services performed by the Association on behalf of the delinquent Lot Owner;

(iv) terminate, in accordance with the Utah Community Association Act, Utah Code Ann. § 57-8a-309, the Owner's right to receive utility services paid as a Common Expense and/or terminate the Owner's right of access and use of any recreational facilities, if any;

(v) if the Lot Owner is leasing or renting such Lot Owner's Lot, the Board may, in accordance with the Utah Community Association Act, Utah Code Ann. § 57-8a-310, demand that the Lot Owner's tenant pay to the Association all future lease payments due from the Lot Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid;

(vi) suspend the voting rights of the Lot Owner for any period during which any assessment or portion thereof against the Lot Owner's Lot remains unpaid; and/or

(vii) accelerate all assessment installments that will become due within the subsequent twelve (12) months so that all such assessments for that period become due and payable at once. This acceleration provision may only be invoked against an Lot Owner who has been delinquent in paying any assessment or installment two (2) or more times within a twelve (12) month period.

6.3.3 There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and a reasonable attorney's fee, together with an account for the reasonable rental for the Lot from time to time of commencement of the foreclosure. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental without regard to the value of the other security.

6.3.4 No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or by abandonment of a Lot.

6.4 Satisfaction of Lien.

When full payment of all sums secured by such lien is made, the claim of Lien shall be satisfied of record by the President or Vice President of the Association.

6.5 Notice of Lien Rights.

All persons, firms, corporations or other business entities which shall acquire, by whatever means, any interest in the ownership of any Lot or who may be given or acquire a mortgage, lien or other encumbrance on a Lot, are hereby placed on notice of the lien rights granted to the

Association under this Declaration and all of such persons, firms, corporations or other business entities shall acquire their rights, title and interest in and to such Lot, expressly subject to the lien rights provided herein.

6.6 Subordination of Lien Rights to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage held by an institutional lender if the mortgage was recorded prior to the date the assessment became due. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof, shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Lot Owner from personal liability for assessments coming due after he or she takes title or from the lien of such later assessments.

6.7 Certificate of Payment Status

The Association, upon demand and receipt of payment of a reasonable charge, shall furnish a certificate signed by an officer or authorized agent of the Association setting forth whether the assessments on a specific Lot have been paid. Such certificate, duly signed, shall be binding on the Association as of the date of the certificate.

ARTICLE 7
MAINTENANCE, REPAIRS AND REPLACEMENTS

7.1 Common Property Maintenance by Association.

The Association shall at all times maintain in good repair, operate, manage, insure and replace as often as necessary the Common Property.

7.2 Damage by Negligence or other Act.

In the event any repair or replacement is required for any items by the Association whereby repair or replacement is necessary as a result of negligence or the willful misconduct of a Lot Owner, his or her lessees, guests or invitees, then, in that event, the Association may choose to repair or replace such items and shall be entitled to assess as a Specific Assessment the full costs of the repair or replacement from the Lot Owner whose negligence or misconduct (or whose lessees, guests or invitees negligence or misconduct), resulted in the loss or damage.

ARTICLE 8
EASEMENTS

8.1 Easement for Use of Common Area

Except as otherwise noted, the Common Areas shall be declared to be subject to a perpetual non-exclusive easement in favor of all Lot Owners for the use of those Lot Owners, their

immediate families, guests, lessees, invitees and others similarly situated, for all proper and normal residential purposes, including ingress and egress and for the quiet enjoyment of such Lot Owners.

8.2 Maintenance Easement.

There is hereby granted and created to the Association, its employees, subcontractors, agents and designees a non-exclusive perpetual easement over, through, across and under the exterior of each Lot, Common Area, and Property to permit the Association, its employees, subcontractors, agents and designees to maintain and replace, as necessary, the Common Areas, and those portions of all Lots required to be maintained, replaced and repaired by the Association, as provided in this Declaration and this easement shall automatically be granted over and attached to any such Lot.

8.3 Right of Egress and Ingress for Services.

There is also hereby granted and created a non-exclusive and perpetual right over and across the driveways, streets and easements as depicted on the Plat, to the benefit of persons and their vehicles for commercial delivery and services, police and law enforcement, fire protection services, United States Postal Service carriers, express delivery, scavenger and recycling services, utility employees, communication representatives, mortgage lien holders, contractors and subcontractors authorized by the Association to serve Paraiso South.

8.4 Encroachments.

In the event that any buildings or appurtenance thereto, shall encroach upon the Common Areas or any adjoining Lot, for any reason, then an easement shall exist to the extent of such encroachment so long as the same shall exist.

8.5 Right to Grant Easements.

The Declarant reserves the right to grant such easements as may be required for access over Common Areas to and the furnishing of utility, communication and other services which may be necessary for development of the Property.

8.6 Limitation of Rights and Easements.

The rights and easements of enjoyment created hereby shall be subject to the right of the Association to take such steps as may be necessary to protect the Common Areas against foreclosure and to establish Association Rules and Regulations regarding the use of such easements and the Common Property.

8.7 Indemnity.

The Association shall have the duty to defend and shall indemnify a Lot Owner against any and all expenses, claims and liabilities, including attorney's fees incurred by or imposed upon them

for injuries or damages sustained and arising out of the actual use of such Lot Owner's Lot by the Association, if any.

ARTICLE 9 COVENANT AGAINST PARTITION AND TRANSFER OF RIGHTS

9.1 Restriction for Transfer or Partition of Membership Rights.

The membership rights of any Lot Owner in the Common Areas shall have no right at law or equity to seek partition or severance of such membership rights in the Common Area or and there shall exist no right to transfer the membership rights in the Common Areas in any other manner than as an appurtenance to and in the same transaction with a transfer of title or lease agreement.

9.2 Membership by Separate Transfer.

Any conveyance or transfer of a Lot shall include the membership rights in the Common Areas appurtenant to that Lot, whether or not such membership rights shall have been described or referred to in the deed by which said Lot shall have been conveyed.

ARTICLE 10 INSURANCE

10.1 Liability Insurance – Association Property.

The Association may but is not required to obtain a comprehensive policy of public liability insurance covering the Common Property in such amount as the Board may determine appropriate.

10.2 Casualty Insurance – Association Property.

The Association may but is not required to obtain casualty insurance on the Association Property in such amount as the Board may determine appropriate.

10.3 Casualty Insurance – Buildings.

THE ASSOCIATION SHALL HAVE NO DUTY OR RESPONSIBILITY TO PROCURE OR MAINTAIN ANY FIRE, LIABILITY, FLOOD, EARTHQUAKE OR SIMILAR CASUALTY OR HAZARD INSURANCE COVERAGE FOR LOTS OR HOMES, OR FOR THE CONTENTS OF ANY HOME. THE ASSOCIATION ALSO HAS NO DUTY TO INSURE AGAINST ANY NEGLIGENT, CRIMINAL OR TERRORIST ACTS OR EVENTS OCCURRING AT, IN OR ON ANY LOT OR IN ANY HOME.

10.4 Loss Payable; Other Provisions – Association.

All policies purchased by the Association, if any, shall be for the benefit of the Members and all insurance proceeds payable on the account of loss or damage to Association Property shall be payable to the Association and shall be used in accordance with the terms hereof. The Association policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements herein. In the event of an insured loss, the deductible shall be treated as a common expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and opportunity to be heard, that the loss is the result of the negligence or willful misconduct of one or more Lot Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Lot Owner and the Lot Owner's Lot.

10.5 Assessments For Repair and Reconstruction – Association Property.

If the proceeds of insurance are not sufficient to defray the actual cost of repair or reconstruction of Common Property, a special assessment may be made by the Board against all Lot Owners in sufficient amount to provide funds for the payment of such costs.

10.6 Other Association Insurance.

The Association is authorized to obtain such other insurance from time to time as the Board shall determine to be desirable or beneficial for the protection of the Members or the Board (including D&O insurance) or for the preservation of the Property.

10.7 Deductibles and Common Expense. All insurance policies obtained by the Association may contain deductible clauses which the Board determines shall be within the financial capabilities of the Association. The premiums for any policies of insurance coverages shall be considered a Common Expense.

ARTICLE 11 ENFORCEMENT

The Association, the Declarant or any Member, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, or any rule of the Association, including but not limited to any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants. Failure of the Association, Declarant or of any Member to enforce any covenant or restriction herein contained or any rule of the Association shall in no event be deemed a waiver of the right of the Association, Declarant or any Member to do so thereafter. In the event action, with or without suit, is undertaken to enforce any provision hereof or any rule of the Association, the party against whom enforcement is sought shall pay to the Association or enforcing Member the reasonable attorney fees incurred with respect to such enforcement. The Board may impose or establish a schedule of liquidated damage amount (or "schedule of fines") for violations of this Declaration or the Association Rules and Regulations. Liquidated damage amounts (or fines) shall not exceed

for each violation ten percent (10%) of the amount of the maximum annual assessment against any Member who fails to refrain from violation of these covenants or a rule of the Association. The Board shall give a Member three (3) days written notice and an opportunity for a hearing. A Member who cures his violation within the three (3) days of receiving notice may not be levied against. Any liquidated damage amount or fine levied by the Board which is not paid within the time period established by the Board or otherwise set forth in the Association Rules and Regulations shall be recoverable by the Association in the same manner as an assessment under Articles 5 and 6, and shall create a lien in favor of the Association against the Lot Owner's Lot in the same manner as an assessment.

ARTICLE 12 AMENDMENT AND TERMINATION

12.1 Amendment After Turnover Date.

After relinquishment of Declarant control of the Association (i.e. the Turnover Date as defined in the Bylaws), this Declaration may be amended at a duly constituted special meeting for such purpose or at an annual meeting of the Members by a vote of not less than two-thirds (2/3) of the aggregate votes of Lot Owners. Such Members may amend, modify or rescind such provisions of this Declaration as they deem necessary or desirable and shall be evidenced by a certificate executed by the President and the Secretary of the Association with the formality of a deed and recorded in the Washington County Records' office in Washington County, Utah certifying to the adoption of the amendment, modification or rescission. Such certificate shall recite that the amendment was adopted at a meeting duly called, at which a quorum was present and that at least a minimum of those entitled to vote had voted for the adoption of such amendment or termination.

12.2 Amendment Prior to Turnover Date.

Until relinquishment of Declarant control of the Association (i.e. the Turnover Date as defined above), this Declaration may be unilaterally amended by the Declarant for any purpose with or without notice to the Members.

ARTICLE 13 EXPANSION

13.1 Expansion Rights. Declarant reserves the right, at its sole election, to expand the Property to include additional property more particularly described below by unilateral action without the consent of Members, for a period that continues until the Turnover Date (as defined in the Bylaws).

13.2 Expansion Property. The property, all or part of which may be included in one or more expansions, is located in Washington County, Utah, and is more particularly described as follows:

ALL PROPERTY LOCATED IN THE GENERAL VICINITY OF THE PROPERTY PREVIOUSLY DESCRIBED HEREIN, WHICH IS CONTINGUOUS TO OR ACROSS ANY PUBLIC STREET FROM ANY PHASE OF THE DEVELOPMENT.

13.3 Procedure for Expansion. Expansion shall occur by the Declarant filing:

13.3.1 an additional subdivision plat or plats creating additional planned unit developments on the property described above, stating on each plat the intention to have the property described on said plat bound by the terms, covenants and conditions of this Declaration upon the filing of a Declaration of Annexation; and/or

13.3.2 a Declaration of Annexation (after satisfying conditions hereafter stated), which shall state the Declarant's intention to have the area described therein subject to this Declaration. Upon the recording of such a Declaration of Annexation the property described therein shall be subject to this Declaration.

ARTICLE 14 GENERAL CONDITIONS

14.1 Equitable Servitude.

The covenants, conditions, easements and restrictions of this Declaration shall constitute covenants running with the land and each shall constitute an equitable servitude upon the Lot Owner and the appurtenant undivided interest in the Common Property and upon the heirs, personal representatives, successors and assigns of each Lot Owner.

14.2 Compliance with Laws.

The Association shall take such action as it deems necessary or appropriate in order for the Property and the improvements thereon to be in compliance with all laws, statutes, ordinances and regulations of any governmental authority.

14.3 Duration.

As permitted pursuant to Utah Code Section 57-8a-108, this Declaration shall be perpetual in duration unless terminated in accordance with the Governing Documents and the Act. In the event such Utah Code Sections are repealed or otherwise declared unenforceable by a court of competent jurisdiction, then this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Board, or any Lot Owner or their respective legal representatives, heirs, successors, and assigns for a term of (30) years from the date this Declaration is recorded in the Washington County Recorders' office of Washington County, Utah, after which time this Declaration shall automatically be extended for successive twenty (20) year periods, unless an instrument signed by not less than two-thirds (2/3) percent of the then Lot

Owners is recorded containing an agreement of said Lot Owners with respect to the alteration, change, modification or termination, in whole or in part, of the provisions of this Declaration.

14.4 Notices.

Any notices, demands, requests, consents or other communications required or permitted to be sent to any Member or Lot Owner under the provisions of this Declaration shall be deemed to be properly sent when mailed, postpaid to the last known address of the person or entity who appears as a Member or Lot Owner on the records of the Association at the time of such mailing.

The Association may also provide notice by electronic means, including text message, email, or through Association's website unless a Member, by written demand, requires the Association to provide notice to the Member by mail.

14.5 No Implied Waiver.

Failure of the Board, Lot Owner or Declarant to enforce any provision of the Declaration or other Governing Documents for any period of time, shall in no event be deemed a waiver or estoppel by such parties or other persons or entities having an interest therein, of the right to object to same and to seek compliance therewith, in accordance with the provisions of the Governing Documents.

14.6 Secondary Mortgage Market.

Declarant intends that the provisions of this Declaration meet and be consistent with the Federal Home Loan Mortgage market requirements in effect on the date hereof. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or Lot Owners have given their prior written approval, not to be reasonably withheld, no amendment of this Declaration shall be effective if such amendment would disqualify or preclude the purchase of first mortgages on the Federal Home Loan Mortgage Corporation secondary mortgage market.

14.7 Severability.

Invalidation of any one of the provisions of this Declaration by judgment or court order shall in no way affect any provisions which shall remain in full force and effect.

14.8 Title and Captions.

Article titles or other captions contained in this Declaration are inserted only as a matter of convenience and for reference purposes and in no way define, limit, extend or describe the scope of the Declaration or the intent of any provision hereof.

14.9 Person or Gender.

Whenever the singular number is used herein and when required by the context, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

14.10 Applicable Law.

The provisions of this Declaration and any dispute arising hereunder shall be governed by the laws of the State of Utah.

14.11 Assignment of Declarant's Rights.

All of the rights and powers of Declarant herein contained may be delegated, transferred, or assigned, in whole or in part. To be valid, said delegation, transfer, or assignment must be via a written instrument recorded in the Washington County Records' office of Washington County, Utah.

ARTICLE 15
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

15.1 Alternative Dispute Resolution Without Litigation.

15.1.1 Bound Parties. The Declarant; the Association; the Lot Owners; the officers, directors, committee members, managers, members, employees, representatives, agents, successors and assigns of any of the foregoing; any other person subject to this Declaration; and any other person not otherwise subject to this Declaration who agrees to submit to this Article 15 (collectively, "Bound Parties"), agree that it is in the best interest of all Bound Parties to encourage the amicable resolution of Claims without the emotional and financial costs of litigation or the toll or market taint such litigation can have on the value of the Property and/or the Lots that may be involved. Accordingly, (and in addition to the additional limitations on litigation found in Sections 15.3 and 15.4 below) each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection 15.1.2, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 15.2 in a good faith effort to resolve such Claim.

15.1.2 Claims. As used in this Article 15, the term "Claim" means any claim, grievance, or dispute arising out of or relating to:

- (i) the interpretation, application, or enforcement of the Governing Documents; or
- (ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or
- (iii) the design or construction or maintenance of improvements on the Property.

15.1.3 Exclusion from Definition of Claims. The following shall not be considered “Claims” unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 15.2:

- (i) any suit by the Association to collect assessments, fines, fees or other amounts due from any Lot Owner;
- (ii) any suit by the Association to enforce, or seek remedy for the violation of, this Declaration or the Association Rules and Regulations or other Governing Documents;
- (iii) any suit that does not include the Declarant, any affiliate of the Declarant, or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;
- (iv) any dispute that affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 15.2;
- (v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 15.2.1, unless the party or parties against whom the Claim is made agree to toll, or extend, the Claim’s statute of limitations to comply with this Article 15;
- (vi) any suit or dispute between the Declarant or an affiliate of Declarant and a builder, developer, contractor(s), subcontractor(s), or any other party contracted by the Declarant or an affiliate of the Declarant in connection with the development of the Property; and
- (vii) any suit or dispute involving a governmental entity as a party.

15.2 Dispute Resolution Procedures.

15.2.1 Notice. The Bound Party asserting a Claim (“Claimant”) against another Bound Party (“Respondent”) shall give notice in the manner required or permitted herein (“Notice”) to each Respondent and to the Board, stating plainly and concisely:

- (i) the nature of the Claim, including the persons involved and the Respondent’s role in the Claim;
- (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (iii) the Claimant’s proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

15.2.2 Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Association Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

15.2.3 Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an individual or entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Washington County, Utah area. Each Bound Party shall present the mediator with a written summary of the Claim.

(i) Waiver of Claim for Failure to Appear or Participate. If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

(ii) Termination of Mediation Proceedings. If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Subject to Section 15.3 below, the Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

(iii) Costs of Mediation. Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

15.2.4 Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys fees and court costs.

15.3 Initiation of Litigation by Association. The Association shall not bring any legal action after the Turnover Date against the Declarant (or any person who had been a declarant), the Board (or any person who is serving or who had served on the Board), or an employee, an

independent contractor, or agent of the Declarant (or any person who has been a declarant) or the Board unless:

15.3.1 approved in advance at a meeting where Lot Owners of at least 51% (75% in the case of Contingent Fee Litigation defined below) of the Voting Interests are: (i) present; or (ii) represented by a proxy specifically assigned for the purpose of voting to approve or deny the legal action at the meeting; and

15.3.2 the legal action is approved by vote in person or by proxy of Lot Owners of the lesser of: (i) more than 75% (90% in the case of Contingent Fee Litigation defined below) of the Voting Interests of the Lot Owners present at the meeting or represented by a proxy as described in Section 15.3.1; or (ii) more than 51% (75% in the case of Contingent Fee Litigation defined below) of the Voting Interests of the Lot Owners in the Association; and

15.3.3 in addition to the requirements of Section 15.4 below with respect to Contingent Fee Litigation, prior to any vote contemplated by this Section 15.3 the Association provides each Lot Owner: (a) a written notice that the Association is contemplating legal action; and (b) after the Association consults with an attorney licensed to practice in Utah, a written assessment of: (i) the likelihood that the legal action will succeed; (ii) the likely amount in controversy in the legal action; (iii) the likely cost of resolving the legal action to the Association's satisfaction; and (iv) the likely effect the legal action will have on a Lot Owner's or prospective Lot buyer's ability to obtain financing for a lot while the legal action is pending; and

15.3.4 the Association allocates an amount equal to 10% of the cost estimated to resolve the legal action and places such amount in a trust that the Association may only use to pay the costs to resolve the legal action.

15.4 Informed Vote with respect to Contingent Fee Litigation. In addition to the requirements of Section 15.3 above, with respect to any legal action by the Association involving legal representation undertaken on any contingent fee basis (the "Contingent Fee Litigation"), the law firm proposing to represent the Association on such basis (the "Proposed Law Firm") must provide to the Lot Owners in a writing signed by the managing partner (or similar position) for the Proposed Law Firm and the lead attorney proposing to handle the representation the following opinions and disclosures at least 30 days prior to any Member casting any vote to initiate judicial or administrative proceedings:

15.4.1 The following information regarding all contingent fee based litigation by a homeowner or condominium association in Iron County and Washington County that was active during the prior 10 year period and known by or disclosed to the Association or the Proposed Law Firm ("Prior Iron and Washington County HOA Contingent Fee Litigation"), (1) the name of the association involved in the litigation, (2) the amount of damages claimed in such litigation, (3) the length of time elapsed since such litigation commenced until conclusion (or, if not yet concluded, through the date of this disclosure), (4) the amount of any monetary payments received by the association in such litigation through the date of disclosure and the extent to which it exceeded attorneys' fees, costs and expenses for such litigation (if none, disclose that fact), and (4) the amount of attorney's fees received or paid to the law firm handling such litigation.

15.4.2 An opinion of the Proposed Law Firm that the proposed Contingent Fee Litigation will not impose a stigma on or otherwise reduce the value of any of the Lots within the Property in excess of that which may already exist due to the conditions sought to be remedied by the proposed Contingent Fee Litigation or, if the Proposed Law Firm is unable or unwilling to provide such opinion, then a prominently disclosed statement as follows:

“The proposed contingent fee litigation may reduce the value and marketability of your homes as home buyers may be reluctant to buy homes within an association involved in ongoing litigation alleging substantial damages and harm have occurred within the Property. [Insert name of Proposed Law Firm] is unwilling or unable to provide an opinion that the proposed contingent fee litigation will not reduce the value and marketability of your homes.”

15.4.3 An opinion of the Proposed Law Firm stating (1) the range of monetary recovery that the Proposed Law Firm reasonably expects will be recovered by the Association (net of attorneys’ fees, costs and expenses), (2) the attorneys’ fees expected to be received by the Proposed Law Firm from the Contingent Fee Litigation, (3) the period of time the Proposed Law Firm reasonable expects litigation to continue before a monetary recovery will be received by the Association, (4) if the foregoing opinion regarding recovery amounts and period of time materially differs from the Prior Iron and Washington County HOA Contingent Fee Litigation, an opinion of why the proposed Contingent Fee Litigation will differ from the Prior Iron and Washington County HOA Contingent Fee Litigation, and (5) the involvement that will be required by the Lot Owners and the Association Board to respond to discovery requests, attend and participate in depositions, attend and testify at trial, and otherwise assist in the proposed Contingent Fee Litigation.

15.4.4 A prominent and succinct description of any out of pocket expenses or fees that the Association will be obligated to pay for the proposed Contingent Fee Litigation.

15.4.5 A prominent and succinct description of any restrictions on the ability of the Association (including any estimate of fees and expenses, including attorneys’ fee that may be required to be paid) to (1) terminate or dismiss the proposed Contingent Fee Litigation or (2) terminate the services of the Proposed Law Firm.

ARTICLE 16

ARCHITECTURAL REVIEW AND APPROVAL

The Declarant shall not be required to comply with the provisions of this Article 16 prior to the Turnover Date (as defined in the Bylaws). Until the Turnover Date, the Declarant shall fulfill all functions of the Architectural Control Committee under this Declaration.

No structure, building, fence, wall or addition, extension or expansion of any of the foregoing or any modification of an landscaping shall be commenced, erected or maintained upon the Property, nor shall any exterior addition or change or alteration to any Lot or building be made until the plans and specifications showing the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing as to harmony of external

design and location in relation to surrounding structures and topography by the Board or, if such a committee is in existence, by an Architectural Control Committee. The Architectural Control Committee to the extent one is designated by the Board, shall be composed of three (3) or more representatives appointed by the Board. After the Turnover Date, in the event the Board, or their designated committee fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and compliance with this article will be deemed to have been made.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned, as a Declarant herein, has hereunto set its hand this ____ day of _____, 2025.

Declarant

Paraiso 2800, LLC
a Utah limited liability company

By: _____
Devin Sullivan, Manager

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this ____ day of _____, 2025, before me personally appeared Devin Sullivan whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did each say that he is the Manager of Paraiso 2800, LLC, a Utah limited liability company, and that the foregoing document was signed by him as manager of Paraiso 2800, LLC by authority of the governing documents of Paraiso 2800, LLC, and that the document was the act of Paraiso 2800, LLC for its stated purpose.

NOTARY PUBLIC

Exhibit A – Property Description

**PARAISO SOUTH PHASE 1
BOUNDARY DESCRIPTION**

Exhibit B

Articles of Incorporation

[copy attached]

Exhibit C
Bylaws for Paraiso South Homeowners' Association

[copy attached]