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Steven D. Peterson, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
201 South Main Street, Suite 1200
Salt Lake City, UT 84111-2215

**MASTER DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR FROSTWOOD
A PLANNED COMMUNITY**

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EXHIBIT "A"

Frostwood Real Property	A-1
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EXHIBIT "B"

Additional Land	B-1
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**MASTER DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR FROSTWOOD
A PLANNED COMMUNITY
Summit County, Utah**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR FROSTWOOD, A PLANNED COMMUNITY is dated the 15th day of September, 2000. It is made by Park West Associates, L.L.C., a Utah limited liability company ("Declarant" as hereinafter defined).

RECITALS:

- A. Unless otherwise defined herein, capitalized terms used in this Master Declaration are defined in Article I.
- B. Declarant holds both legal and equitable title to certain real property located in the County of Summit, State of Utah, which is described in Exhibit "A" attached hereto and incorporated herein by this reference ("Property").
- C. Declarant intends, without obligation, to annex the Additional Land into the Frostwood planned community, which land is not presently included in the Frostwood planned community.
- D. Declarant is developing a planned community known as Frostwood on the Property, as shown on the Master Development Plat. At full development, Frostwood will contain various Parcels and will include a mixture of primary and secondary residential, hotel transient occupancy, timeshare, extended lodging, single-family, multifamily, commercial, retail, support and recreational uses, which may include, without obligation, a portion of a golf course, clubhouse and related golf course support facilities, a putting course, pedestrian corridors and plazas, a ski lift, open spaces, walkways, a trails system, and other social, commercial, civic and cultural buildings and facilities and other amenities, some of which may constitute the Common Elements of Frostwood. Declarant intends that this Master Declaration establish and provide for the continued maintenance of Frostwood as an attractive and desirable planned community.

E. Frostwood is located within The Canyons Specially Planned Area Zone District ("Canyons SPA") pursuant to Summit County Ordinance No. 333-A and any amendments thereto. Pursuant thereto, all properties located within The Canyons SPA, including Frostwood, are subject to various assessments and costs promulgated and levied pursuant to the Amended and Restated Development Agreement for The Canyons Specially Planned Area ("Development Agreement"), The Canyons Resort Village Management Agreement ("Management Agreement"), the SPA Design Guidelines, and the Articles of Incorporation and Bylaws for the RVMA. The Development Agreement, the Management Agreement, the SPA Design Guidelines, the Articles of Incorporation and Bylaws of the RVMA, as each document may from time to time be amended or supplemented, are collectively referred to as the "Canyons SPA Documents".

F. As part of the development of Frostwood, Declarant intends, without obligation, to Record various Plats; to dedicate portions of Frostwood to the public for streets, roadways, drainage, flood control, and use; to sell various Parcels included in Frostwood to various Parcel Developers and to Record Parcel Declarations containing restrictive covenants on the Parcels sold, and those Parcel Developers, with the Declarant's approval, may Record Plats and make public dedications on the Parcels purchased.

G. In furtherance of a common plan of development for Frostwood, Declarant intends to adopt covenants, conditions and restrictions affecting the Property and to reserve certain easements and rights across certain portions of the Property for the benefit of other portions of the Property. All such covenants and easements shall run with the title to the Property as hereinafter set forth. In order to cause the covenants to run with Frostwood and to be binding upon Frostwood and the Owners thereof from and after the date of Recordation of this Master Declaration, Declarant hereby makes all conveyances of Frostwood, whether or not so provided therein, subject to the covenants herein set forth; and by accepting Deeds, leases, easements or other grants or conveyances to any portion of Frostwood, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the covenants in this Master Declaration and the Canyons SPA Documents, including but not limited to the Assessments, RVMA Assessments and Frostwood Lift Impact Fees, except to the extent such Persons, if any, are specifically excepted therefrom.

H. Declarant desires to form a Master Association as a non-profit corporation for the purpose of benefitting Frostwood and its Members, which non-profit corporation will (1) acquire, construct, operate, manage and maintain a variety of Common Elements and other areas within Frostwood; (2) establish, levy, collect and disburse the Assessments and other charges imposed hereunder; and (3) as the agent and representative of the Members of the Master Association and Owners at Frostwood, administer and enforce all provisions hereof and enforce use and other restrictions imposed on various parts of Frostwood.

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NOW, THEREFORE, DECLARANT hereby declares, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Unless the context clearly indicates otherwise, the following words, phrases or terms used in this Master Declaration (including that portion hereof headed "Recitals") shall have the meanings set forth in this Article I. (Certain terms not defined herein are defined elsewhere in this Master Declaration.)

1.1 "Accommodation Area(s)" means the total approved Square Feet of a Parcel as shown on the Master Development Plat which are intended to be owned, rented or leased by one Person or a group of Persons for the purpose of residential or overnight occupancy. Accommodation Areas include, without limitation, areas used for hotel transient occupancy, timeshare, fractional ownership programs, club programs, extended lodging and primary and secondary residential uses, and associated above grade corridors and lobbies.

1.2 "Additional Land" shall mean, refer to, and consist of the described parcel of real property situated in Summit County, Utah adjacent to Parcel F2-B and described in Exhibit "B" to this Master Declaration, which is attached hereto and incorporated herein by this reference. A description of the Additional Land is set forth in this Master Declaration solely for purposes of identification. This Master Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon the Additional Land unless and until it is added to the existing Frostwood project in accordance with the provisions of Article XVIII of this Master Declaration.

1.3 "Adjacent Golf Course Property" means a Parcel, Lot, Common Element, Improvement or other development which has a portion of its boundary immediately adjacent to the Golf Course Parcel or the Golf Course Support Facilities.

1.4 "Annual Assessment" means the charge against each Parcel and each Parcel Association representing the portion of the Common Expenses which is to be paid by such Parcel Association, Parcel Developer, or other obligor to the Master Association.

1.5 "Articles" means the Articles of Incorporation of the Master Association as the same may from time to time be amended or supplemented.

1.6 "Assessable Property" means any Parcel, except such part or parts thereof as may from time to time constitute Exempt Property.

1.7 "Assessment" means an Annual Assessment, Special Assessment, Maintenance Charge and/or Frostwood Lift Impact Fee imposed by the Master Association.

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- 1.8 "Assessment Lien" means the lien created and imposed by Article X;
- 1.9 "Assessment Period" means the calendar year.
- 1.10 "Board" means the Board of Trustees of the Master Association, elected in accordance with the Articles and Bylaws of the Master Association.
- 1.11 "Bylaws" means the Bylaws of the Master Association as the same may from time to time be amended or supplemented.
- 1.12 "Canyons Owner" means American Skiing Company Resort Properties, Inc., a Maine corporation ("American Skiing Company"), or its successor or assigns that is the then current owner of The Canyons Ski Resort, which ski resort is located near Frostwood.
- 1.13 "Canyons SPA" means the term set forth in Recital E.
- 1.14 "Canyons SPA Documents" means the term set forth in Recital E.
- 1.15 "Class B Termination Date" means the date on which the Declarant's Class B Membership shall terminate which date shall be no later than the earlier to occur of:
- 1.15.1 Sixty (60) days after conveyance to Owners other than Declarant of eighty percent (80%) of the total Square Feet of Maximum Gross Building Areas at Frostwood;
- 1.15.2 On or before the date which is eighteen (18) years from the date that this Master Declaration is Recorded; or
- 1.15.3 When the Declarant, in its sole and exclusive discretion, so determines.
- 1.16 "Commercial/Retail/Support Area(s)" means the total approved Square Feet of a Parcel as shown on the Master Development Plat which are intended to be owned, rented or leased by one Person or a group of Persons for the sole purpose of supporting the Accommodation Areas, or which is otherwise developed and utilized in connection with the development of the Accommodation Areas. Commercial/Retail/Support Areas which will support the Accommodation Areas include, without limitation, commercial areas used for offices and real estate sales facilities, retail areas used for shops, stores, cafes and restaurants, and support areas used for skier services, service space, meeting and conference space, health and fitness facilities and recreational activity sales offices. Commercial/Retail/Support Areas may take the form of condominium units, but such areas do not include Residential Structures or any Common Elements.

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1.17 "Commercial/Retail/Support Unit" means any Unit to be used in a Commercial/Retail/Support Area. Commercial/Retail/Support Unit shall not include any Residential Structure.

1.18 "Common Element(s)" means the following:

1.18.1 All Master Association Land, which may include certain portions of the Golf Support Facilities;

1.18.2 The Parcel Common Amenities;

1.18.3 Any entry monument area including the entry monuments related to Parcels subject to Parcel Declarations constructed by Parcel Developers;

1.18.4 All land within Frostwood which the Declarant, by this Master Declaration, Recorded instrument or otherwise, designates for the benefit of Frostwood including, without limitation, enhanced parkways, landscaping including garden and art walk botanical features, recirculating water features, drainage, flood control, Parcel Common Amenities, median strips and areas between roadways and Parcels, Lots and Improvements, even if owned by or dedicated to a Municipal Authority, the United States or a Parcel Developer;

1.18.5 All land or right-of-way easements within Frostwood which are dedicated to the public or to a Municipal Authority, but which such Municipal Authority requires the Master Association to maintain.

1.18.6 All roadway improvements within Frostwood shown on the Master Development Plat as private roads and which are not accepted for dedication by a Municipal Authority.

Common Elements shall *not* include the Limited Access Public Corridors and Plazas, or common areas or Improvements of a Parcel that are exclusively constructed and maintained for use by Owners, Residents and Occupants solely within such Parcel as set forth in a Parcel Declaration.

1.19 "Common Expense Fund" means and refers to the fund created or to be created pursuant to the provisions of Article IX of this Master Declaration and into which all monies of the Master Association shall be deposited. Two separate and distinct funds shall be created and maintained thereunder, one for operating expenses and one for capital expenses, which together shall constitute the Common Expense Fund.

1.20 "Common Expenses" means and refers to those costs and expenses arising out of or connected with the maintenance and operation of the Common Elements and the Master Association as described in Section 9.6.1 hereof and which determine the

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Assessments made to each Member. Common Expenses shall include, among other things, certain costs associated with the operation, maintenance and repair of the Frostwood Lift.

1.21 "Covenants" means the covenants, conditions, restrictions, assessments, charges, equitable servitudes, liens, reservations and easements referred to or incorporated herein to this Master Declaration.

1.22 "Declarant" means Park West Associates, L.L.C., a Utah limited liability company and any Declarant Affiliate and/or other Persons as successors, assigns and concurrent holders of Declarant's rights and powers hereunder.

1.23 "Declarant Affiliate" means any Person directly or indirectly controlling, controlled by or under common control with the Declarant, and shall include, without limitation, any general or limited partnership, limited liability company, limited liability partnership or corporation in which the Declarant (or another Declarant Affiliate) is a general partner, managing member or controlling shareholder.

1.24 "Deed" means a deed or other instrument conveying the fee simple title in a Parcel, Lot, Unit, Residential Structure, Improvement or any other piece of real property within Frostwood.

1.25 "Design Guidelines" collectively means the Frostwood Design Guidelines and the SPA Design Guidelines.

1.26 "Design Review Committee" collectively means the Frostwood Design Review Committee and the SPA Design Review Committee.

1.27 "Exempt Property" means the following parts of Frostwood:

1.27.1 The Golf Course Parcel;

1.27.2 All Common Elements;

1.27.3 All land and Improvements owned by or dedicated to and accepted by the United States, a Municipal Authority, or any political subdivision thereof, for as long as such entity or political subdivision is the owner thereof or for so long as said dedication remains effective; and

1.27.4 Each property while owned by Declarant or a Declarant Affiliate, until the earliest to occur of (i) the acquisition of its Record title by a Person, other than Declarant or a Declarant Affiliate; or (ii) the sixtieth (60th) day after the Municipal Authority issues a certificate of occupancy for the first Unit or Improvement hereafter constructed thereon.

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1.28 "Frostwood" means, refers to, and consists of the Property, the Parcels, the Lots, the Units, the Common Elements and all Improvements thereon submitted to the terms of this Master Declaration and to the provisions of the Canyons SPA Documents.

1.29 "Frostwood Design Guidelines" means any design guidelines established by the Frostwood Design Review Committee for development of Frostwood, as they may be amended from time to time.

1.30 "Frostwood Design Review Committee" means the design review committee created and operated pursuant to this Master Declaration as set forth in Article XIII.

1.31 "Frostwood Lift and Gondola Plaza" means the ski transportation lift, related ski facilities, and the skier gondola plaza intended to be constructed on a portion of Parcel F1 and Parcel F7 to connect Frostwood with The Canyons Ski Resort pursuant to the Canyons SPA Documents; provided, however, "Frostwood Lift" in the singular shall mean only the ski transportation lift and shall *not* include the related ski facilities or gondola plaza.

1.32 "Frostwood Lift Impact Fee(s)" means any means any and all fees assessed pursuant to Section 9.16.

1.33 "Frostwood Rules" means the rules for Frostwood adopted by the Board pursuant to Section 7.4, as they may be amended from time to time.

1.34 "Frostwood Special Service Districts" means one or more, if any, special service districts which may be established to provide Frostwood with, among other things, waste water treatment and disposal services, fire fighting service, road maintenance, special lighting facilities for nonstandard street lights, culinary water and facilities including pump stations and snowplowing.

1.35 "Golf Course" means the real property and all Improvements therein owned by the Golf Course Owner and utilized as an 18-hole golf course which may be developed as a public or private golf course pursuant to the Canyons SPA Documents.

1.36 "Golf Course Owner" means such Person that is the current fee owner of the Golf Course, if developed; or any Person entitled to occupy and operate the Golf Course under a lease or sublease for an initial term of at least ten (10) years, in which case the lessee or sublessee, rather than the fee owner of the Golf Course, shall be deemed the Golf Course Owner for purposes of this Master Declaration during the term of said lease or sublease.

1.37 "Golf Course Parcel" means, if developed, the real property and all Improvements therein utilized as a portion of the Golf Course within Frostwood as shown on the Master Development Plat, or as ultimately developed as a portion of Frostwood.

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The areas which may be developed as a portion of the Golf Course are identified as "Golf Course Parcel 'A'" and "Golf Course Parcel 'B'" on the Master Development Plat.

1.38 "Golf Course Support Facilities" means the clubhouse which may or may not be constructed on Parcel F3-B to support the Golf Course, and the associated golf recreational facilities within Frostwood.

1.39 "Governing Documents" means the Canyons SPA Documents and this Master Declaration, any Recorded amendments hereto, the Bylaws, the Articles, the Frostwood Design Guidelines, the Frostwood Rules, and the Board's resolutions, as each document may be amended from time to time.

1.40 "Improvement(s)" means any improvement now or hereafter constructed at Frostwood and includes anything which is a structure and appurtenances thereto of every type and kind, including but not limited to any Residential Structure, Unit, building, hotel, motel, transient/overnight occupancy development, out building, structure, walkway, garage, roadway, driveway, parking area, screening wall, shed, covered patio, stairs, deck, fountain, pool, radio or television antenna or receiving dish, paving, curbing, landscaping, hedges, windbreak, planting, planted trees and shrubs, tank, fence, mailbox, sign, newspaper vending and distribution machines, overnight delivery service drop boxes, exterior lights, any excavation, fill, ditch, diversion, dam, retaining wall or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel, and related fixtures and equipment.

1.41 "Limited Access Pedestrian Corridors and Plazas" means those certain portions of the Pedestrian Corridors and Plazas located entirely within a Parcel as described in the respective Parcel Declaration, which are subject to ingress and egress restrictions as more particularly described in Section 2.3 hereof. If required by the Municipal Authority, the location of the Limited Access Pedestrian Corridors and Plazas for each Parcel shall be as approved by the Parcel Developer, Declarant and Municipal Authority.

1.42 "Lot" means the real property created as a subdivided portion of a Parcel located within Frostwood on a Plat duly Recorded, which may be limited by a Parcel Declaration. A Lot shall not include a Parcel, Unit or any Exempt Property.

1.43 "Maintenance Charges" means any and all costs assessed pursuant to Article X.

1.44 "Manager" means such Person retained by the Board to perform certain functions of the Board and the Master Association pursuant to this Master Declaration.

1.45 "Master Association" means the Utah nonprofit corporation to be organized by Declarant to administer and enforce the Covenants and to exercise the rights, powers and duties set forth in this Master Declaration, and its successors and assigns. Declarant hereby

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reserves the exclusive right to cause such Master Association to be incorporated and intends to name the Master Association "THE FROSTWOOD MASTER OWNERS ASSOCIATION, INC."

1.46 "Master Association Land" means such part or parts of Frostwood, together with the Improvements thereon, and other real property which the Master Association now or hereafter owns in fee for as long as the Master Association is the owner of the fee.

1.47 "Master Declaration" means this MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR FROSTWOOD, A PLANNED COMMUNITY, as amended or supplemented from time to time.

1.48 "Master Development Plat" means that certain plat entitled MASTER DEVELOPMENT PLAT OF FROSTWOOD, A PLANNED COMMUNITY, duly Recorded, as the same may be amended from time to time, and which is incorporated herein by this reference, including but not limited to any such Recorded Plat respecting the Additional Land.

1.49 "Maximum Gross Building Area(s)" means the maximum building area assigned to each Parcel as shown on the Master Development Plat measured in Square Feet constructed above finished grade. Maximum Gross Building Area(s) include(s) Accommodation Area(s), Commercial/Retail/Support Area(s), or any combination thereof.

1.50 "Member" means Class A Members (Parcel Associations) and Class B Members (Declarant and/or Declarant Affiliates) in the Master Association as provided in Section 8.1 hereof.

1.51 "Membership" means a Membership in the Master Association and the rights granted to the Parcel Associations and Declarant pursuant to Article VIII to participate in the Master Association.

1.52 "Mortgage" means any mortgage, deed of trust, or other security instrument (including the seller's rights under a contract for deed) by which any portion of a Parcel, Lot, Unit, Residential Structure or Improvement or any part thereof or interest therein, is encumbered in good faith as security for the payment of a debt or obligation. A "First Mortgage" is a Mortgage having priority as to all other Mortgages encumbering any Parcel or Lot, any Units, Residential Structures or Improvements thereon, or any part thereof or interest therein. An "Eligible Mortgage" is a First Mortgage(s) held by an Eligible Mortgagee.

1.53 "Mortgagee" means a Person named as the Mortgagee, beneficiary, or holder of the seller's interest under any Mortgage by which the interest of any Owner of a Parcel, Lot, Unit, Residential Structure or Improvement, or any part thereof or interest therein is

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encumbered, or any successor to the interest of such Person under such Mortgage. A "First Mortgagee" means any Person holding a First Mortgage including any insurer or guarantor of a First Mortgage. An "Eligible Mortgagee" means a First Mortgagee which has requested notice of certain matters from the Master Association in accordance with Section 19.1 of this Master Declaration in respect of (i) a Parcel; (ii) a whole Residential Structure owned by one Owner, or two Owners as joint tenants or tenants in common; or (iii) in respect of fifteen percent (15%) or more of the Lots, Units or other property interests in a Parcel, including timeshare and fractional interests, or part thereof or interest therein.

1.54 "Municipal Authority" means the applicable governmental entity or municipality which has jurisdiction over all or some part of Frostwood including without limitation Summit County, Utah.

1.55 "Occupant" means any Person, other than an Owner or Resident, who has actual use, possession or control of a Parcel, Lot, Unit, Residential Structure or Improvement, or any portion thereof, and shall include, without limitation, timeshare or fractional invitees and overnight hotel/motel guests.

1.56 "Owner" means (i) any Person(s), including the Declarant, who is (are) Record holder(s) of legal, beneficial or equitable title to the fee simple interest of any Parcel, Lot, Unit, Residential Structure or Improvement or any portion thereof including, without limitation, one who is buying a Parcel, Lot, Unit, Residential Structure or Improvement or any portion thereof under a Recorded contract or Recorded notice of such contract, but excluding others who hold an interest therein merely as security; and (ii) any Person(s) entitled to occupy all of a Parcel, Lot, Unit, Residential Structure or Improvement or portion thereof under a lease or sublease for an initial term of at least ten (10) years in which case the lessee or sublessee, rather than the fee owner of the Parcel, Lot, Unit, Residential Structure or Improvement, or portion thereof shall be deemed the Owner thereof for purposes of this Master Declaration during the term of said lease or sublease.

1.57 "Parcel" means one of the nine (9) parcels in Frostwood designated on the Master Development Plat as Parcel F1, F2-A, F2-B, F3-A, F3-B, F4, F5, F6 and F7, inclusive. Each Parcel may be subdivided by a Parcel Developer into Lots, developed into Units, and may be limited by a Parcel Declaration. A Parcel shall not include a Lot, Unit, Residential Structure or Improvement; provided that, however, in the case of staged developments, the term "Parcel" shall include areas not yet included on a Plat, condominium property regime or other Recorded instrument creating Lots, Units, Improvements, Parcel Common Amenities, and related Parcel amenities.

1.58 "Parcel Association" means any incorporated or unincorporated association of Owners which is formed to facilitate the management, maintenance and/or operation of one or more of the Parcels.

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1.59 "Parcel Common Amenities" means the Frostwood Lift and Gondola Plaza and the Pedestrian Corridors and Plazas.

1.60 "Parcel Declaration" means a separate Recorded declaration as established by any Parcel Developer, subject to Declarant approval, which imposes, expressly or by reference, additional restrictions and obligations on the land described therein. Each Parcel Declaration shall be subject to and subordinate to the Governing Documents. The Declarant expressly reserves the right to excuse in writing any Parcel Developer from the obligation to Record a Parcel Declaration against subsequent Parcel developments.

1.61 "Parcel Developer" means the Owner of a Parcel who acquires such Parcel for the purpose of subdividing such Parcel into Lots, improving and constructing Units or other Improvements thereon for resale to the public, or other subdivision, development, and/or resale purposes for its own benefit or in the ordinary course of its business; provided, however, that the term "Parcel Developer" shall *not* mean or refer to Declarant, Declarant Affiliate or Declarant's successors or assigns.

1.62 "Pedestrian Corridors and Plazas" means the real property and all Improvements thereon that the Municipal Authority may require each Parcel Developer to construct to facilitate the ingress and egress to, from, and within Frostwood. The Pedestrian Corridors and Plazas may be constructed and developed on those portions of Parcel F1 and Parcel F2-A as identified on the Plat for each respective Parcel, and such areas of other Parcels as shown on the respective Plats as Declarant may determine prior to conveyance of Record title to a Parcel Developer for such Parcel. If required by the Municipal Authority, the location of the Pedestrian Corridors and Plazas for each Parcel shall be as approved by the Parcel Developer, Declarant and Municipal Authority.

1.63 "Person" means any individual or entity, including a corporation, partnership, limited partnership, limited liability company, trustee or trust, unincorporated or incorporated association, or any other entity with the legal right to hold title to real property; provided, however, that the term "Person" shall not mean or refer to the Municipal Authority.

1.64 "Plat" means any subdivision Plat, except for the Master Development Plat, covering Parcels, Lots, Residential Structures, Units or Improvements on the Property, and/or a Recorded record of survey map affecting Frostwood as such may be amended from time to time.

1.65 "Property" means the term set forth in Recital B.

1.66 "Putting Course" means, if developed, the real property and Improvements therein utilized as a putting golf course with up to eighteen (18) holes which may be constructed on a portion of Parcel F2-A, Parcel F3-B and the Golf Course Parcel as more particularly described in Section 6.2.

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1.67 "Record", "Recording", "Recorded" and "Recordation" means placing or having placed an instrument of public record in the office of the County Recorder of Summit County, Utah.

1.68 "Resident" means:

1.68.1 Each buyer under a contract of sale covering any part of the Parcel, Lot, Unit, Residential Structure or Improvement, regardless of whether the contract is Recorded, and each tenant or lessee actually residing on any part of the Parcel, Lot, Unit, Residential Structure or Improvement; and

1.68.2 Members of the immediate family of each Owner, lessee, tenant and of each buyer referred to in Section 1.68.1 above actually living in the same household with such Owner, lessee, tenant or buyer.

Subject to Frostwood Rules as the Master Association may hereafter promulgate, the term "Resident" also shall include the on-site employees, guests or invitees of any such Owner, lessee, buyer or tenant, if and to the extent the Board in its absolute discretion by resolution so directs.

1.69 "Residential Structure" means a structure situated upon a Parcel or Lot intended for any type of independent ownership and for use and occupancy as a primary or secondary residence, and shall, unless otherwise specified, include within its meaning by way of illustration, (but not limitation) condominium units, apartment units, patio or zero lot line homes, town homes, and single-family houses on separately platted Lots, as may be developed, used, and defined as provided in this Master Declaration, subsequent amendments, or Parcel Declarations covering all or part of Frostwood; provided, however, the term "Residential Structure" includes all portions of the Lot on which any structure has been situated, a building containing multifamily residences, timeshare developments, club ownership developments, fractional ownership developments, and hotel and lodge Units intended for overnight or longer residential accommodations. For the purposes of this Master Declaration, a Residential Structure shall come into existence when substantially complete or upon the issuance of a certificate of occupancy by the Municipal Authority.

1.70 "RVMA" means The Canyons Resort Village Association, Inc., a Utah nonprofit corporation, d.b.a. The Canyons Resort Village Management Association. Members of the RVMA are American Skiing Company, ASC Utah, Inc. d.b.a. The Canyons, and the fee simple title owners, timeshare owners, club owners or the long term lease holders of property (where "long term" means a lease of twenty-five (25) years or more) of the land parcels or property in the Canyons SPA as set forth in the Canyons SPA Documents, and any of the RVMA members' successors or assigns.

1.71 "RVMA Assessment" means any assessment levied and assessed by the RVMA pursuant to the Canyons SPA Documents.

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1.72 "SPA Design Review Committee" means the design review committee created and operated pursuant to the Canyons SPA Documents.

1.73 "Special Assessment" means assessments which the Master Association may levy from time to time, in addition to the Annual Assessments, for unexpected Common Expenses or other purposes as provided in Article IX.

1.74 "Square Feet" means the gross square feet constructed above finished grade of a Parcel, Lot, Unit, Residential Structure or other Improvement, including Accommodation Areas, Commercial/Retail/Support Areas, or any combination thereof, as shown on the Master Development Plat and as measured and calculated by the Declarant or the Master Association on a consistent basis, subject to Municipal Authority review.

1.75 "Unit" means a "condominium unit" on the Property as that term is defined in the Utah Condominium Ownership Act. The term "Unit" includes Commercial/Retail/Support Units.

1.76 "Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six feet tall standing on Neighboring Property, on the level of the base of the object being viewed. The term Neighboring Property means any Parcel, Lot, Unit, Residential Structure, Improvement, street or other property within Frostwood other than the specific Parcel, Lot, Unit, Residential Structure, Improvement, street or property in reference.

ARTICLE II

PROJECT OVERVIEW

2.1 Maximum Gross Building Areas and Entitlements. The Maximum Gross Building Areas and entitlements for Parcels within Frostwood are established and defined in the Canyons SPA Documents, on the Master Development Plat and in this Master Declaration. Declarant reserves the right to develop Frostwood to include up to 857,500 Square Feet of Maximum Gross Building Areas including, but not limited to, 817,500 Square Feet for Accommodation Areas and 40,000 Square Feet for Commercial/Retail/Support Areas. Declarant also reserves the sole and exclusive right to determine how each Parcel is or is not developed, including but not limited to whether or not certain Parcel Common Amenities or Limited Access Pedestrian Corridors and Plazas exist. In addition, the Declarant hereby reserves for itself, its successors and assigns, the unilateral right to transfer the Square Feet from the Maximum Gross Building Areas between and among Parcels owned by the Declarant in the event Declarant or Declarant Affiliate does not utilize all of the Square Feet assigned to a Parcel in the development of such Parcel's Lots, Units or other Improvements ("Transfer"), provided that such Transfer does not enlarge the total Maximum Gross Building Areas at Frostwood. Declarant

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reserves the right to unilaterally accomplish any such Transfer without the approval or the vote of the Municipal Authority, the Parcel Developers, the Members and the Owners by Recording an amendment to this Master Declaration identifying the Transfer, the subject Parcels, the Square Feet transferred, and the allocation of Square Feet with respect to the subject Parcels both before and after the Transfer's effective date. However, no amendment to the Master Development Plat shall be required to effectuate any such Transfer. In the event a Parcel Developer does not utilize all of the Square Feet assigned to the Parcel it owns in the development of such Parcel's Lots, Units or other Improvements, such undeveloped Square Feet shall revert back to the Declarant or Declarant Affiliate upon the Municipal Authority's determination that no further building permits for construction of Units will be issued for the Parcel based upon the Parcel's total Maximum Gross Building Areas. Declarant may transfer such undeveloped Square Feet between and among the Parcels it owns according to the Transfer procedures set forth above. Subject to possible reallocations of Accommodation Areas or Commercial/Retail/Support Areas, Declarant intends that Frostwood will be developed to allow for mixed uses, including, without limitation or obligation, single-family detached residential use, residential condominium use, timeshare use, club ownership use, fractional ownership interest residential use, other residential uses consistent with the Governing Documents, retail and commercial use, as well as ancillary, complementary or subsidiary uses such as (without limitation) public or private trails, public or private parks, natural open space, Common Elements and the like. Declarant intends that as each Parcel is developed, a Parcel Declaration will be Recorded to fix the permissible uses as well as the use restrictions of property within each Parcel. Frostwood will generally consist of the following Parcels as defined in the Canyons SPA Documents and on the Master Development Plat:

2.1.1 Parcel F1 has been assigned 210,000 Square Feet of Maximum Gross Building Areas consisting of 200,000 Square Feet of Accommodation Areas and 10,000 Square Feet of Commercial/Retail/Support Areas. Parcel F1 may include the following Improvements:

2.1.1.1 To the extent required by the Municipal Authority, Parcel F1 may include a portion of the Pedestrian Corridors and Plazas and Limited Access Pedestrian Corridors and Plazas, to be located in those areas as ultimately approved by the Declarant prior to the Class B Termination Date, the Parcel Developer and the Municipal Authority. The Parcel Developer of Parcel F1 shall have the sole and exclusive responsibility to construct the portion of the Pedestrian Corridors and Plazas and the Limited Access Pedestrian Corridors and Plazas located on Parcel F1, if such construction is required by the Municipal Authority. Subsequent to construction, the Master Association shall manage and maintain the Pedestrian Corridors and Plazas in accordance with the provisions of this Master Declaration for Common Elements, and the Parcel Developer or Parcel Association shall manage and maintain the Limited Access Pedestrian Corridors and Plazas in accordance with the provisions of this Master Declaration according to the Access

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Maintenance Standard defined in Section 2.3.3 below. In the event a portion of the Pedestrian Corridors and Plazas is constructed on Parcel F1, or in the event any Limited Access Pedestrian Corridors and Plazas are constructed on Parcel F1, Declarant intends to reserve, and does hereby reserve, for the benefit of the public, the Master Association, and the Owners, Residents and Occupants of Frostwood a nonexclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F1 which is a part of the Pedestrian Corridors and Plazas and Limited Access Pedestrian Corridors and Plazas, subject to all of the terms and conditions of this Master Declaration, and subject to the Parcel Developer's or the Parcel Association's Board of Trustees' right to adopt reasonable rules and regulations in connection with the hours of access to, use of and other reasonable reservations regarding the Limited Access Pedestrian Corridors and Plazas; and

2.1.1.2 Subject to Declarant's sole and exclusive determination, it is contemplated, but not required that Parcel F1 may also include a portion of the Frostwood Lift and Gondola Plaza, to be located as determined by Declarant and the Parcel Developer of Parcel F1, but in any event not to encroach upon or materially affect any planned Improvement on Parcel F1. In the event a portion of the Frostwood Lift and Gondola Plaza is constructed on Parcel F1, Declarant intends to reserve, and does hereby reserve, for the benefit of the public, the Master Association, and the Owners, Residents and Occupants of Frostwood a nonexclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F1 which is a part of the Frostwood Lift and Gondola Plaza, subject to Section 2.2 below and all other terms and conditions of this Master Declaration.

2.1.2 Parcel F2-A has been assigned 266,000 Square Feet of Maximum Gross Building Areas consisting of 256,000 Square Feet of Accommodation Areas and 10,000 Square Feet of Commercial/Retail/Support Areas. Parcel F2-A may include the following Improvements:

2.1.2.1 To the extent required by the Municipal Authority, Parcel F2-A may include a portion of the Pedestrian Corridors and Plazas and Limited Access Pedestrian Corridors and Plazas, to be located in those areas as ultimately approved by the Declarant prior to the Class B Termination Date, the Parcel Developer and the Municipal Authority. The Parcel Developer of Parcel F2-A shall have the sole and exclusive responsibility to construct the portion of the Pedestrian Corridors and Plazas and the Limited Access Pedestrian Corridors and Plazas located on Parcel F2-A, if such construction is required by the Municipal Authority. Subsequent to construction, the Master Association shall manage and maintain the Pedestrian Corridors and Plazas in accordance with the provisions of this Master Declaration for

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Common Elements, and the Parcel Developer or Parcel Association shall manage and maintain the Limited Access Pedestrian Corridors and Plazas in accordance with the provisions of this Master Declaration according to the Access Maintenance Standard defined in Section 2.3.3 below. In the event a portion of the Pedestrian Corridors and Plazas is constructed on Parcel F2-A, or in the event any Limited Access Pedestrian Corridors and Plazas are constructed on Parcel F2-A, Declarant intends to reserve, and does hereby reserve, for the benefit of the public, the Master Association, and the Owners, Residents and Occupants of Frostwood a nonexclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F2-A which is a part of the Pedestrian Corridors and Plazas and Limited Access Pedestrian Corridors and Plazas, subject to all of the terms and conditions of this Master Declaration, and subject to the Parcel Developer's or the Parcel Association's Board of Trustees' right to adopt reasonable rules and regulations in connection with the hours of access to, use of, and other reasonable restrictions regarding the Limited Access Pedestrian Corridors and Plazas; and

2.1.2.2 Subject to Declarant's sole and exclusive determination, it is contemplated, but not required, that Parcel F2-A may also include a portion of the Putting Course. Declarant reserves the exclusive right to determine whether a portion of the Putting Course shall be constructed on Parcel F2-A. The construction, management and maintenance of such portion of the Putting Course shall be the sole and exclusive responsibility of the Person(s) designated by the Declarant. In the event a portion of the Putting Course is constructed on Parcel F2-A, Declarant intends to reserve, and does hereby reserve, for itself, or for the benefit of the Person(s) designated by it, an exclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F2-A which is a part of the Putting Course for the purposes of constructing, maintaining, operating, using, locating and relocating the Putting Course, subject to all of the terms and conditions of this Master Declaration. Except as a patron at the Putting Course, the Parcel Developer of the Parcel F2-A acknowledges and agrees that he, she or it shall not have any ownership interest in, or right to use, such Putting Course, if developed, solely by virtue of his, her or its ownership, use or occupancy of the Parcel F2-A.

2.1.3 Parcel F2-B has been assigned 72,000 Square Feet of Maximum Gross Building Areas consisting of 72,000 Square Feet for Accommodation Areas.

2.1.4 Parcel F3-A has been assigned 104,000 Square Feet of Maximum Gross Building Areas consisting of 104,000 Square Feet of Accommodation Areas.

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2.1.5 Parcel F3-B has been assigned 20,000 Square Feet of Maximum Gross Building Areas consisting of 20,000 Square Feet for Commercial/Retail/Support Areas. Subject to Declarant's sole and exclusive determination, it is contemplated, but not required, that:

2.1.5.1 Parcel F3-B may include a portion of the Putting Course. Declarant reserves the exclusive right to determine whether a portion of the Putting Course shall be constructed on Parcel F3-B. The construction, management and maintenance of such portion of the Putting Course shall be the sole and exclusive responsibility of Person(s) designated by the Declarant. In the event a portion of the Putting Course is constructed on Parcel F3-B, Declarant intends to reserve, and does hereby reserve, for itself, or for the benefit of the Person(s) designated by it, an exclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F3-B which is a part of the Putting Course for the purposes of constructing, maintaining, operating, using, locating and relocating the Putting Course, subject to all of the terms and conditions of this Master Declaration. Except as a patron at the Putting Course, the Parcel Developer of the Parcel F3-B acknowledges and agrees that he, she or it shall not have any ownership interest in, or right to use, such Putting Course, if developed, solely by virtue of his, her or its ownership, use or occupancy of the Parcel F3-B.; and

2.1.5.2 Parcel F3-B may include all or a portion of the Golf Course Support Facilities. The construction, management and maintenance of the Golf Course Support Facilities shall be the sole and exclusive responsibility of the Golf Course Owner or another Person designated by Declarant. Notwithstanding the foregoing, Declarant reserves the option to develop a portion of the Golf Course Support Facilities as a Common Element. In the event the Golf Course Support Facilities are constructed on Parcel F3-B, Declarant intends to reserve, and does hereby reserve, for the benefit of the Golf Course Owner, and such other Persons as determined by Declarant, an exclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F3-B which is a part of the Golf Course Support Facilities, subject to all of the terms and conditions of this Master Declaration.

2.1.6 Parcel F4 has been assigned 48,000 Square Feet of Maximum Gross Building Areas consisting of 48,000 Square Feet for Accommodation Areas.

2.1.7 Parcel F5 has been assigned 87,500 Square Feet of Maximum Gross Building Areas consisting of 87,500 Square Feet for Accommodation Areas.

2.1.8 Parcel F6 has been assigned 50,000 Square Feet of Maximum Gross Building Areas including consisting of 50,000 Square Feet for Accommodation Areas.

2.1.9 Parcel F7 has *not* been assigned any Square Feet of Maximum Gross Building Areas. However, it is contemplated that Parcel F7 may be developed to include, without limitation, a portion of the Frostwood Lift and Gondola Plaza, a portion of the Golf Course, Lots, Units or various other Improvements. Subject to Declarant's sole and exclusive determination, it is contemplated, but not required, that:

2.1.9.1 Parcel F7 may include a portion of the Frostwood Lift and Gondola Plaza, to be located as determined by Declarant. In the event a portion of the Frostwood Lift and Gondola Plaza is constructed on Parcel F7, Declarant intends to reserve, and does hereby reserve, for the benefit of the public, the Master Association, and the Owners, Residents and Occupants of Frostwood a nonexclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Parcel F7 which is a part of the Frostwood Lift and Gondola Plaza, subject to Section 2.2 below and all other terms and conditions of this Master Declaration;

2.1.9.2 Parcel F7 may include a portion of the Golf Course. The construction, management and maintenance of such portion of the Golf Course shall be the sole and exclusive responsibility of the Golf Course Owner; and

2.1.9.3 Parcel F7 may also include various Lots, Units or Improvements as the Declarant shall determine in its sole and exclusive discretion. The Declarant hereby reserves for itself, its successors and assigns, the right to Transfer certain amounts of Square Feet from the Maximum Gross Building Areas of any Parcel, including but not limited to Parcel F2-A and Parcel F2-B, to Parcel F7 for the development of such Lots, Units or Improvements in accordance with the Transfer procedures set forth in Section 2.1 above.

2.1.10 The Golf Course Parcel has *not* been assigned any Square Feet of Maximum Gross Building Areas. However, the Golf Course Parcel may be developed to include, without limitation, a portion of the Golf Course or The Putting Course. Subject to Declarant's sole and exclusive determination, it is contemplated, but not required, that:

2.1.10.1 The Golf Course Parcel may constitute a portion of the Golf Course. The construction, management and maintenance of such portion of the Golf Course shall be the sole and exclusive responsibility of the Golf Course Owner; and

2.1.10.2 The Golf Course Parcel may also include a portion of the Putting Course. The portion of the Golf Course Parcel which may include the Putting Course is generally located adjacent to the Northeastern boundary line

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of Parcel F3-B. Declarant reserves the exclusive right to determine whether a portion of the Putting Course shall be constructed on the Golf Course Parcel. The construction, management and maintenance of such portion of the Putting Course shall be the sole and exclusive responsibility of Person(s) designated by the Declarant. In the event a portion of the Putting Course is constructed on the Golf Course Parcel, Declarant intends to reserve, and does hereby reserve, for itself, or for the benefit of the Person(s) designated by it, an exclusive, perpetual easement on, over, upon, across, above, under and through the portion of the Golf Course Parcel which is a part of the Putting Course for the purposes of constructing, maintaining, using, locating and relocating the Putting Course, subject to all of the terms and conditions of this Master Declaration. Except as a patron at the Putting Course, the Golf Course Owner acknowledges and agrees that he, she or it shall not have any ownership interest in, or right to use, such Putting Course, if developed, solely by virtue of his, her or its ownership, use or occupancy of the Golf Course Parcel.

2.2 Frostwood Lift and Gondola Plaza. There shall exist at or near Frostwood a certain Frostwood Lift and Gondola Plaza to be located, in part, on a portion of Parcel F1 and a portion of Parcel F7. When constructed, the Frostwood Lift and Gondola Plaza shall be maintained and operated for the benefit and convenience of, among others, the Master Association and the Owners, Residents and Occupants of Frostwood for the purposes of using, accessing and enjoying such Lift and related ski facilities.

2.3 Limited Access Pedestrian Corridors and Plazas. There may exist at Frostwood certain Limited Access Pedestrian Corridors and Plazas for the ingress and egress to, from and within Frostwood which are located on certain Parcels as the Municipal Authority may require, including without limitation Parcel F1 and Parcel F2-A, as such Limited Access Pedestrian Corridors and Plazas may be described in the respective Parcel Declaration, and as may be shown on the respective Plat. The Limited Access Pedestrian Corridors and Plazas are subject to the following provisions:

2.3.1 Expenses. The construction, management and maintenance of all Limited Access Pedestrian Corridors and Plazas on a Parcel shall be the sole and exclusive responsibility of the controlling Parcel Developer and/or the Parcel Association.

2.3.2 Access. Ingress and egress to, from and within Frostwood via the Limited Access Pedestrian Corridors and Plazas shall be open to the public, the Master Association, Declarant, Declarant Affiliate, and all Owners, Residents and Occupants at Frostwood during normal daylight hours. All other access, including without limitation nighttime and special event access, is strictly subject to the reasonable rules and regulations as may be adopted by the respective Parcel Developer or Parcel Association's Board of Trustees, or as may be expressly

provided in the respective Parcel Declaration. Except for those Owners, Residents and Occupants granted use rights in the respective Parcel Declaration, no Owner, Occupant or Resident shall have any right to use those Limited Access Pedestrian Corridors and Plazas by virtue of ownership or occupancy of a Unit or Residential Structure. It is expressly acknowledged and agreed by all Persons subject to this Master Declaration that this Section 2.3 is for the benefit and protection of those certain Owners, Residents and Occupants within the Parcel where the Limited Access Pedestrian Corridors and Plazas are developed as set forth in the respective Parcel Declaration.

2.3.3 Access Maintenance Standard. The Parcel Developer, while it is in control of the Parcel Association, or thereafter the Parcel Association by its Board of Trustees, hereby covenants and agrees that it shall at all times maintain the Limited Access Pedestrian Corridors and Plazas in a clean, sightly, safe, and attractive condition and in good repair and in substantially the same condition as Common Elements maintained by the Master Association ("Access Maintenance Standard"). Specifically, the Parcel Developer or Parcel Association shall clear and continue to clear the Limited Access Pedestrian Corridors and Plazas of any weeds, debris, garbage or like items. In the event that (i) the Parcel Developer or Parcel Association fails to properly maintain the Limited Access Pedestrian Corridors and Plazas pursuant to the Access Maintenance Standard; (ii) any portion of the Limited Access Pedestrian Corridors and Plazas is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Parcels, Lots, Units or Improvements or other areas of Frostwood which are substantially affected thereby or related thereto; (iii) any portion of the Limited Access Pedestrian Corridors and Plazas is used in a manner which violates the Governing Documents; and/or (iv) the Parcel Developer or Parcel Association fails to perform any of its obligations under the Governing Documents, the Board may make a finding to such effect in its sole and exclusive discretion, specifying the particular condition or conditions which exist. Pursuant to such finding, the Board shall give notice thereof to the offending Parcel Developer or Parcel Association that unless corrective action is taken within thirty (30) days, the Board may cause such action to be taken at the Parcel Developer's or Parcel Association's cost; provided, however, that in the event of an emergency or unsafe situation, the offending Parcel Developer or Parcel Association must take such corrective action within a shorter time period as the Board may reasonably determine under the circumstances. If at the expiration of such time period the requisite corrective action has not been taken, then the Master Association specifically reserves the right to cure the Parcel Developer's or Parcel Association's default. The cost of any corrective action by the Master Association to the Limited Access Pedestrian Corridors and Plazas shall be added to and become a part of the Assessment to which the offending Parcel Association and the respective Parcel is subject and shall be secured by the Assessment Lien.

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2.4 Master Association Land. Notwithstanding the uses contemplated in the forgoing Section 2.1, Declarant reserves the right to convey any Parcel owned by Declarant to the Master Association as Master Association Land. Further, Declarant reserves the right to subdivide and convey any portion of a Parcel owned by Declarant to the Master Association as Master Association Land. The Master Association shall have the right to construct, manage and maintain any and all of the Parcel Common Amenities. One or more Parcel Developers may convey the Parcel Common Amenities, or a portion thereof, to the Master Association as Master Association Land, so long as the Master Association agrees to accept such conveyance.

2.5 Master Association and Parcel Associations. In addition to the Master Association, Declarant intends to create or permit to be created separate Parcel Associations covering the Parcels of Frostwood. Each Parcel Association shall be subject to and subordinate to this Master Declaration. The Members of the Master Association shall be all Parcel Associations in Frostwood and Declarant for so long as Declarant holds a Class B Membership pursuant to Section 8.2.2 below.

2.6 Readjustment of Parcel Line Boundaries. Declarant hereby reserves for itself, Declarant Affiliate and Declarant's successors and assigns, the right to effectuate minor realignment and adjustment of Parcel boundary lines for purposes of proper configuration and final engineering of all Parcels in relationship to the Golf Course Parcel; provided that any such realignment and adjustment does not affect any actual or proposed Improvement (other than landscaping) on the affected Parcel. The authority to realign and adjust such Parcel boundary lines shall be exclusively reserved to the Declarant, Declarant Affiliate and Declarant's successors or assigns, in their sole and reasonable discretion, subject to the other provisions of this Section 2.6. The Golf Course Owner specifically acknowledges and agrees that it shall cooperate with Declarant to effectuate such minor realignment and adjustment of the Golf Course Parcel boundary lines by Deed in form and content as requested by the Declarant for the purposes of proper configuration and final engineering of the Golf Course Parcel in relationship to all other Parcels. All Parcel Developers specifically acknowledge and agree that they shall cooperate with Declarant to effectuate such minor realignment and adjustment of their respective Parcel boundary lines by Deed in form and content as requested by the Declarant for the purposes of proper configuration and final engineering of the Parcels in relationship to the Golf Course Parcel. Further, the Municipal Authority, Golf Course Owner and all Parcel Developers acknowledge and agree that no amendment to this Master Declaration or the Master Development Plat shall be required to effectuate any Parcel boundary line adjustments so long as such adjustments are made pursuant to § 17-27-808(7), Utah Code Ann., as amended. More particularly, boundary line adjustments between adjacent Parcels may be executed upon the Recordation of an appropriate Deed if:

2.6.1 No new Lot, Unit or Residential Structure results from the Parcel boundary line adjustment;

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2.6.2 The adjoining property Owners consent to the Parcel boundary line adjustment (such consent to be granted by Parcel Developers as described above);

2.6.3 The Parcel boundary line adjustment does not result in remnant land that did not previously exist; and

2.6.4 The adjustment does not result in violation of applicable Municipal Authority zoning requirements.

The forgoing Sections 2.6.1, 2.6.2, 2.6.3 and 2.6.4 are subject to automatic modification to be consistent with any amendments or changes to § 17-27-808(7), Utah Code Ann.

2.7 Right to Develop. Notwithstanding anything contained herein to the contrary, no provision of this Master Declaration is intended or shall be construed to prevent or limit Declarant's rights to develop Frostwood and to exercise the rights reserved by Declarant as hereinafter provided. Nothing in this Master Declaration shall be construed to require Declarant, Declarant Affiliate, or Declarant's successor or assigns, to develop the Parcel Common Amenities or any other Improvements in any manner whatsoever.

2.8 Required Approvals for Further Property Restrictions. Subject to the Municipal Authority's review and approval, before further property restrictions are imposed on any Parcel or property within Frostwood, the following approvals must be obtained in writing from the Declarant prior to the Class B Termination Date, or thereafter from the Master Association:

2.8.1 All proposed site plans and Plats for any Parcel, or any portion thereof (including any Lot into which the Parcel is subdivided as provided in this Master Declaration), must be approved in writing by the Frostwood Design Review Committee, which approval must be evidenced on the Plat or other instrument creating the subdivision, planned unit development, condominium project or other project prior to Recordation thereof or commencement of construction on the applicable Parcel. Subsequent to the Declarant's or the Frostwood Design Review's written approval of a proposed site plan and/or Plat for any Parcel, no Parcel Developer shall further subdivide or separate such Parcel or the Lots therein created, or any portion thereof, into smaller Parcels, Lots or interests. This provision shall not, in any way, limit Declarant from subdividing or separating into Parcels or Lots any property at any time owned by Declarant, and is not intended to prohibit the fractionalization and sale of undivided interest in Units located on any Parcel or Lot, subject to Municipal Authority approval.

2.8.2 All proposed Pedestrian Corridors and Plazas and Limited Access Pedestrian Corridors and Plazas for any Parcel must be approved in writing by the Declarant prior to the Class B Termination Date, or thereafter by the Frostwood Design Review Committee, which approval must be evidenced on the Parcel

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Declaration, Plat or other instrument creating the Corridors prior to Recordation thereof or commencement of construction on the applicable Parcel.

2.8.3 No Units or Improvements shall be constructed on any Parcel or Lot until a Parcel Declaration has been Recorded with respect to such Parcel. No Parcel Declaration or further covenants, conditions, restrictions, easements or other instrument which is to be Recorded and which is required by this Section 2.8 to be approved by the Declarant prior to the Class B Termination Date, or thereafter the Master Association, shall be effective unless the Parcel Developer has obtained the required approval from the Declarant prior to the Class B Termination Date, or thereafter the Master Association, which shall be evidenced by an approval letter signed by an authorized representative of the Declarant or the Master Association. Any covenants, conditions, restrictions, easements or other instrument Recorded without obtaining such approval shall be voidable at the Declarant's option as it shall determine in its sole and exclusive discretion.

2.8.4 No applications for rezoning, variances or use permits, or for waivers of or modifications to existing variances, use permits, zoning stipulations or similar restrictions shall be filed with a Municipal Authority without the prior written approval of the Declarant prior to the Class B Termination Date, or thereafter the Frostwood Design Review Committee, and then only if such proposed zoning, variance or use, or waiver or modification, is in compliance with this Master Declaration and any applicable Parcel Declaration.

2.8.5 Notwithstanding the foregoing, neither the Declarant nor any Declarant Affiliate shall be required to seek or obtain any of the approvals or consents otherwise required under this Section 2.8 as to any Lot or Parcel, or any portion of either, owned by the Declarant or any Declarant Affiliate.

2.9 Design Review Fee. The Declarant prior to the Class B Termination Date, or thereafter the Master Association, shall have the right to charge any Owner a reasonable fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change, replacement or other work pursuant to this Master Declaration, as the Declarant prior to the Class B Termination Date, or thereafter the Master Association, shall determine in their sole and exclusive discretion. The design review fee shall be payable at the time the application for approval is submitted to the Declarant prior to the Class B Termination Date, or thereafter the Master Association. Such fee, if established and charged by the Declarant or the Master Association, shall be set at such reasonable level as the Declarant or the Master Association may estimate will be necessary to defray the reasonable costs and expenses of the Declarant prior to the Class B Termination Date, or thereafter the Master Association, in reviewing and evaluating any such request or application, and may include, if the Declarant or the Master Association deems it reasonably necessary under the circumstances, an amount to cover the reasonable costs of professional consultation to the Declarant prior to the Class B Termination Date, or

thereafter the Master Association, by an architect, engineer or attorney. Such design review fees shall be collected by the Frostwood Design Review Committee and remitted to the Declarant prior to the Class B Termination Date, or thereafter the Master Association, to help defray the costs and incidental expenses of the Frostwood Design Review Committee, including without limitation the cost of consultants' and attorneys' fees.

2.10 Legal Description of a Parcel. Each Parcel shall be identified by permanent reference to the letter "F" together with a number as shown on the Master Development Plat. Every contract for sale, deed, lease, mortgage, trust deed, or other instrument relating to a Parcel may legally describe the Parcel as follows:

Parcel F-____ according to the official plat entitled Master Development Plat of Frostwood, a Planned Community, duly recorded _____ in Book _____ at Page _____, on _____, 2000 in the official records of the Recorder of the County of Summit, State of Utah.

Any legal description substantially in the form provided above or which is otherwise sufficient to identify the Parcel shall be good and sufficient for all purposes to sell, convey, transfer and encumber or otherwise affect a Parcel and all rights and easements appurtenant thereto.

ARTICLE III

PROPERTY SUBJECT TO MASTER DECLARATION

3.1 Master Declaration Creating Frostwood. In order to further the general purposes stated in Article II above, Declarant hereby declares that all of the real property within Frostwood, including the Property described in Exhibit A, together with the Additional Land which may be annexed pursuant to Article XVIII of this Master Declaration, is and shall at all times be owned, held, hypothecated, encumbered, sold, leased, conveyed, occupied, built upon, enjoyed or otherwise used, improved or transferred, in whole or in part, subject to the provisions and Covenants of this Master Declaration. In addition, some or all of the Property shall be subject to Recorded Parcel Declarations as applicable and as amended from time to time. Declarant intends to develop Frostwood by subdivision into various Parcels with the associated Maximum Gross Building Areas and to sell such Parcels. As Parcels of Frostwood are developed and sold to Parcel Developers for development, except as otherwise provided in this Master Declaration, Declarant or Declarant Affiliate, or a Parcel Developer, subject to Declarant's review as set forth in Section 2.8.3 above, shall Record one or more Parcel Declarations covering such property. Said Parcel Declarations shall specify the Maximum Gross Building Areas and shall incorporate by reference the Governing Documents and establish such additional covenants, conditions and restrictions as may be appropriate for that Parcel.

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This Master Declaration and all subsequent Parcel Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of Frostwood and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of Frostwood and every part thereof. All of the Covenants, terms and conditions of this Master Declaration shall run with the Property and all of which shall burden, benefit, and be binding upon the Declarant, the Master Association, all Parcel Developers, all Owners, Residents and Occupants, and all other Persons having any right, title or interest in the Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives. This Master Declaration shall not be construed to prevent the Declarant from dedicating or conveying portions of Frostwood, including but not limited to streets or roadways, for uses other than as a Parcel, Lot, Unit, Residential Structure, Common Element or Master Association Land.

3.2 Master Association Bound. Upon issuance of a Certificate of Incorporation (or other documents evidencing valid existence) to the Master Association, the Covenants shall be binding upon and shall benefit the Master Association.

3.3 Municipal Authority Property. From time to time, the Declarant may, in its sole and exclusive discretion and without the vote of the Members, convey certain Common Elements to the applicable Municipal Authority. It is contemplated that from time to time certain open space areas, the trails system established from time to time pursuant to the Canyons SPA Documents, certain roadways, and other real property and facilities, may be conveyed by Deed to a Municipal Authority, which conveyances are authorized pursuant to this Master Declaration. To the extent that certain roadway improvements are not dedicated to the Municipal Authority, then such private roadways constructed within Frostwood for the benefit of all Owners and Members at Frostwood, if any, shall be maintained by the Master Association as set forth in Article XII below, and such private roadways shall not be Municipal Authority Property. All private roadways constructed within specific Parcels shall be maintained by the Parcel Developer(s) and/or the Parcel Association(s) having responsibility for such specific Parcels within Frostwood in the same or better condition as public roadways are maintained by the Municipal Authority, and such private roadways shall not be Municipal Authority Property.

3.4 Frostwood Special Service Districts. In connection with the development of Frostwood and the Recordation of this Master Declaration, the Declarant may form or cause to be formed one or more Frostwood Special Service Districts. The Frostwood Special Service Districts may be body politics and corporate and quasi-municipal public corporations of the State of Utah. The Frostwood Special Service Districts may have the right and authority to levy taxes, charges and/or assessments upon Members within the Frostwood Special Service Districts. The Frostwood Special Service Districts may have the power, among other things, to contract, to acquire and construct facilities and to finance the cost thereof by the issuance of bonds and to establish rates and charges that enable the Frostwood Special Service Districts to operate such facilities as are necessary to fulfill its

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purposes. If the Declarant establishes one or more Frostwood Special Service Districts, then each Member may be subject to all charges levied by them.

ARTICLE IV

EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON ELEMENTS

The following easements and rights created by this Article IV are subject to all of the terms and conditions of this Master Declaration:

4.1 Easements of Enjoyment. Every Member and every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Parcel, Lot, Unit, Residential Structure and Improvement, subject to the right of the Master Association:

4.1.1 To suspend the voting rights and right to the use of the Common Elements by any Member (i) for any period during which any Assessment against its Parcel remains delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of the Governing Documents, and (iii) for successive sixty (60)-day periods if any such infraction is not corrected during any prior sixty (60)-day suspension period.

4.1.2 The right of the Master Association to dedicate or transfer all or any part of the Master Association Land to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Master Association.

4.1.3 To regulate the use of the Common Elements through the Frostwood Rules and to prohibit access to those Common Elements, such as landscaped rights-of-ways, not intended for use by the Members. The Frostwood Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Common Elements or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Members.

4.2 Easements for Municipal Authority and Reservation of Rights. The easements of enjoyment referenced in Section 4.1 above are also subject to the right of the applicable Municipal Authority to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within Frostwood for purposes of providing police and fire protection, transporting school children and providing other governmental or municipal service. The Declarant and the Master Association reserve the right to obtain access to any Common Elements, including but not limited to recirculating water features, landscape features and lamp post banners, located within any public right of way, including

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any roundabout located therein, for purposes of providing maintenance of the Common Elements located thereon.

4.3 Easements for Encroachments. If any part of a Unit or Improvement built in substantial accord with the boundaries for such Unit or Improvement as depicted on a Plat (or in other documents approved by the Municipal Authority depicting the location of a Unit or Improvement on a Lot or Parcel) encroaches or shall encroach upon the Common Elements in a minor way as determined by the Board in its sole and exclusive discretion, or upon an adjoining Parcel, Lot or Improvement, an easement for such encroachment benefitting the encroaching party and for the maintenance of the same by the encroaching party shall and does exist. Any such maintenance shall comply with standards applicable to maintenance of the Common Elements. If any part of the Common Elements built in substantial accord with the boundaries for such Common Element as depicted on a Plat (or in other documents approved by the Municipal Authority depicting the location of a Common Element on a Lot or Parcel) encroaches or shall encroach upon a Parcel, Lot or Improvement in a minor way as determined by the Board in its sole and exclusive discretion, an easement for such encroachment benefitting the encroaching party and for the maintenance of the same by the encroaching party shall and does exist. Any such maintenance shall comply with standards applicable to maintenance of the Common Elements.

4.4 Easements for Construction and Utility Connections. Prior to construction of roadways and driveways accessing each Parcel, each Parcel Developer shall have a temporary right of ingress or egress to and from his, her or its Parcel, as reasonably necessary in order to allow for construction of Improvements on the Parcel; provided that the Declarant shall have the right to specify in its sole and exclusive discretion where such temporary access points are located. To the extent that certain roadways are private roads, then each Parcel Developer shall have a right of ingress or egress to and from his, her or its Parcel to such private roads, as reasonably necessary in order to allow for connection to utility and service lines and systems, including, but not limited to water, sewer, gas, telephone, electricity, television cable or communication lines and systems, as such utilities are required in connection with the initial development of the Common Elements, Parcel, Lots, Residential Structures, Units or other Improvements thereon; provided that the Declarant shall have the right to specify in its reasonable discretion where such utility and service line connection points are located.

4.5 Utility Easements. Pursuant to the Master Development Plat, a nonexclusive storm drainage and public utility easement is granted upon, across, over and under all open space areas located within Parcels which are not ultimately improved with Units and/or other Improvements for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to water, sewer, gas, telephone, electricity, television cable or communication lines and systems, as such utilities are installed in connection with the initial development of the roadways, Common Elements, Parcels, Lots, Units or other Improvements thereon;

provided, however, that such storm drainage and public utility easement shall not materially adversely encroach on existing Improvements. Notwithstanding such grant of utility easement, prior to complete build-out of a Parcel, the Parcel Developer of such Parcel shall have the right, prior to any construction of utilities on the subject Parcel, to unilaterally, without the consent of any other Person (except that the Declarant's consent shall be required for utilities that impact Frostwood as a whole), Record an instrument which narrows and limits such grant of utility easements to specific areas of the Parcel described in such instrument and for the purposes described therein. In any event, no utility company shall locate any utilities on any Parcel without the advance written consent of the Parcel Developer on such terms or conditions as the Parcel Developer deems appropriate, and no utility company shall locate any utilities on any Common Elements without the advance written consent of the Board, on such terms or conditions as the Board deems appropriate. Notwithstanding the forgoing, in the event the utility lines impact, serve or cover all of Frostwood or multiple Parcels within Frostwood, then the Declarant prior to the Class B Termination Date, or thereafter the Frostwood Design Review Committee, must approve in writing the forgoing instrument executed by the Parcel Developer, which approval must be evidenced on such instrument prior to Recordation thereof or commencement of construction of utility lines on the applicable Parcel.

4.6 Easement for the Trails System. It is contemplated under the Canyons SPA Documents that certain trails systems and certain pathways around and/or through Frostwood will be developed and maintained from time to time as part of hiking and/or bicycling trails systems serving the public, and Owners, Residents and Occupants at Frostwood ("Trails System"). The Trails System is further described in the Snyderville Basin Special Recreation District Regional Trails Agreement which is attached and incorporated into the Development Agreement as Exhibit I.2.3 ("Trails System Agreement"). Among other things, the Trails System Agreement provides that the RVMA shall construct the Trails System through the Parcels for the purpose of providing public trails segments in compliance with the community-wide trails system development standards, and in compliance with the Millennium Trail and Willow Draw Connector alignments described in the Trails System Agreement and the Canyons SPA Documents. Declarant hereby dedicates and reserves, for the benefit of the Snyderville Basin Special Recreation District, a special district ("SBSRD"), a perpetual nonexclusive easement twenty feet (20') wide on, over, upon, across, above, under and through the portions of Frostwood shown on the Master Development Plat for location, construction, maintenance, repair and recreational purposes. The Trails System dedicated to the SBSRD is intended for the use of the public in perpetuity. Subsequent to initial construction, the SBSRD shall maintain the surfaces of the Trails System. The RVMA will construct and maintain all corridor enhancements that are parallel to the Trails System, including but not limited to fencing along the Golf Course Parcel subject to review and approval by the Design Review Committee as provided for in Section 5.29. All holders of public or private utility easements, if any, and all Parcel Developers whose Parcels are subject to the Trails System easement depicted on the Master Development Plat, shall repair any damage to the Trails System caused by their construction, development and maintenance activities and shall

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restore the Trails System improvements to substantially the same condition as existed immediately prior to any construction, development and maintenance activities therein.

4.7 Easement for Development. The Declarant hereby reserves an easement throughout Frostwood for the purpose of completing all Improvements contemplated by this Master Declaration and the Canyons SPA Documents, including but not limited to Improvements to the Additional Land, on Parcels owned by Declarant or Declarant Affiliates, on Common Elements, and with respect to Parcels owned by Parcel Developers, in the approvals and plans granted to the Parcel Developer by the Design Review Committee. Declarant shall be entitled to use all Common Elements within Frostwood, roadways within Frostwood and other facilities located in Frostwood to access the Additional Land in order to make Improvements thereto and to continue with the development of Frostwood.

4.8 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across the Parcel Common Amenities and the Limited Access Pedestrian Corridors and Plazas that from time to time may exist upon the Common Elements and/or Parcels, subject to the respective Parcel Developer's or the Parcel Association's Board of Trustees' right to adopt reasonable rules and regulations in connection with the hours of access to, use of, and other reasonable restrictions regarding the Limited Access Pedestrian Corridors and Plazas; provided that the public, the Declarant or Declarant Affiliate, the Master Association and all Owners, Residents and Occupants, and his, her or its licensees, invitees, lessees, successors and assigns shall *not* be entitled to use any private Improvements which may exist within such easement that are exclusively constructed and maintained for use by specific Owners, Residents and Occupants within such Parcel as set forth in a Parcel Declaration. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such private roadways, driveways and parking areas as from time to time which may be paved and intended (as evidenced in a document of Record) for ingress and egress to and from each Parcel and through and across the Parcel Common Amenities. Such pedestrian and vehicular access easements shall run in favor of and be for the benefit of the public, Owners, Residents and Occupants. There is also hereby created an easement upon, across and over Frostwood and all private streets, private roadways, private driveways and private parking areas within Frostwood for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. The Board shall have the right to relocate and/or reconfigure any and all such easements from time to time as it sees fit without the consent of any Parcel Developers or Owners (but subject to any necessary approvals of Municipal Authority); provided, however, that in the event such relocation or reconfiguration results in a materially adverse encroachment on a Parcel, Lot, Unit or Improvement, such relocation or reconfiguration shall require the advance written consent of the Parcel Developer or the Parcel Association, or the Owner of the Lot, Unit or Improvement, as the case may be.

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ARTICLE V

USE RESTRICTIONS

The following covenants, conditions, restrictions and rights shall apply to all Parcels, Lots, Units, Residential Structures and all other Improvements, the Owners and lessees thereof, all Residents, and all Occupants whether or not a Parcel Declaration has been Recorded on said property:

5.1 Architectural Control. All Improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any Parcel or Lot, or the Units or Improvements located thereon, must comply with the Design Guidelines and are subject to the prior written approval of the Design Review Committee. No changes or deviations in or from the plans and specifications once approved by the Design Review Committee shall be made without the prior written approval of the Design Review Committee.

5.2 Maintenance of Property. All Parcels and Lots, and all Improvements located thereon, shall be kept and maintained by the Owner thereof in a clean, safe, attractive and slightly condition and in good repair so as not to detract from the appearance of Frostwood, and so as not to affect adversely the value or use of any other Parcel, Lot, Unit, Residential Structure or Improvement. In the event any portion of any Parcel, Lot, Unit or Improvement is so maintained as to (i) present a public or private nuisance, (ii) substantially detract from the appearance or quality of Frostwood or (iii) violate the Governing Documents, the Board may give notice to the offending Owner that unless corrective action is taken within thirty (30) days, the Board may cause such action to be taken at such Owner's cost; provided, however, that in the event of an emergency or unsafe situation, such corrective action must be taken within a shorter time period as the Board may reasonably determine under the circumstances. If at the expiration of such time period the requisite corrective action has not been taken, the Board may cause such action to be taken. The cost of any corrective action by the Master Association to a Parcel shall be added to and become a part of the Assessment to which the offending Parcel Association and the respective Parcel is subject and shall be secured by the Assessment Lien. The cost of any corrective action by the Master Association to a Lot, Unit or Improvement independently owned shall become a Maintenance Charge and the personal obligation of the specific offending Owner as provided for in Article X.

5.3 Appearance. All Improvements erected or maintained on any Parcel or Lot must be approved, constructed and maintained in accordance with the specifications and regulations established by the Design Review Committee and Design Guidelines.

5.4 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary Improvements or structures of any kind, shall be used at any time for a residence, either temporary or

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permanent. Notwithstanding the forgoing, temporary Improvements may be approved by the Design Review Committee for use as temporary Golf Course Support Facilities, but such temporary Golf Course Support Facilities shall be removed immediately after the completion of construction of the permanent Golf Course Support Facilities. In addition, temporary Improvements may be approved by the Design Review Committee for use during the construction of any structure on any Parcel or Lot, but such temporary Improvements shall be removed immediately after the completion of construction.

5.5 Nuisances; Construction Activities. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Parcel, Lot, Unit or Improvement, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other Neighboring Property in the vicinity thereof or to the Owners, Residents or Occupants of such other Neighboring Property. No other nuisance shall be permitted to exist or operate upon any Parcel, Lot, Unit or Improvement so as to be offensive or detrimental to any other Neighboring Property in the vicinity thereof or to its Owners, Residents or Occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property. Normal construction activities and parking in connection with the building of Units or Improvements on a Parcel or Lot shall not be considered a nuisance or otherwise prohibited by this Master Declaration. Parcels, Lots and Improvements shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials may be piled only in such areas as may be approved by the Design Review Committee. In addition, any construction equipment and building materials stored or kept on any Parcel or Lot during construction of Units or Improvements may be kept only in areas approved by the Design Review Committee, which may also require screening of the storage areas. The Design Review Committee in its sole discretion shall have the right to determine the existence of any such nuisance.

5.6 Installation of Landscaping. The Owner of a Parcel or Lot shall install (if not already installed) grass, trees, plants and other landscaping Improvements (together with an irrigation system sufficient to adequately water any grass, trees, plants and other landscaping improvements), on all portions of the Parcel or Lot that require landscaping, in accordance with the plans approved in writing by the Design Review Committee for that Parcel or Lot, not later than a date established by the Master Association as part of the Design Review Committee review and approval process. If landscaping and an irrigation system are not installed on a Parcel or Lot in the manner and by the applicable date provided for in this Section, the Master Association shall have the right, but not the obligation, to enter upon such Parcel or Lot to install such landscaping improvements as the Master Association deems appropriate in accordance with the approved plans for such Parcel or Lot (together with an irrigation system sufficient to adequately water the same),

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and the cost of any such installation shall be paid to the Master Association by the Owner of the Parcel or Lot, upon demand from the Master Association. Any amounts payable by a Parcel Developer to the Master Association pursuant to this Section shall be secured by the Assessment Lien applicable to the Parcel in which such Parcel Developer has an interest, and the Master Association may enforce collection of such amounts in the same manner and to the same extent as provided for in Article X for the collection and enforcement of Assessments. Any amounts payable by an Owner of a Lot to the Master Association pursuant to this Section shall be the personal obligation of such Owner, and the Master Association may enforce collection of such amounts in the same manner and to the same extent as provided in Article X for the collection and enforcement of Maintenance Charges.

5.7 Signs. No signs whatsoever (including but not limited to commercial, political, "for sale", "for rent" and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Parcel, Lot, Unit or Improvement except:

5.7.1 Signs required by legal proceedings.

5.7.2 Residence identification signs provided the size, color, content and location of such signs have been approved in writing by the Design Review Committee.

5.7.3 Project identification signs, including but not limited to signs of hotel, motel, retail, timeshare projects, fractional projects and club programs approved from time to time by the Design Review Committee as to number, size, color, design, message content, location and type.

5.7.4 Such construction job identification signs and subdivision identification signs which are in conformance with the requirements of the Municipal Authority and which have been approved in writing by the Design Review Committee as to number, size, color, design, message content and location.

5.7.5 Temporary "Open House" signs indicating that a Unit or Residential Structure is available for inspection by interested parties, but such signs may only be erected or maintained during the hours designated by the Design Review Committee.

5.7.6 Temporary "for sale" signs, but only if and to the extent permitted by, and subject to any and all applicable limitations in the Design Guidelines, and rules and regulations adopted by the Design Review Committee, as amended from time to time.

5.8 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Parcel or Lot except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance

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or construction (during the period of construction) of Improvements; (ii) that which Declarant or the Master Association may require for the operation and maintenance of Frostwood; or (iii) that used or displayed in connection with any business permitted under a Parcel Declaration.

5.9 Vehicles. Except as otherwise approved by the Design Review Committee, no automobile, commercial vehicle, truck, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other transportation device of any kind, shall be stored outside or parked on the Property except within a garage or in specially designated parking spaces constructed with prior approval of the Design Review Committee in connection with a Parcel Developer's development plan, or within spaces under construction as of the effective date of this Master Declaration. The Declarant, Declarant Affiliate and the Master Association shall have the right to park any type of vehicle owned or used by the Declarant, Declarant Affiliate or the Master Association on the Property within parking areas or structures designated for such purpose. Notwithstanding the above, the Declarant or the Master Association may designate areas for off-street parking on the Property for the temporary parking of maintenance and delivery vehicles, for the sole purpose of assisting in a maintenance operation or to provide for the loading or unloading of such vehicles, or to accommodate special circumstances. No Owner, Resident or Occupant shall repair or restore any vehicle of any kind upon any portion of Frostwood, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

5.10 Diseases and Insects. No Owner, Resident or Occupant shall permit any thing or condition to exist upon any Parcel, Lot, Unit or Improvement which shall induce, breed or harbor infectious plant diseases or noxious insects.

5.11 Repair of Improvements. No Unit or Improvement on any Parcel or Lot shall be permitted to fall into disrepair and each such Unit or Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Unit or Improvement is damaged or destroyed, then, subject to the approvals required by the Design Review Committee and subject to the provisions of any Parcel Declaration, such Unit or Improvement shall be immediately repaired, rebuilt or demolished. If any Unit or Improvement should be demolished, then the Owner shall at all times maintain the vacant Parcel or Lot in a clean sightly condition, and shall clear and shall continue to clear the Parcel or Lot of any weeds, debris, garbage, trimmings or like items.

5.12 Overhead Encroachments. No tree, shrub or planting of any kind on any Parcel or Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, the Common Elements, the Parcel Common Amenities, the Golf Course Parcel or other area from ground level to a height of eight (8) feet without the prior approval of the Design Review Committee.

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5.13 Tree Removal. Subsequent to final approval by the Design Review Committee of a Parcel Developer's development plan, no trees shall be removed, except for (i) diseased or dead trees; and (ii) trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in writing by the Design Review Committee.

5.14 Mineral Exploration. No Parcel or Lot shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

5.15 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Parcel, Lot, Unit or Improvement, except in covered containers of a type, size and style which are approved by the Design Review Committee or required by the Municipal Authority. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection. All rubbish, trash and garbage shall be removed from the Parcels, Lots and Improvements and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Parcel, Lot, Unit or Improvement.

5.16 Health, Safety and Welfare. In the event additional uses, activities and facilities are deemed by the Design Review Committee to be a nuisance or to adversely affect the health, safety or welfare of Owners, Residents and Occupants, the Design Review Committee may make rules restricting or regulating their presence within Frostwood.

5.17 Violations of Law. Any activity which violates local, state, or federal laws or regulations is prohibited; however, the Board shall have no obligation to take enforcement action in the event of a violation.

5.18 Sales Offices. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising Frostwood, and models in any areas of Frostwood owned by the Declarant or Declarant Affiliate. Declarant may relocate sales offices, management offices and models to other locations within Frostwood at any time, in its sole and exclusive discretion. Subject to the Declarant's written approval prior to the Class B Termination Date, or thereafter the Frostwood Design Review Committee's written approval, as to the location of offices or models on the Parcel, each Parcel Developer shall have the right to maintain sales offices, management offices and signs advertising any project located on such Parcel owned by the Parcel Developer.

5.19 Drainage. No Owner, Resident or Occupant shall interfere with or obstruct the drainage pattern over his or her Parcel or Lot from or to any other Parcel or Lot as that pattern may be established by the Design Review Committee, Declarant or Parcel Developer.

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5.20 Construction. The following provisions shall apply to any construction, renovation, maintenance or other work authorized by the terms of this Master Declaration and performed by one Person upon the Parcel, Lot, Unit or Improvement of another:

5.20.1 Once commenced, the work shall be diligently prosecuted to completion.

5.20.2 All work shall be performed in a good and workerlike manner, shall minimize any inconvenience to the operations conducted by the Owner of the burdened Parcel, Lot, Unit or Improvement, and shall comply with all applicable laws, ordinances and regulations.

5.20.3 If, as a result of any work, any part of the impacted property is altered or disturbed (other than any area to be permanently altered as a result of such work) the disturbed area shall be promptly restored to as near its original condition as possible.

5.20.4 All work in excess of \$100,000 shall be started only after reasonable advance written notice to the Declarant, or after the Class B Termination Date to the Master Association, and shall be performed at reasonable times and shall be done in a manner so as to minimize disruption to the use and operation of the impacted property, including the performance of work off-season or off-hours, if appropriate.

5.20.5 The Person performing the work shall indemnify, defend, and hold harmless the Owner on whose Parcel, Lot, Unit or Improvement work is being performed from any loss or damage to Persons or property, and from any expenses associated with any claims arising from any such loss or damage which is related to the performance of the work.

5.21 Construction Period Exception. During the course of actual construction of any permitted Improvements on any Parcel or Lot, the Design Review Committee may, by written instrument, waive certain provisions contained in this Article V to the extent necessary to permit such construction, provided that, during the course of such construction, nothing is done that will result in a violation of any of such provisions upon completion of construction.

5.22 Compliance With the Law. No Parcel, Lot, Unit or Improvement shall be used, occupied, altered, charged, improved, or repaired except in compliance with all present and future laws, rules, requirements, orders, directions, ordinances, and regulations of the United States of America, the State of Utah, and the Municipal Authority affecting Frostwood.

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5.23 Right of Entry. During reasonable hours and upon reasonable notice to the Owner, Resident or Occupant of a Parcel, Lot, Unit or Improvement, any member of the Design Review Committee, any member of the Board, or any authorized representative of either of them, shall have the right to enter upon and inspect any Parcel or Lot, and the Unit or Improvements thereon, except for the interior portions of any completed Residential Structure, for the purpose of ascertaining whether or not the provisions of this Master Declaration have been or are being complied with and such Persons shall not be deemed guilty of trespass by reason of such entry.

5.24 Tenants. All or some portion of a Parcel, Lot, Unit or Improvement may be leased to one or more tenants or lessees from time to time by the Owner thereof, subject to the provisions of the Governing Documents. If a Parcel, Lot, Unit or Improvement is leased or rented by its Owner, the Residents or Occupants of such Parcel, Lot, Unit or Improvement shall have the right to use the Common Elements during the term of the lease, and the Owner of such Parcel, Lot, Unit or Improvement shall have no right to use the Common Elements until the termination or expiration of such lease.

5.25 Leases. Any lease between an Owner and a lessee respecting a Parcel, Lot, Unit or Improvement shall be subject in all respects to the provisions of the Governing Documents, and any failure by the lessee to comply with the terms of such Governing Documents shall be a default under the lease. Specifically, all leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and collect all costs associated therewith against such Owner.

5.26 Animals. Except as otherwise determined by Board in its sole and exclusive discretion, no animals, birds and/or fish of any kind may be raised, bred, or kept at Frostwood.

5.27 Antennas and Satellite Dishes. Except as otherwise permitted by law, antennas and satellite dishes are prohibited at Frostwood, unless such antennas or satellite dishes are specifically approved by the Design Review Committee.

5.28 Clotheslines, Tanks, Woodpiles, Etc. No clotheslines, above-ground tanks, woodpiles, and other similar items shall be erected, placed or maintained at Frostwood.

5.29 No Fences. Except for fences that the RVMA constructs and maintains to demarcate the Golf Course Parcel, no fences, walls, or other barriers shall be permitted for the purpose of enclosing or demarcating any property line boundaries without the prior written approval of the Declarant prior to the Class B Termination Date, or thereafter the Frostwood Design Review Committee, which approval may be withheld in the Declarant's or the Design Review Committee's sole and exclusive discretion.

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5.30 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Parcel or Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on Improvements as approved by the Declarant prior to the Class B Termination Date, or thereafter the Design Review Committee, except for boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices.

5.31 Model Units. The provisions of this Master Declaration and of Parcel Declarations which, in certain instances, prohibit non-residential use of Lots and Parcels and regulate parking of vehicles shall not prohibit the construction and maintenance of model Units by Parcel Developers engaged in the construction of Units and parking incidental to the visiting of such model Units so long as the location of such model Units and the opening and closing hours are approved by the Design Review Committee. The construction, operation and maintenance of such model Units shall comply with all of the provisions of this Master Declaration. The Design Review Committee may also permit Lots and other areas to be used for parking in connection with the showing of model Units so long as such parking and parking areas are in compliance with the ordinances of the Municipal Authority and any rules of the Design Review Committee. Any Units constructed as model Units shall cease to be used as model Units at any time the Parcel Developer is not actively engaged in the construction and sale of Units and no Unit shall be used as a model Unit for the sale of Units not located at Frostwood.

5.32 Accommodation Areas. It is contemplated that Declarant, Declarant Affiliate or a Parcel Developer may develop certain Improvements within the Accommodation Areas at Frostwood to be used exclusively for long and short term transient overnight accommodations and/or timeshare residential use. Specifically, timeshare estates, fractional ownership, or other interval ownership interest programs may exist where an Owner will have a right to occupy accommodations during certain time periods pursuant to a "right to use" club program, and/or an undivided fractional fee interest in real property, as provided by contract, declaration, or other instrument defining a legal right. In addition, overnight or longer transient occupancy arrangements may exist where an Owner will have a right to occupy accommodations during certain time periods as provided by a hotel or motel contract. Nothing in this Master Declaration prevents Declarant, Declarant Affiliate, a Parcel Developer or their successors and assigns from operating the Parcels, Lots, Units or Improvements held by them as a commercial hotel, motel, timeshare development, fractional development, club development or recreational facility

5.33 Commercial/Retail/Support Areas. Commercial/Retail/Support Areas will generally be developed as individual commercial, retail or support Commercial/Retail/Support Units by one or more Parcel Developers. Such Commercial/Retail/Support Units are solely intended to complement the Accommodation

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Areas and shall include, among other things, offices, shops, stores, cafes, restaurants, skier services, service space, meeting and conference space, health and fitness facilities, and other similar developments specifically designed to support and serve the Accommodation Areas. It is contemplated that the Declarant will sell or lease one or more Parcels to individual Parcel Developers who will construct such Commercial/Retail/Support Units with respect to such a Parcel in accordance with this Master Declaration and a specific Parcel Declaration.

5.34 Declarant's Exemption. Nothing contained in this Master Declaration or in any Parcel Declaration shall be construed to prevent the construction, installation or maintenance by Declarant, any Declarant Affiliate, or any agents or contractors thereof, during the period of development, construction and sales of the Property or Improvements deemed necessary or convenient by the Declarant, in its sole and exclusive discretion, or the development or sale of the Property. In addition, the use restrictions contained in this Article V shall not apply to any activity conducted by a Parcel Developer approved in writing by the Declarant with respect to its development and sale of the Parcels or Lots which it owns within Frostwood.

ARTICLE VI

GOLF COURSE PARCEL AND PUTTING COURSE

6.1 Golf Course Parcel. The Canyons SPA Documents provide that a portion of the Golf Course will be constructed on the Golf Course Parcel. The Golf Course Parcel is subject to the following terms and conditions:

6.1.1 Disclaimer Regarding Frostwood's Responsibility for the Golf Course. The Canyons Owner is responsible to ensure the construction and completion of the Golf Course. Declarant's sole responsibility with respect thereto is to make available to the Golf Course Owner the Golf Course Parcel for utilization as part of the Golf Course. Declarant has no responsibility to construct the Golf Course. Accordingly, all Persons, including without limitation all Owners, are hereby advised that there are no assurances or representations in this Master Declaration that a Golf Course, or any portion thereof, does exist or will be developed at Frostwood. Further, all Persons, including without limitation all Owners, are hereby advised that no representations, warranties or commitments have been or are made by the Declarant, Declarant Affiliate or any other Person with regard to the present or future development, ownership, operation or configuration of, or right to use, the portion of the Golf Course which may be constructed on the Golf Course Parcel, or the Golf Course Support Facilities which may be constructed on Parcel F3-B, whether or not depicted on the Master Development Plat, or any other land use or landscaping plan, sales brochure or other marketing display or Plat. No purported representation, warranty

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or commitment, written or oral, in such regard shall ever be effective without an amendment to this Master Declaration executed by the Declarant.

6.1.2 No Obligations or Use Rights Regarding the Golf Course Parcel. In addition to the disclaimers set forth in Section 6.1.1 above, all Persons are specifically advised that the Declarant or Declarant Affiliate has no responsibility, obligation or duty whatsoever to build, supervise or construct the portion of the Golf Course which may be developed on the Golf Course Parcel. No Person, including without limitation the Golf Course Owner, shall have any ownership interest in, or right to use, occupy or construct upon the Golf Course Parcel until such time as Declarant or Declarant Affiliate transfers the Golf Course Parcel to such Person or Golf Course Owner. Moreover, all Persons hereby acknowledge and agree that the Declarant has not created a dedication or any transfer of the Golf Course Parcels simply by recording this Master Declaration or the Master Development Plat. No consent of the Master Association or any Parcel Association shall be required to effectuate the transfer of the Golf Course Parcel to the Golf Course Owner. No Member shall have any ownership interest in, or right to use, any such Golf Course or Golf Course Support Facilities solely by virtue of its Membership in the Master Association. In addition, No Owner, Resident, or Occupant shall have any ownership interest in, or right to use, any such Golf Course or Golf Course Support Facilities solely by virtue of: (i) his, her or its membership in any Parcel Association; or (ii) his, her or its ownership, use or occupancy of any Parcel, Lot, Unit or Improvement, or portion thereof. Although it is presently contemplated that the Golf Course shall be available for public use, the Golf Course and the Golf Course Support Facilities may be privately or publically owned. No Membership rights, or Assessments shall be charged to the Golf Course Parcel. However, the ownership, operation or configuration of, or rights to use, any such portion of the Golf Course on the Golf Course Parcel or Golf Course Support Facilities may change at any time and from time to time for reasons including, but not limited to:

6.1.2.1 The purchase or assumption of operation of any such Golf Course or Golf Course Support Facilities by another independent Person; or

6.1.2.2 The conversion of any such Golf Course or Golf Course Support Facilities to an equity club or similar arrangement whereby members of such Golf Course, or an entity owned or controlled thereby, become the owner(s) and/or operator(s) of such Golf Course or Golf Course Support Facilities (and, perhaps, such members become the only Persons entitled to use such Golf Course or Golf Course Support Facilities).

6.1.3 No Duty to Convey the Golf Course Parcel. Subject to the provisions of the Canyons SPA Documents, all Persons are hereby advised that the Declarant or Declarant Affiliate has no responsibility, obligation or duty whatsoever to convey, whether by Deed or otherwise, the Golf Course Parcel to the Golf Course Owner, its

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agents or affiliates, or to any other Person unless Declarant or Declarant Affiliate is reasonably satisfied, in its sole and exclusive discretion, that all surrounding property owners and developers subject to the Canyons SPA Documents have likewise made available land at the Canyons SPA to be developed into a championship 18-hole golf course. In addition, such conveyance is subject to Declarant's or Declarant Affiliate's reasonable determination that the development and governing documents of such surrounding property owners and developers at the Canyons SPA have covenants, conditions and obligations substantially similar to those contained under this Master Declaration in connection with the development of a golf course to insure that a golf course will be properly constructed and operated at the Canyons SPA.

6.1.4 Additional Restrictions for Adjacent Golf Course Property. In the event that Frostwood includes a portion of the Golf Course on the Golf Course Parcel, the Declarant prior to the Class B Termination Date, or thereafter the Design Review Committee, may create additional reasonable restrictions specifically applicable to Adjacent Golf Course Property in order to maintain a uniform appearance with the Golf Course.

6.1.5 Golf Course Parcel Easement or Conveyance. The Declarant may convey the Golf Course Parcel to the Golf Course Owner by Deed or by grant of a Golf Course easement.

6.1.6 Golf Balls, Disturbances and Nuisances. Each Owner of an Adjacent Golf Course Property understands and agrees that golf course-related activities may take place within or adjacent to Frostwood. Each Owner acknowledges that the location of his, her or its Parcel, Lot, Unit or Improvement within Frostwood may result in nuisances or hazards to Persons and property on such Parcel, Lot, Unit or Improvement as a result of normal golf course operations or as a result of such other golf course-related activities, and that it and they assume all risks associated with such location. Such risks include, but are not limited to, the risk of property damage or personal injury arising from stray golf balls or actions incidental to such golf course-related activities. Each Owner, its successors and assigns, and all Residents and Occupants shall indemnify and hold harmless the Master Association, the Declarant, any Declarant Affiliate, the Golf Course Owner and operator(s) of any such Golf Course or Golf Course Support Facilities and any and all sponsors and promoters of any tournament or other activity on or involving the Golf Course Parcel or Golf Course Support Facilities, for, from and against any liability, claims or expenses, including attorneys' fees and court costs, arising from such property damage or personal injury. Each Owner further covenants that the Master Association, the Declarant and the Golf Course Owner shall have the right, in the nature of an easement, to subject certain portions of Frostwood to nuisances incidental to the maintenance, operation or use of any such Golf Course and to the carrying out of such golf course-related activities; provided that such easement does not interfere with the construction, location and use of any Improvements at Frostwood.

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6.1.7 Errant Golf Ball Easement. Each Adjacent Golf Course Property shall be subject to an "errant golf ball easement" which shall permit access to golf balls which enter upon such properties without liability to the party causing such golf ball to enter upon an Adjacent Golf Course Property, unless a golfer causes a golf ball to enter an Adjacent Golf Course Property with the intent of causing damage or harm. Notwithstanding the forgoing, the party causing such golf ball to enter upon an Adjacent Golf Course Property shall not play the golf ball on any portion of the Adjacent Golf Course Property.

6.1.8 Operation of the Golf Course. Each Owner acknowledges that the operation and maintenance of the portion of the Golf Course within Frostwood may require that maintenance personnel and other workers will perform work relating to the operation and maintenance of such Golf Course as early as 4:00 a.m. and as late as 12:00 p.m. on a daily basis, and, in certain circumstances, at any time(s) of the day or night. In connection therewith, each Owner, Resident, and Occupant agrees that the Declarant, Declarant Affiliate and the Golf Course Owner, and their employees, agents and contractors, shall not be responsible or accountable for, and shall be held harmless from, any claims, causes of action, loss or liability arising in connection with or associated with any noise or inconvenience normally associated with such Golf Course operation and maintenance activities.

6.1.9 Golf Course Maintenance. The Golf Course Owner hereby covenants and agrees that it shall at all times maintain the Golf Course Parcel in a clean, sightly, safe, and attractive condition and in good repair similar to the same condition maintained by other first class resort golf courses ("Maintenance Standard"). Specifically, the Golf Course Owner shall clear and continue to clear the Golf Course Parcel of any weeds, debris, garbage, trimmings, grass clippings, aeration plugs or like items. In the event that (i) the Golf Course Owner fails to properly maintain the Golf Course Parcel pursuant to the Maintenance Standard; (ii) any portion of the Golf Course Parcel is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Parcels, Lots, Units or Improvements or other areas of Frostwood which are substantially affected thereby or related thereto; (iii) any portion of the Golf Course Parcel is being used in a manner which violates the Governing Documents; and/or (iv) the Golf Course Owner is failing to perform any of its obligations under the Governing Documents, the Board may make a finding to such effect in its sole and exclusive discretion, specifying the particular condition or conditions which exist. Pursuant to such finding, the Board shall give notice thereof to the offending Golf Course Owner that unless corrective action is taken within thirty (30) days, the Board may use self-help and cause such action to be taken at the Golf Course Owner's cost; provided, however, that in the event of an emergency or unsafe situation, the offending Golf Course Owner must take such corrective action within a shorter time period as the Board may reasonably determine under the circumstances. If at the expiration of such time period the requisite corrective action has not been taken, then the Master

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Association specifically reserves the right to cure the Golf Course Owner's default. Except in the event of an emergency or dangerous situation, or with respect to a corrective action that the Master Association can take at minimal costs to the Members, the Master Association may take action to cure the default or perform the maintenance required to restore the Golf Course Parcel to the Maintenance Standard only after it obtains the approval of a majority of the total votes of the Class A Members and consent of the Declarant prior to the Class B Termination Date. All costs incurred by the Master Association for such corrective action or maintenance shall be included in the budget for each applicable fiscal year and thereby include such costs in the Annual Assessments for each such applicable year.

6.1.10 Master Association's Rights of Enforcement. The Master Association shall have the right to enforce, by any proceeding at law or in equity, the covenants and provisions contained in Section 6.1, regardless of whether or not the Master Association utilizes self-help as provided in Section 6.1.9 above. In the event suit is brought, arbitration is instituted and/or an attorney is retained by the Master Association to enforce the covenants or provisions under Section 6.1, the Master Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation, administrative costs and fees, and other related expenses incurred in connection therewith. All attorneys' fees, costs, expenses, and fees associated with enforcing the covenants and provisions under Section 6.1, including but not limited to restoring the Golf Course Parcel to the Maintenance Standard, shall be the personal liability of the Golf Course Owner. If the Golf Course Owner fails to pay the costs associated with enforcing the covenants and provisions under Section 6.1, the Master Association may enforce the payment of such costs and enforce the covenants and provisions of Section 6.1 by bringing an action at law or in equity and recover judgment against the Golf Course Owner who is personally obligated to pay the costs associated with enforcing the covenants and provisions of Section 6.1. In the alternative, the Golf Course Owner may elect to convey by Deed to the Master Association fee simple title to the Golf Course Parcel, free and clear of any and all liens, encumbrances, restrictions, and/or limitations, in full satisfaction of the actual costs and damages incurred by the Master Association associated with enforcing the covenants and provisions under Section 6.1, subject to the Board's approval in its sole and exclusive discretion. The Golf Course Owner and Declarant hereby acknowledge that such conveyance is an alternative remedy subject to the Board's approval, and is not intended as liquidated damages or a penalty.

6.1.11 Golf Course Owner's Covenant to Operate a Golf Course. In the event that Declarant transfers, conveys or assigns the Golf Course Parcel to the Golf Course Owner to construct and operate a portion of the Golf Course on the Golf Course Parcel, the Golf Course Owner, its successors, assigns and transferees, hereby acknowledge, agree and covenant that it shall continuously utilize and operate the Golf Course Parcel as a portion of such Golf Course during the same times and days

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of operation of other first class resort golf courses in the area, and for no other use whatsoever, unless Declarant at any time prior to the Class B Termination Date, or thereafter the Master Association, shall otherwise authorize in writing

6.2 Putting Course. Declarant reserves the right to construct a Putting Course on a portion of Parcel F2-A, Parcel F3-B and the Golf Course Parcel as described elsewhere herein. All Persons, including without limitation all Owners, are hereby advised that there are no assurances or representations in this Master Declaration that a Putting Course, or any portion thereof, does exist or will be developed at Frostwood. Further, all Persons, including without limitation all Owners, are hereby advised that no representations, warranties or commitments have been or are made by the Declarant, Declarant Affiliate or any other Person with regard to the present or future development, ownership, operation or configuration of, or right to use, the Putting Course or any related facilities within Frostwood, whether or not depicted on the Master Development Plat or any other land use or landscaping plan, sales brochure or other marketing display or Plat. No purported representation, warranty or commitment, written or oral, in such regard shall ever be effective without an amendment hereto executed by the Declarant. In addition to the forgoing, all such Persons are specifically advised that the Declarant has no responsibility, obligation or duty whatsoever to construct the Putting Course. No Member shall have any ownership interest in, or right to use, any such Putting Course or related facilities solely by virtue of its Membership in the Master Association. In addition, no Owner, Resident or Occupant shall have any ownership interest in, or right to use, any such Putting Course or related facilities solely by virtue of: (i) his, her or its membership in any Parcel Association; or (ii) his, her or its ownership, use or occupancy of any Parcel, Lot, Unit or Improvement, or portion thereof. The Putting Course and associated facilities may be privately or publically owned. No Membership rights or Assessments shall be attributable or charged to the Putting Course. However, the ownership, operation or configuration of, or rights to use any such Putting Course may change at any time and from time to time for reasons including, but not limited to the purchase or assumption of operation of any such Putting Course or related facilities by another independent Person.

6.3 Optional Land Use. Notwithstanding anything contained in this Article VI to the contrary and subject to the Governing Documents, if a portion of the Golf Course is not constructed on the Golf Course Parcel, then the Declarant reserves the right to develop or use the Golf Course Parcel as open spaces, walkways, a trails system, and other social, commercial, civic and cultural buildings and facilities and other amenities, some of which may constitute the Common Elements; provided, however, unless the development of such Improvement is accomplished at little or no cost to the Master Association, the Master Association shall not develop any such Improvement unless agreed to by a vote of a majority of the total votes of the Class A Members and the Declarant prior to the Class B Termination Date.

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ARTICLE VII

ORGANIZATION OF MASTER ASSOCIATION

7.1 Relationship of Associations. The Master Association shall govern Frostwood and shall do such things as are within its powers and as may reasonably be required to maintain Frostwood and its Common Elements as an attractive and desirable planned community. The Members of the Master Association shall be Declarant and each Parcel Association. Except as otherwise provided, a separate Parcel Association shall be formed for each Parcel. No Parcel Association shall be formed for either Parcel F7 or the Golf Course Parcel, and the Owner of Parcel F7 and the Golf Course Owner shall *not* be Members of the Master Association and shall *not* have any voting or Membership rights. Subject to the Declarant's sole and exclusive subjective discretion, the same Parcel Association may be formed for Parcel F2-A and Parcel F2-B, and the same Parcel Association may be formed for Parcel F3-A and Parcel F3-B. The duties and powers of the Master Association shall relate to Frostwood as a whole, while the duties and powers of a particular Parcel Association shall relate only to its particular Parcel.

7.2 Formation of Master Association. The Master Association shall be a Utah nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Master Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with the Governing Documents.

7.3 Board of Trustees and Officers. The affairs of the Master Association shall be conducted by a Board of up to nine (9) trustees (odd numbered totals only) and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The initial Board shall be composed of at least three (3) trustees. The Board may also appoint various committees and appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Master Association. The Board shall determine the compensation to be paid to the Manager. The Board's responsibilities shall include, but shall not be limited to, the following:

7.3.1 administration, including administrative support as required for the Frostwood Design Review Committee;

7.3.2 preparing and administering an operational budget;

7.3.3 establishing and administering an adequate reserve fund;

7.3.4 scheduling and conducting the annual meeting and other meetings of the Members;

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- 7.3.5 collecting and enforcing the Assessments;
- 7.3.6 monitoring accounting functions and maintaining records;
- 7.3.7 promulgation and enforcement of the Frostwood Rules and the Frostwood Design Guidelines;
- 7.3.8 maintenance of the Common Elements; and
- 7.3.9 all the other duties imposed upon the Board pursuant to the Governing Documents, including enforcement thereof.

The Board shall not, however, be responsible for those duties and areas of operation specifically designated under the Governing Documents as the responsibility of the SPA Design Review Committee.

7.4 The Frostwood Rules. By a majority vote, the Board may, from time to time and subject to the provisions of this Master Declaration, adopt, amend and repeal rules and regulations to be known as the Frostwood Rules. The Frostwood Rules may reasonably restrict and govern the activities and conduct of any Owner, Resident or Occupant, or his or her family, invitees, licensees or tenants, at Frostwood subject to the Board's reasonable discretion; provided, however, that the Frostwood Rules shall not be inconsistent with the Governing Documents and shall be uniformly applied and shall not discriminate against or among any class or group of Members or Owners unless there is a reasonable basis for such discrimination and shall not unreasonably interfere with the rights of any Mortgagee.

7.5 Personal Liability. No Trustee or any Member of the Master Association, no officer of the Master Association and no Manager or other employee of the Master Association shall be personally liable to any Owner, Resident, Occupant or to any other Person, including the Master Association or Parcel Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Master Association, the Board, the Manager, the Frostwood Design Review Committee, any representative or employee of the Master Association or any committee, committee member or officer of the Master Association; provided, however, the limitations set forth in this Section shall not apply to any Person who has failed to act in good faith or has engaged in willful or intentional misconduct.

7.6 Parcel Associations. Prior to such time as a Parcel Association is formed by Declarant or a Parcel Developer, the articles of incorporation and bylaws or other governing documents for such Parcel Association must be approved in writing by the Master Association. The governing documents for such Parcel Association shall specify that the rights of its members are subject and subordinate to the provisions of the Governing Documents.

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7.7 Professional Management. The Master Association may carry out through the Manager those of its functions which are properly subject to delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Master Association, shall be responsible for managing Frostwood for the benefit of the Master Association and the Members, and shall, to the extent permitted by law and by the terms of the agreement with the Master Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Master Association itself. Any such management agreement may be terminated by the Declarant without cause at any time while its Class B Membership in the Master Association exists, or by the Master Association without cause at any time after the termination of such Class B Membership. The above termination provisions shall not apply to any other types of service contracts.

7.8 Implied Rights. The Master Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all rights and powers of the Master Association may be exercised by the Board without a vote of the Members. The Board may institute, defend, settle, or intervene on behalf of the Master Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Elements, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Master Association or its Members. In exercising the Master Association's rights and powers, making decisions on behalf of the Master Association, and conducting the Master Association's affairs, the members of the Board shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the Bylaws.

7.9 Promotion and Marketing. In addition to the Declarant and/or Declarant Affiliate, the Master Association may conduct programs that do not conflict with the Declarant, for the promotion of Frostwood as an attractive and desirable planned community. The Master Association may promote, publicize, and conduct conferences and special events including, without limitation, conferences, exhibitions, and ski and bicycle races.

7.10 Bulk Service Agreements. The following provisions shall apply to Bulk Service Agreements:

7.10.1 Generally. Subject to the approval of a majority of the total votes of the Class A Members (unless the cost of and participation in such Bulk Service Agreement shall be optional to the Members and does not prohibit use of other service providers within Frostwood, in which case such vote shall not be required), the Board, acting on behalf of the Master Association, shall have the right, power and authority to enter into one or more Bulk Service Agreements with one or more Bulk Providers (as is defined below), for such term(s), at such rate(s) and on such other

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terms and conditions as the Board deems appropriate, all with the primary goals of providing to Members cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or any concierge or other personal services:

7.10.1.1 Which might not otherwise be generally available to Members;

7.10.1.2 At rates or charges lower than might otherwise generally be charged to Members for the same or similar services;

7.10.1.3 Otherwise on terms and conditions which the Board believes to be in the interests of Members generally; or

7.10.1.4 Any combination of the foregoing.

7.10.2 Costs. If all of Frostwood is to be served by a particular Bulk Service Agreement, the Board shall have the option either to:

7.10.2.1 Include the Master Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the Annual Assessments for each such applicable year; or

7.10.2.2 Separately bill to each Member its proportionate share of the Master Association's costs under such Bulk Service Agreement, as reasonably determined by the Board, and with such frequency as may be determined by the Board, but no more often than monthly; provided that such "separate billing" may be made as one or more separate line items on billings or invoices from the Master Association to the affected Members for Assessments or other charges.

If not all Lots, Parcels and Units within Frostwood will be served by a particular Bulk Service Agreement, then the Board shall have only the separate billing option described in Section 7.10.2.2 above.

7.10.3 Payment Acknowledgment. Each Member is deemed to covenant and agree to pay all amounts the Board levies or charges against its Parcel pursuant to this Section. All such amounts shall be deemed to be a part of the Assessments against the Parcels against or to which they are levied or charged.

7.10.4 Binding Obligation. No Member covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such Member or such Member's Parcel, whether on the basis that such Member does not use, accept or otherwise benefit from the services provided under

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such Bulk Service Agreement, or otherwise. However, the Board shall have the right, in its sole and reasonable discretion (subject to uniform application which does not discriminate against or in favor of any group or subgroup of Members), to exempt from payment of such amounts any Parcel upon which no Residential Structure or other Improvement has been completed.

7.10.5 Definitions. The terms used in this Section 7.10 shall have the following meanings:

7.10.5.1 "Bulk Provider" means a private, public or quasi-public utility or other company which provides, or proposes to provide, to Members cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services pursuant to a "Bulk Service Agreement" (as defined below).

7.10.5.2 "Bulk Service Agreement" means an agreement between the Master Association and a Bulk Provider pursuant to which the Bulk Provider would provide to Members cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services.

ARTICLE VIII

MEMBERSHIPS AND VOTING

8.1 Members. The Master Association shall have two classes of Membership: Class A Members and Class B Members. Each Parcel Developer of a Parcel prior to the Transfer Date defined in Section 8.2.1 below, and thereafter the Parcel Association for that Parcel, shall be a Class A Member of the Master Association. The Declarant or Declarant Affiliates shall be Class B Members in the Master Association for so long as the Declarant or Declarant Affiliate owns any Assessable Property in Frostwood until the Class B Termination Date described in Section 8.2.2 below.

8.2 Voting. Each Member shall be entitled to the following voting rights, calculated based on the Membership type (Class A or Class B) and the Square Feet of Maximum Gross Building Area assigned to the Parcel owned by or affiliated with that Member pursuant to the Governing Documents:

8.2.1 Class A Members. Each Class A Member is assigned one (1) vote per Square Foot of Maximum Gross Building Area assigned to its respective Parcel by the Governing Documents, subject to the authority of the Board to suspend the voting

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rights of the Member for violations of this Master Declaration in accordance with the provisions hereof. For convenience, the Maximum Gross Building Areas for each Parcel are set forth below. Until such time as management and control of a Parcel is transferred to a Parcel Association pursuant to a Recorded agreement creating or implementing a condominium, fractional interest, club, subdivision, planned community or other ownership regime ("Transfer Date"), the Parcel Developer or his or her agent shall have the right to vote all votes attributable to the entire Square Feet of the Maximum Gross Building Area for its respective Parcel at the annual meeting. From and after the Transfer Date for each Parcel, the President of each Parcel Association, or his or her agent, shall cast all of the votes to which such Parcel Association is entitled at the annual meeting, which President, or agent thereof, shall be entitled to attend any meetings of the Master Association. The votes of each Class A Member may be cast in total or split within the discretion of the Parcel Developer or the Parcel Association, as the case may be. Pursuant to the Governing Documents, and subject to Declarant's unilateral right to transfer Square Feet between and among Parcels as set forth in Section 2.1, the maximum number of Class A votes assigned to each respective Parcel following Declarant's conveyance of Record title to a Parcel to a Parcel Developer shall be as follows:

8.2.1.1 Parcel F1 shall be entitled to 210,000 votes.

8.2.1.2 Parcel F2-A shall be entitled to 266,000 votes.

8.2.1.3 Parcel F2-B shall be entitled to 72,000 votes.

8.2.1.4 Parcel F3-A shall be entitled to 104,000 votes.

8.2.1.5 Parcel F3-B shall be entitled to 20,000 votes.

8.2.1.6 Parcel F4 shall be entitled to 48,000 votes.

8.2.1.7 Parcel F5 shall be entitled to 87,500 votes.

8.2.1.8 Parcel F6 shall be entitled to 50,000 votes.

8.2.2 Class B Members. Declarant and Declarant Affiliates shall be Class B Members of the Master Association and shall be entitled to three (3) votes for each Square Foot of Maximum Gross Building Area assigned to each Parcel owned by Declarant or Declarant Affiliate. Class B Members shall convert to Class A Members with respect to each Parcel owned by Declarant or a Declarant Affiliate upon the earlier to occur of (i) the Transfer Date for that Parcel, or (ii) the date Declarant or Declarant Affiliate shall transfer such Parcel to a Parcel Developer or other Person other than Declarant or a Declarant Affiliate, or (iii) when the Declarant, in its sole and exclusive discretion, so determines ("Class B Conversion Date"). Class B

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Membership shall be considered "terminated" under this Master Declaration on the Class B Termination Date.

8.3 Exercise of Voting Rights. The vote for each Lot, Unit or Improvement owned within a Parcel shall be exercised by the Parcel Developer prior to the Transfer Date, and thereafter by the Parcel Association as provided in Section 8.2.1. The Parcel Developer or the Parcel Association, as the case may be, may cast all votes assigned to such Parcel as determined by the Parcel Developer, or in accordance with the respective Parcel Association's governing documents.

8.4 Membership and Ownership Rights. Each Member and each Owner shall have the respective rights, duties and obligations set forth in this Master Declaration and such other rights, duties and obligations as are set forth in the Governing Documents, as the same may be amended from time to time.

8.5 Transfer Fee. Subject to the Board's sole and exclusive discretion, each purchaser of a Parcel, Lot, Unit or Improvement may be subject to a transfer fee payable to the Master Association immediately upon becoming the Owner of the Parcel, Lot, Unit or Improvement in such amount as is established from time to time by the Board, to reimburse the Master Association for costs incurred by the Master Association in connection with transfer of title to such new Owner; provided that no such transfer fee shall be payable with respect to (i) the creation of any Mortgage, (ii) in connection with any foreclosure of a First Mortgage, (iii) the exercise of a power of sale available under a First Mortgage, (iv) the taking of a Deed or assignment in lieu of a foreclosure by a First Mortgagee or (v) the conveyance by a First Mortgagee of a Deed in respect of a Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, to a grantee if such First Mortgagee shall have obtained title to such Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, pursuant to subclause (ii), (iii) or (iv) above.

ARTICLE IX

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

9.1 Creation of Lien and Personal Obligation of Assessments, Frostwood Lift Impact Fees and Maintenance Charges. The Declarant, for each Parcel hereafter established within Frostwood, hereby covenants and agrees, and each Member is deemed to covenant and agree to pay to the Master Association the following assessments and charges: (i) Annual Assessments established by this Article IX, (ii) Special Assessments for capital improvements or other extraordinary expenses or costs established by this Article IX, (iii) Frostwood Lift Impact Fees established by this Article IX or (iv) Maintenance Charges established by Article X. All such Assessments shall be established and collected as hereinafter provided. No diminution or abatement of Annual Assessments, Special

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Assessments, Frostwood Lift Impact Fees, Maintenance Charges or set-off shall be claimed or allowed by reason of any alleged failure of the Master Association or Board to take some action or perform some function required to be taken or performed by the Master Association or Board under this Master Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Master Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any Municipal Authority, the obligation to pay Annual Assessments, Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges being a separate and independent covenant on the part of each Member. The Annual Assessments, Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges together with interest, costs and reasonable attorney's fees, shall be a charge on the Parcel and shall be a continuing servitude and lien upon the Parcel against which each such Assessment is made. The Annual and Special Assessments against each Parcel shall be based on the number of Assessment Units appurtenant to the Parcel as described in Section 9.4 below. Each such Assessment, Frostwood Lift Impact Fee and Maintenance Charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Parcel Association, or the Parcel Developer prior to the Transfer Date as described in Section 8.2.1 above, at the time when the Assessment fell due.

9.2 Owner's Right to Cure. In the event Assessments or other charges payable to the Master Association by the Parcel Developer or the Parcel Association pursuant to this Master Declaration may or have become delinquent on the Parcel due to the Parcel Developer's or Parcel Association's failure to timely pay such Assessments or charges, then the Board may in its sole and exclusive discretion, but shall not be obligated to, give notice of the delinquent Assessment or charges to each Owner owning a Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, in the respective delinquent Parcel and any Eligible Mortgagee that has requested notice of such delinquency from the Master Association in a reasonable manner as determined by the Board. In the event the Board determines that it will give such notice to each Owner owning a Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, in the delinquent Parcel, the Board shall have the absolute right at any reasonable time to inspect and copy the Parcel Developer's sales records or the Parcel Association's membership register, so long as the Master Association agrees not to use, or allow the use of, the information from the sales records or membership register for commercial or other purposes not reasonably related to the business of the Master Association. Notwithstanding the foregoing, the Parcel Developer or Parcel Association shall give notice of the delinquent Assessment to each Owner owning a Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, in the respective Parcel, and shall send a courtesy copy to the Master Association and to each First Mortgagee in respect thereof. The Parcel Developer or Parcel Association shall cause notice to be given to each Owner within three (3) days after the Parcel Developer or Parcel Association knows or has reason to know that its delinquent payment may or has become a delinquent Assessment. The Parcel Developer's or Parcel Association's notice to each Owner shall set forth:

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9.2.1 The name of the Parcel Developer or the Parcel Association as shown in the records of the Master Association;

9.2.2 The name of the Owner as shown in the records of the Parcel Developer or Parcel Association;

9.2.3 The legal description or street address of the Owner's Lot, Unit, Residential Structure or Improvement;

9.2.4 The total amount payable to the Master Association by the Parcel Developer or the Parcel Association, including interest, Recording fees, reasonable attorneys' fees, court costs, collection costs and other sums payable to the Master Association; and

9.2.5 The pro-rata amount the individual Owner must pay in order to prevent or release an Assessment Lien from being Recorded against his, her or its Lot, Unit, Residential Structure or Improvement.

Notwithstanding the forgoing, the Parcel Developer's or the Parcel Association's success or failure to give proper notice to an Owner within its respective delinquent Parcel shall not affect the validity of the Assessments or charges established by the Board nor relieve any Parcel Developer or Parcel Association from its obligation to pay such Assessments or charges. Any Owner who owns a Lot, Unit, Residential Structure or Improvement located within the delinquent Parcel, or any combination of Owners therein, may jointly or singly pay their portion of the Parcel Developer's or Parcel Association's delinquent Assessment and other charges. Upon receipt by the Master Association of payment in full by the Owner(s) of his, her, its or their pro-rata share of the Parcel Developer's or Parcel Association's delinquent Assessment and charges, including but not limited to interest, Recording fees, reasonable attorneys' fees, court costs, collection costs and all other sums payable to the Master Association by the Parcel Developer or Parcel Association, the Board shall release or forgo Recording an Assessment Lien against the Owner's or Owners' individual Lot(s), Unit(s), Residential Structure(s) or other Improvement(s), or part thereof or interest therein, located within the delinquent Parcel.

9.3 Establishment of Annual Assessment Period. The first Assessment Period shall commence upon the Recording of the first Parcel Declaration and terminate on December 31 of such year, and thereafter shall be based on the fiscal year of the Master Association as provided in Section 9.6.3 below. The Board in its sole discretion from time to time may change the Assessment Period by its own resolution.

9.4 Assessment Units. All Assessments payable each Assessment Period shall be prorated among the Members, based on the total Square Feet of Maximum Gross Building Area assigned to each Parcel as set forth in the Governing Documents and as provided

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below ("Assessment Units") for a total of 857,500 Assessment Units assigned to all Parcels within Frostwood:

- 9.4.1 Parcel F1 shall have 210,000 Assessment Units;
- 9.4.2 Parcel F2-A shall have 266,000 Assessment Units;
- 9.4.3 Parcel F2-B shall have 72,000 Assessment Units;
- 9.4.4 Parcel F3-A shall have 104,000 Assessment Units;
- 9.4.5 Parcel F3-B shall have 20,000 Assessment Units;
- 9.4.6 Parcel F4 shall have 48,000 Assessment Units;
- 9.4.7 Parcel F5 shall have 87,500 Assessment Units; and
- 9.4.8 Parcel F6 shall have 50,000 Assessment Units;

9.5 Exempt Property Assessments. Declarant or a Declarant Affiliate may expressly waive its right to an exemption from Assessments as to some or all Exempt Properties of which it is then the Owner by Recording an amendment to this Master Declaration identifying such Exempt Properties and signed by it and all First Mortgagees of such Exempt Properties. In such event, the Declarant's exemption shall terminate as to each identified Exempt Property when such an amendment to this Master Declaration is Recorded. Any such waiver shall run with the title to each such Exempt Property and bind its subsequent Owners, including Declarant or any Declarant Affiliate. All Exempt Property described herein shall be exempt from the Assessments and Membership in the Master Association; provided, however, that Exempt Property owned by Declarant during any period of exemption shall in all other respects be accorded all of the privileges and responsibilities of Membership in the Master Association. Anything in this Section to the contrary notwithstanding, if, after an Assessment's record date but before the end of the fiscal year for which it is levied, an Exempt Property becomes Assessable Property, then each Assessment which would have been levied against such Assessable Property for such fiscal year if it were not Exempt Property (as hereafter reduced) shall be due on the later of (i) the date on which such Assessment would have been due, if such part of Frostwood had been Assessable Property on such record date, or (ii) the date on which such Assessable Property becomes subject to Assessment levy. If Exempt Property becomes an Assessable Property as provided for above, then the Master Association shall be deemed, automatically and without the need for further action, to have levied against it each Assessment for such fiscal year which the Master Association has levied against the other Assessable Properties. Each such Assessment levied against such Assessable Property shall be in an amount determined under this Section as if it were eligible for such levy on such record date, but then reduced in proportion to the number of days (if any) in such fiscal year elapsed as of (and

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including) the date on which such Parcel Declaration is Recorded, or such Exempt Property becomes an Assessable Property, as the case may be. Nothing contained in this Article IX or otherwise in this Master Declaration shall effect Declarant's subsidy obligations set forth in Section 9.15 hereof.

9.6 Annual Assessments. Annual Assessments shall be computed and assessed against all Parcel Associations as follows:

9.6.1 Common Expenses. Annual Assessments shall be based upon advance estimates of the Master Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Elements and operating the Master Association. Such estimated expenses may include, without limitation, the following: expenses of management; real property taxes and similar assessments; premiums for all insurance that the Master Association is required or permitted to maintain hereunder; repairs and maintenance of the Common Elements; any costs associated with the operation, maintenance and repair of the Frostwood Lift as further described in Section 9.16 below; wages of Master Association employees, including fees for a Manager; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund; creation of an adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Master Association for the benefit of the Members under or by reason of this Master Declaration and the Canyons SPA Documents. Such shall constitute the Common Expenses, and all funds received from Assessments under this Section shall be part of the Common Expense Fund described in Section 9.12 below. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses, which together shall constitute the Common Expense Fund.

9.6.2 Apportionment. Common Expenses shall be apportioned among and assessed to all Members in accordance with Section 9.4 above based upon the following ratio:

Number of Assessment
Units assigned to a Parcel
pursuant to Section 9.4

Total number of
Assessment Units assigned
to all of the Parcels in the
Master Association

= Percentage of Common
Expenses apportioned and
assessed to each Parcel

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Declarant, or the Master Association after the Class B Termination Date, reserves the right to adjust the resulting ratio of any or all Parcels as may be necessary to assure that the total of the Parcels' ratio apportionments equals one hundred percent (100%).

9.6.3 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided the first fiscal year shall begin as provided in Section 9.3 above. On or before November 1 of each year thereafter, the Board shall prepare and furnish to each Member, and any First Mortgagee that has requested a copy thereof in writing, or cause to be prepared and furnished to each Member, or any First Mortgagee that has requested a copy thereof in writing, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which Frostwood shall be operated during such annual period. The Board in its sole discretion from time to time may change the fiscal year by its own resolution.

9.6.4 Notice and Payment. Except with respect to the first fiscal year, the Board shall notify each Member in writing as to the amount of the Annual Assessment against its Parcel on or before December 1 each year for the fiscal year beginning on January 1 next following. Each Annual Assessment shall be payable as the Board shall determine in its sole and exclusive discretion; provided, however, the Board shall notify all Members in advance of such payment periods and due dates. Assessments shall commence against all Parcels upon conveyance of the first Parcel in Frostwood. All unpaid installments of any Annual Assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum fifteen (15) days after the date each such installment became due until paid and the Member shall be liable for a late fee as determined by the Board, all costs, including attorneys' fees incurred by the Master Association in collecting the same. In addition, in the event that any installment of the Annual Assessment is not paid within fifteen (15) days of the date such installment becomes due, the Master Association may, at its option, and upon fifteen (15) days prior written notice to the Member, accelerate the due date for all remaining unpaid installments of the Annual Assessment for the remainder of the fiscal year and all accrued but unpaid interest thereon. Payment of the Annual Assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Master Declaration, or a release of any Member from the obligation to pay such Assessment or any other Assessment; but the date when the payment shall become due in such case shall be deferred to a

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date fifteen (15) days after notice of such Assessment shall have been given to the Member in the manner provided in this Master Declaration.

9.6.5 Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Member's Assessment, the Board may, on behalf of the Master Association, levy additional Regular Assessments in accordance with the procedure set forth in this Section 9.6.

9.7 Golf Course Maintenance Assessment. As provided for in Section 6.1.9 and 6.1.10, in the event the Master Association elects to enforce the provisions of Section 6.1, then in that year the Board shall be authorized to increase the total Annual Assessment by an amount sufficient to cover the projected maintenance or costs associated with the Golf Course Parcel; provided, however, unless the maintenance of such Golf Course Parcel is accomplished at little or no cost to the Master Association, then the Board shall have the assent of at least a majority of the total votes of the Class A Members who are voting in person or by proxy at a meeting duly called for such purpose or by written approval of such Class A Members.

9.8 Special Assessments for Capital Improvements and Extraordinary Expenses. In addition to the Annual Assessments, the Master Association may levy in any Assessment Period, Special Assessments applicable to that period only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital Improvement upon any Common Elements, including the necessary fixtures and personal property related thereto, and other costs and expenses of operation in the collection of Assessments from the Members. However, in any Assessment Period, except as otherwise provided in this Master Declaration, the Board shall not, without the affirmative vote of Members at a meeting at which a quorum is present, levy Special Assessments which in the aggregate exceed twenty percent (20%) of the budgeted gross expenses of the Master Association for that Assessment Period. The portion of any Special Assessments levied against a particular Parcel shall be equal to the ratio set forth in Section 9.6.2. These provisions with respect to the imposition or allocation of Special Assessments shall not apply when the Special Assessment is for such structural alterations or capital additions or capital improvements to the Common Elements as are necessary in the Board's sole and exclusive judgment to preserve or maintain the integrity of the Common Elements or to pay an increase in real property taxes. The Board shall provide notice by first class mail to all Members of any Special Assessments not less than thirty (30) nor more than sixty (60) days prior to the date such Assessment is due. Such notice shall include the reason for the Special Assessment, the total amount of the Special Assessment, and the amount payable by each Member.

9.9 RVMA Assessments for Membership in The Canyons SPA.

9.9.1 RVMA Assessments. The Canyons SPA Documents grant certain easement and other rights that benefit Frostwood. The RVMA also imposes certain

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assessments and fees on the ownership, use, and transfer of the Parcels, Lots, Units, Residential Structures or Improvements. Each Owner by accepting a Deed or conveyance to a Parcel, Lot, Unit, Residential Structure or Improvement agrees to be bound by all of the terms and provisions of the Canyons SPA Documents and agrees to pay, as and when due, its applicable assessments, costs and fees arising under the Canyons SPA Documents. Such RVMA Assessments may include, but are not limited to, the "Retail Assessment", the "Transient Occupancy Assessment", the "Real Estate Transfer Assessments" and the "Annual Member Assessments" (as those terms are defined in the Canyons SPA Documents), and charges, fines, penalties, or other amounts levied, fixed, established, defined and collected as set forth in the Canyons SPA Documents and the rules and regulations as amended from time to time in force and effect. The Annual Member Assessments shall be assessed against each Member and shall be included in, and paid by the Master Association on the Member's behalf, as a part of the Common Expenses. Each Owner understands that the RVMA will assess each Owner individually for certain RVMA Assessments, including but not limited to the Retail Assessment, Transient Occupancy Assessment and the Real Estate Transfer Assessment. Each Owner is deemed to covenant and agrees to directly pay to the RVMA those certain RVMA Assessments that the RVMA may designate as individual assessments.

9.9.2 No Duty to Collect the RVMA Assessments. The Master Association has no responsibility, obligation or duty to collect or assess the RVMA Assessments. However, to the extent any Member fails to pay its RVMA Assessments, all of the lien rights and other remedies contained in Article X shall be available to the Master Association.

9.10 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under this Article IX shall be sent to all Members no less than thirty (30) days and nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%) of all the votes (exclusive of suspended voting rights) of the Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.11 Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt Frostwood Rules setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Annual and Special Assessments, Frostwood Lift Impact Fees and the Maintenance Charges imposed pursuant to this Master Declaration, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Master Association to send a bill to a Member, or the failure of a Member to receive a bill sent by the Master Association to that Member, shall not relieve that Member of its liability for any Assessment or charge under this Master

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Declaration. However, the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member and each Mortgagee who has Recorded a "Request for Notice" as required by Utah law has been given not less than thirty (30) days written notice prior to commencement of such foreclosure or enforcement (or such greater time period as may be required by Utah law) that the Assessment or any installment thereof is or will be due and of the amount owing at the address of the Member on the records of the Master Association and the address of any Mortgagee provided in the Recorded "Request for Notice". Such notice may be given at any time prior to or after the delinquency of such payment. The amount of the Annual Assessment against Members who become such during an Assessment Period upon the Recordation of a Parcel Declaration shall be prorated and such new Members shall not be liable for any previously levied Special Assessments. The Board may, but is under no obligation, to accept partial payment of each Member's pro rata share of the Assessments. Acceptance by the Board of partial payment shall not constitute a waiver, and shall not relieve the Parcel Association of its responsibility to pay its respective Assessment in full. Notwithstanding the forgoing, the Board shall be required to accept partial payment by an Owner who is a member of a Parcel Association of that Owner's pro rata share of the Assessments, Delinquent Assessment Lien and all other charges allocated to the Parcel, as provided in Section 9.2 above.

9.12 Common Expense Fund. The Master Association shall establish and maintain two (2) separate and distinct funds, one for the periodic regular maintenance and repair of Frostwood and for other routine operating expenses and one for replacement of Improvements to the Common Elements the Master Association may be obligated to maintain, repair or replace. These two (2) funds shall be maintained out of Annual Assessments for Common Expenses, which together shall constitute the Common Expense Fund.

9.13 Evidence of Payment of Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges. Upon receipt of a written request by a Member or any other Person, the Master Association within a reasonable period of time thereafter shall issue to such Member or other Person a written certificate stating (i) that all Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges (including interest, costs and attorneys' fees, if any) have been paid with respect to any specified Parcel as of the date of such certificate, or (ii) if all Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges have not been paid, the amount of such Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges (including interest, costs and attorneys' fees, if any) due and payable as of such date. The Master Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Parcel, Lot, Unit or Improvement in question.

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9.14 Property Exempted from the Annual and Special Assessments and Assessment Lien. Exempt Property shall be exempt from the assessment of the Annual and Special Assessments, but such property shall not be exempt from the Frostwood Lift Impact Fees provided for in this Article IX or the Maintenance Charges provided for in Article X, from attorneys' fees, costs and expenses as described in Article X or from the Assessment Lien to secure said Frostwood Lift Impact Fees, Maintenance Charges, attorneys' fees, costs and expenses; provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the Annual and Special Assessments (prorated as of the date it became Assessable Property) and the Assessment Lien.

9.15 Declarant Subsidy. Notwithstanding any other provision of this Master Declaration to the contrary, no Assessments shall be levied against Exempt Property owned by the Declarant or Declarant Affiliate. However, for as long as any Parcel owned by Declarant or a Declarant Affiliate shall be an Exempt Property, the Declarant shall subsidize the Master Association for the amount by which (i) the actual cost and expense of operating and administering the Master Association and maintaining reasonable reserves for maintenance, replacement and repairs and for contingencies, all as provided in this Master Declaration, exceeds (ii) the total amount of Assessments levied against and collected from Class A Members. The subsidy required of Declarant under this Section may be in the form of cash or in the form of "in-kind" contributions of goods or services, or in any combination of the foregoing, provided that "in-kind" contributions of goods or services must directly reduce the Master Association's costs and expenses for which an Assessment is being levied as set forth in the Master Association's budget, with such goods or services being valued at the amount the budgeted costs and expenses of the Master Association are so reduced. By way of example, but not by limitation, if the budgeted Master Association expenses for a particular Assessment Period includes \$50,000 for snow removal services pertaining to Common Elements, and the Declarant actually provides such snow removal services during that Assessment Period, then the Declarant subsidy obligation for that Assessment Period shall be reduced by \$50,000. Declarant shall make payments or contributions in respect to its subsidy obligations under this Section at such time as the Board may reasonably request from time to time as necessary to insure that there are sufficient funds available for payment of Master Association costs and expenses and accumulation of adequate reserves (but in any event not more often than monthly). Within thirty (30) days of the end of each Assessment Period, the Board shall make an accounting of the Declarant's subsidy obligations for that period, what amounts have been paid by Declarant (in cash, goods or services) with respect to such obligations, and what amounts are due. A copy of the accounting shall be sent to the Declarant and to each Member of the Master Association. Declarant shall make payments or contributions in respect of its subsidy obligations under this Section at such times as the Board may reasonably request from time to time (but shall not be required to make such payments or contributions more often than monthly); at the end of each Assessment Period, either: (i) Declarant shall pay or contribute to the Master Association such additional funds, goods or services (or any combination thereof) as may be necessary, when added to all other funds, goods and

services paid or contributed by Declarant during such Assessment Period, to satisfy in full Declarant's subsidy obligations under this Section for such Assessment Period; or (ii) the Association shall pay to Declarant or credit against Declarant's subsidy obligation for the immediately following Assessment Period, as Declarant may elect, the amount, if any, by which the total of all payments or contributions paid or made by Declarant during such Assessment Period exceeded the total subsidy obligation of Declarant for such Assessment Period under this Section.

9.16 Frostwood Lift Impact Fees. All Owners and Members hereby acknowledge and agree that being part of Frostwood and the Master Association will provide significant benefits to all Owners at Frostwood. It is the intention of the Master Association to serve the needs of, and provide services and benefits to, all Owners and Members, such as landscaping and Common Element maintenance. In addition, another benefit to the Owners and Members is the provision of the Frostwood Lift to service all Owners at Frostwood and to provide a lift transportation service and access to The Canyons Ski Resort. The Declarant, Private Residence Club Associates, LLC, a Utah limited liability company ("PRCA") and ASC Utah, Inc., a Maine corporation d/b/a The Canyons ("ASCU") have entered into that certain Tramway Development and Operation Agreement ("Tramway Agreement") which describes the terms of the development, operation, repair, maintenance and replacement of the Frostwood Lift. Pursuant to the Tramway Agreement, certain costs of operation, repair and maintenance of the Frostwood Lift ("Frostwood Lift Costs") are apportioned among Declarant and PRCA, and such Frostwood Lift Costs shall be assigned to the applicable owners association as follows:

9.16.1 Parcel F1 Association. Prior to opening the Frostwood Lift for use to the public, PRCA shall assign all of its rights and obligations under the Tramway Agreement to the Parcel Association for Parcel F1 ("Parcel F1 Association"). Upon PRCA's assignment of its obligations regarding the Frostwood Lift to the Parcel F1 Association, the Parcel F1 Association shall thereafter impose Frostwood Lift Impact Fees as authorized herein and in the Parcel Declaration for Parcel F1 to cover its assumed share of the Frostwood Lift Costs. The Parcel F1 Association has the express obligation to impose such Frostwood Lift Impact Fees on members of the Parcel F1 Association and on all Owners within Parcel F1, to pay for its assumed share of the Frostwood Lift Costs. The Frostwood Lift Impact Fees imposed by the Parcel F1 Association shall cover all obligations of PRCA under the Tramway Agreement. Such Frostwood Lift Impact Fees shall be imposed by the Parcel F1 Association against its members and Owners within Parcel F1 in accordance with the Parcel Declaration for Parcel F1 and the Association's other governing documents.

9.16.2 Master Association. Prior to opening the Frostwood Lift for use to the public, the Declarant shall assign all of its rights and obligations under the Tramway Agreement to the Master Association. Upon Declarant's assignment of its obligations regarding the Frostwood Lift to the Master Association, the Master

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Association shall thereafter impose Frostwood Lift Impact Fees as authorized herein to cover its assumed share of the Frostwood Lift Costs. The Master Association has the express obligation to impose such Frostwood Lift Impact Fees on all Members of the Master Association (except for the Parcel F1 Association) and on all Owners at Frostwood (except for Owners within Parcel F1), to pay for its assumed share of the Frostwood Lift Costs. The Frostwood Lift Impact Fees imposed by the Master Association shall cover all obligations of Declarant under the Tramway Agreement and shall take the form of a monthly or annual fee charged to all Members or Owners at Frostwood (except for Owners within Parcel F1). All revenue generated from any Frostwood Lift Impact Fees imposed by the Master Association shall be funds of the Master Association and may be used by the Master Association for all authorized Master Association purposes as provided herein and in the Bylaws. All Frostwood Lift Impact Fees imposed by the Master Association shall be added to and become a part of the Assessment to which each Parcel Association and each respective Parcel is subject (except for the Parcel F1 Association) and shall be secured by the Assessment Lien set forth in Section 10.3 below.

This Section 9.16 shall not be amended unless sixty-seven percent (67%) of the votes of the Class A Members shall be cast in favor of such amendment at an election held for such purpose.

ARTICLE X

ENFORCEMENT OF PAYMENT OF ANNUAL AND SPECIAL ASSESSMENTS AND MAINTENANCE CHARGES AND ENFORCEMENT OF ASSESSMENT LIEN

10.1 Master Association as Enforcing Body. The Master Association, as the agent and representative of the Members, shall have the exclusive right to enforce the provisions of this Master Declaration. However, if the Master Association shall fail or refuse to enforce this Master Declaration or any provision hereof for an unreasonable period of time after written request to do so, then any Member may enforce them at its own expense by any appropriate action, whether in law or in equity.

10.2 Maintenance Charges. The Master Association shall have the right to enforce, by any proceeding at law or in equity, the covenants and provisions contained in the Governing Documents, regardless of whether or not the Master Association utilizes self-help as provided for in Section 10.2.2 below. In the event suit is brought, arbitration is instituted and/or an attorney is retained by the Master Association to enforce the covenants or provisions under the Governing Documents, the Master Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation, administrative costs and fees, and other related expenses incurred in connection therewith, including but not limited to costs incurred in bringing the Member

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and/or its Parcel, or an Owner and/or its Lot, Unit or Improvement, into compliance with the provisions of the Governing Documents. All attorneys' fees, costs, expenses, and other fees, charges or payments associated with enforcing the covenants and provisions under the Governing Documents shall constitute "Maintenance Charges". The cost of any corrective action incurred by the Master Association on behalf of a Parcel shall be added to and become a part of the Assessment to which the offending Parcel Association and the respective Parcel is subject and shall be secured by the Assessment Lien set forth in Section 10.3 below. The cost of any corrective action by the Master Association to a Lot, Unit or Improvement independently owned shall become the personal obligation of the specific offending Owner. If the Owner of a Lot, Unit or Improvement fails to pay the costs associated with enforcing the covenants and provisions under the Governing Documents, the Master Association may enforce the payment of such costs and enforce the covenants and provisions of the Governing Documents by taking either or all of the following actions, concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Master Association does not prejudice or waive its right to exercise the other remedy):

10.2.1 Bring an action at law and recover judgment against the offending Owner who is personally obligated to pay the costs association with enforcing the covenants and provisions of the Governing Documents;

10.2.2 Exercise self-help in any emergency situation; and/or

10.2.3 Record a notice of lien against the Lot, Unit or Improvement in accordance with the method recognized under Utah law for the enforcement of a mechanic's lien which has been established in accordance with Chapter 1, Title 38, Utah Code Ann., as amended from time to time, or any other means permitted by law. In the event that a court of law determines in a final binding decision that Chapter 1, Title 38, Utah Code Ann. does not apply to this Master Declaration, the Owners hereby acknowledge and consent to be subject to any lien filed pursuant to this Master Declaration and agree that such lien may be foreclosed in any manner permitted by Utah law; and by accepting Deeds, leases, easements or other grants or conveyances to any Lot, Unit or Improvement, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by the mechanic's lien procedures established according to Chapter 1, Title 38, Utah Code Ann., as amended and the alternative lien procedure provided above. Recording of this Master Declaration also constitutes record notice and perfection of such lien.

10.3 Master Association's Remedies to Enforce Payment of Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges. Subject to Section 9.11 above, if any Member fails to pay the Annual or Special Assessments, Frostwood Lift Impact Fees or installments when due, or to pay Maintenance Charges assessed pursuant to this Article X, the Master Association may enforce the payment of the Annual or Special

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Assessments, Frostwood Lift Impact Fees, Maintenance Charges and/or Assessment Lien by taking either or all of the following actions, concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Master Association does not prejudice or waive its right to exercise the other remedy):

10.3.1 Bring an action at law and recover judgment against the Member personally obligated to pay the Annual or Special Assessments, Frostwood Lift Impact Fees or the Maintenance Charges;

10.3.2 Exercise self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of the Frostwood Rules);

10.3.3 Subject to Section 9.11 above, foreclose the Assessment Lien against the Parcel in accordance with the then prevailing Utah law relating to the foreclosure of realty mortgages or deeds of trust (including the right to recover any deficiency), the method recognized under Utah law for the enforcement of a mechanic's lien which has been established in accordance with Chapter 1, Title 38, Utah Code Annotated, as amended from time to time, or any other means permitted by law, and the Parcel may be redeemed after foreclosure sale if provided by law. In order to facilitate the foreclosure of any such lien in the manner provided at law for the foreclosure of deeds of trust, Declarant hereby designates America West Title Agency, Inc. as trustee and grants and conveys Frostwood, IN TRUST, to America West Title Agency, Inc., as trustee with full power of sale, to foreclose any such liens as directed by the Board. The Board may, at any time, designate one or more successor trustees, in the place of American West Title Agency, Inc., in accordance with provisions of Utah law for the substitution of trustees under deeds of trust. Such trustee, and any successors, shall not have any other right, title or interest in Frostwood beyond those rights and interests necessary and appropriate to foreclose any liens against Parcels arising pursuant hereto. In any such foreclosure, the Member of the Master Association with respect to the Parcel being foreclosed shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Master Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Parcels purchased at such sale.

10.3.4 Notwithstanding subordination of an Assessment Lien as described in Section 10.4 below, the delinquent Member shall remain personally liable for the Assessments and related costs after its Membership is terminated by foreclosure or deed in lieu of foreclosure or otherwise.

10.4 Subordination of Assessment Lien to First Mortgage; Priority of Lien. The Assessment Lien provided for herein shall be subordinate to any First Mortgage on a Parcel

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and/or any Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Parcel, Lot, Unit or Improvement. Sale or transfer of any Parcel, Lot, Unit or Improvement shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a First Mortgage to which the Assessment Lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust of sale, or any grantee taking by deed in lieu of foreclosure, shall take the Parcel, Lot, Unit or Improvement free of the Assessment Lien for all Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; provided, however, that such First Mortgage foreclosure sale purchaser or grantee shall take subject to all Annual and Special Assessments, Frostwood Lift Impact Fees, Maintenance Charges and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or Deed given in lieu of foreclosure.

10.5 Foreclosure. As stated in Section 10.4 above, the Assessment Lien shall have priority over all liens to the fullest extent provided by Utah law. Regardless whether the Assessment Lien has, or is deemed to have, priority over liens securing assessments levied pursuant to a Parcel Declaration, foreclosure of the Assessment Lien with respect to a Parcel, Lot, Unit or Improvement shall not impair, extinguish or otherwise affect such other assessment liens or relieve or release any obligations for such other assessments secured by such Parcel, Lot, Unit or Improvement.

10.6 Costs to be Borne by Member in Connection with Enforcement of Payment of Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges. In any action taken pursuant to Section 10.3 above, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Annual and Special Assessments, Frostwood Lift Impact Fees and Maintenance Charges together with interest and all of the Master Association's collection costs and attorneys' fees.

ARTICLE XI

USE OF FUNDS; BORROWING POWER; OTHER MASTER ASSOCIATION DUTIES

11.1 Purposes for Which Master Association's Funds May Be Used. The Master Association shall apply all funds and property collected and received by it (including the Annual and Special Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of Frostwood by devoting said funds and property, among other things, to the acquisition,

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construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of all land, properties, Improvements, facilities, services, projects, programs, studies and systems, within Frostwood, which may be necessary, desirable or beneficial to the general common interests of Frostwood. The following are some, but not all, of the areas in which the Master Association may seek to aid, promote and provide for such common benefit: social interaction among Owners, Residents and Occupants; maintenance of landscaping on Common Elements and public right-of-way and drainage areas within Frostwood; recreation; liability insurance; communications; ownership and operation of vehicle storage areas; transportation; health; utilities; public services; safety and indemnification of officers and directors of the Master Association and compliance with the Canyons SPA Documents. The Master Association also may expend its funds as permitted under the laws of the State of Utah.

11.2 Borrowing Power. The Master Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as is necessary or appropriate as determined by the Board without a vote of the Members. The Master Association may secure such loans by pledging any of its properties including future Assessments. Notwithstanding the foregoing, other than equipment leases entered into in the ordinary course of business of the Master Association including without limitation any lease of Parcel Common Amenities, the Master Association may not incur debt which would result in an increase in Annual Assessments during any Assessment Period by more than twenty percent (20%) of the budgeted Annual Assessments for the prior Assessment Period without first obtaining the written consent of a majority of the total votes of the Class A Members.

11.3 Master Association's Rights in Spending Funds From Year to Year. The Master Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Master Association shall not be obligated to reduce the amount of Annual Assessment in the succeeding year if a surplus exists from a prior year and the Master Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Master Association and the accomplishment of its purposes.

ARTICLE XII

MAINTENANCE

12.1 Common Elements and Public Right-of-Way. The Master Association, or its duly delegated representative, shall maintain and otherwise manage all Common Elements; provided, however, the Master Association shall not be responsible for providing or maintaining the Limited Access Pedestrian Corridors and Plazas or Improvements on any Common Elements which are part of Parcels unless (i) such Improvements are available for

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use by all Owners, Residents and Occupants or are within easements intended for the general benefit of Frostwood and (ii) the Master Association assumes in writing the responsibility as set forth in a Recorded instrument as hereinafter provided. The Master Association shall also maintain any other Improvements not on Parcels which are within the exterior boundaries of Frostwood, which are within areas shown on the Master Development Plat or other Plat of dedication for Frostwood or covered by a Parcel Declaration and which are intended for the general benefit of the Owners, Residents and Occupants at Frostwood. Specifically, the Master Association shall maintain, on an on-going basis, all landscaping located on the Common Elements at Frostwood including the landscaping in the center of the roundabout. Such landscaping maintenance shall include the Board's provision of adequate funding for maintenance, replacement, deep root watering, and other sound maintenance techniques and the Master Association acknowledges that the installation and maintenance of the landscaping located on the Common Elements at Frostwood shall be subject to an annual benchmark review by the Municipal Authority. The Master Association shall also maintain and replace all sidewalks, banners, lamp posts, recirculating water features, and other similar features related to the landscaping and art improvements which constitute the Common Elements at Frostwood. All Parcel Developers and Owners at Frostwood specifically acknowledge and agree that they shall cooperate with Declarant to effectuate such landscaping and project maintenance in the event certain landscaping features or other Improvements are located on or only accessible through private property. Other specific areas to be maintained by the Master Association may be identified on Plats Recorded or approved by the Declarant, in Parcel Declarations and in Deeds from the Declarant to a transferee of a Parcel but the failure to so identify such areas shall not affect the Master Association's rights or responsibilities with respect to such Common Elements and other areas intended for the general benefit of Frostwood. Except as otherwise provided for herein, the Master Association shall not maintain areas which (i) are owned by a Municipal Authority (ii) which a Parcel Association is required under a Parcel Declaration to maintain or (iii) are to be maintained by the Owners of a Parcel, Lot, Unit or Improvement. Notwithstanding anything to the contrary herein, the Board shall have discretion to enter into an agreement with a Municipal Authority to permit the Master Association to upgrade and/or maintain landscaping on property owned by a Municipal Authority, if such property is within Frostwood, if the Board determines in its sole and exclusive discretion that such agreement benefits the Master Association, the Members, or the Owners, Residents and Occupants at Frostwood. In addition, the Board shall have discretion to enter into an agreement with a Parcel Developer to permit the Master Association to upgrade and/or maintain the Parcel Common Amenities, if such Amenities constitute Master Association Land, or if the Board determines in its sole and exclusive discretion that such agreement benefits the Master Association, the Members, or the Owners, Residents and Occupants at Frostwood.

12.2 Standard of Care. The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property so that Frostwood will reflect a high grade of maintenance. In this connection, the Master Association may, subject to any applicable provisions on Special Assessments, in the discretion of the Board:

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12.2.1 Reconstruct, repair, replace or refinish any Improvement or portion thereof upon Master Association Land;

12.2.2 Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of the Common Elements used as a road, street, walk, driveway or parking area;

12.2.3 Replace injured and diseased trees and other vegetation in any Common Element, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

12.2.4 Place and maintain upon any Common Element such signs as the Board may deem appropriate for the proper identification, use and regulation thereof;

12.2.5 Remove all snow, ice, debris and sweeping to the extent reasonably necessary to keep the hardscaping within Frostwood in a safe and clean condition; and

12.2.6 Do all such other and further acts which the Board deems necessary to preserve and protect the Common Elements and the beauty thereof, in accordance with the general purposes specified in this Master Declaration.

12.3 Common Elements. The Board shall be the sole judge as to the appropriate maintenance of all Common Elements and other properties maintained by the Master Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

12.4 Certain Costs of Maintenance and Repair of Common Elements. In the event that the need for maintenance or repair of Common Elements, Improvements and other property maintained by the Master Association is caused through the willful or negligent act of any Owner or Resident of a Lot, Unit or Improvement, or his, her or its family, guests, invitees or tenants, the cost of such maintenance or repairs shall become a Maintenance Charge and the personal obligation of the specific offending Owner as provided for in Article X.

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ARTICLE XIII

FROSTWOOD DESIGN REVIEW COMMITTEE

13.1 Purpose. Prior to any review or approval by the Municipal Authority and/or the SPA Design Review Committee, the Frostwood Design Review Committee shall be the first to review, study and either approve, reject or request resubmittal of proposed developments and improvements to a Parcel, Lot, Unit or Improvement, all in compliance with this Master Declaration and as further set forth in the rules and regulations of the Frostwood Design Review Committee and the Frostwood Design Guidelines. Each Parcel Developer shall demonstrate to the Frostwood Design Review Committee that its Parcel Declaration, Plat and master land use plan have been approved by Declarant and that such items are in compliance with the Design Guidelines. The Frostwood Design Review Committee reserves the right, but not the obligation, to promulgate, enforce and interpret the Design Guidelines provided that the Frostwood Design Review Committee's determinations or functions do not contradict or supercede the Municipal Authority's and/or SPA Design Review Committee's duties and responsibilities as set forth in the Canyons SPA Documents.

13.2 Membership. The Frostwood Design Review Committee shall be composed of individuals or entities as the Declarant may determine in its sole and exclusive discretion, who need not be Owners. So long as the Declarant owns any Parcel, Lot, Unit or Improvement or other property within Frostwood, the Frostwood Design Review Committee shall consist of three (3) regular members and one (1) alternate member, each of whom shall be appointed, removed and replaced by, and serve at the pleasure of, the Declarant in its sole and exclusive discretion. At such time as the Declarant no longer owns any Parcel, Lot, Unit, Improvement or other property within the Project, the Frostwood Design Review Committee shall consist of such number of regular and alternate members as the Board may deem appropriate from time to time (but in no event less than three (3) nor more than seven (7) regular members, nor less than one (1) nor more than three (3) alternate members), each of whom shall be appointed by, and serve at the pleasure of, the Board. The Declarant may at any time voluntarily surrender in writing its right, as the Declarant, to appoint and remove the members of the Frostwood Design Review Committee pursuant to this Section, and in that event the Declarant may require, for so long as the Declarant owns any Parcel, Lot, Unit, Improvement or other property within the Project, that specified actions of the Frostwood Design Review Committee, as described in a Recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

13.3 Organization and Operation of the Frostwood Design Review Committee.

13.3.1 Term. The term of office of each member of the Frostwood Design Review Committee shall be three (3) years, commencing January 1 of each year, and continuing until his or her successor is appointed, which terms shall be staggered as determined by the Board. Should a Frostwood Design Review

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Committee member die, retire, become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 13.2 above. The Declarant may remove any member of the Frostwood Design Review Committee at any time for any cause without notice.

13.3.2 Chairperson. So long as Declarant's Membership in the Master Association exists, the Declarant shall appoint the chairperson of the Frostwood Design Review Committee. Thereafter, the Board shall appoint the Frostwood Design Review Committee and the chairperson shall be elected annually from among the members of the Frostwood Design Review Committee by majority vote of said members.

13.3.3 Operations. The chairperson shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the Frostwood Design Review Committee prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member. In the absence of a chairperson, the party responsible for appointing or electing the chairperson may appoint or elect a successor, or if the absence is temporary, a temporary successor.

13.3.4 Voting. The affirmative vote of a majority of the members of the Frostwood Design Review Committee shall govern its actions and be the act of the Frostwood Design Review Committee. A quorum shall consist of a majority of the members.

13.3.5 Expert Consultation. The Frostwood Design Review Committee may avail itself of technical and professional advice and consultants as it deems appropriate.

13.3.6 Parcel Associations. The Frostwood Design Review Committee may require that all plans and specifications first be approved by any Parcel Association having jurisdiction.

13.3.7 Powers. The Frostwood Design Review Committee shall have all the powers, responsibilities and purposes as established for the SPA Design Review Committee. Notwithstanding the forgoing, the Frostwood Design Review Committee shall always be subordinate to and shall not do anything in contradiction to this Master Declaration, the Canyons SPA Documents or the Design Guidelines.

13.4 Expenses. All expenses of the Frostwood Design Review Committee shall be paid by the Master Association, subject to the Declarant's or the Master Association's right to charge a reasonable design review fee to defray such expenses as provided for in Section 2.9 above.

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13.5 Frostwood Design Guidelines and Rules. The Frostwood Design Review Committee shall adopt, establish, and publish from time to time the Frostwood Design Guidelines. The Frostwood Design Guidelines shall define and describe the design standards for Frostwood and the various uses within Frostwood and shall not contradict the purposes expressed in the Canyons SPA Documents. The Frostwood Design Guidelines may be modified or amended from time to time by the Frostwood Design Review Committee. The Frostwood Design Review Committee, in its sole discretion, may excuse compliance with such Frostwood Design Guidelines as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to obtaining final approval of any Improvements from the Frostwood Design Review Committee and prior to commencing construction. The Frostwood Design Guidelines shall not be subject to modification or amendment by the Members. The Frostwood Design Guidelines shall be established solely by the Frostwood Design Review Committee and the Declarant.

13.6 Procedures. As part of the Frostwood Design Guidelines, the Frostwood Design Review Committee shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings. Appeals shall be conducted as provided in the Bylaws.

13.7 Limitation of Liability. The Frostwood Design Review Committee shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Frostwood Design Review Committee, nor any individual Frostwood Design Review Committee member, shall be liable to any person for any official act of the Frostwood Design Review Committee in connection with submitted plans and specifications, except to the extent the Frostwood Design Review Committee or any individual Frostwood Design Review Committee member acted with malice. Approval by the Frostwood Design Review Committee does not necessarily assure approval by the appropriate Municipal Authority or the SPA Design Review Committee. Notwithstanding that the Frostwood Design Review Committee has approved plans and specifications, neither the Frostwood Design Review Committee nor any of its members shall be responsible or liable to any Owner, Parcel Developer, other developer, or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of any Unit or Improvement. Neither the Board, the Frostwood Design Review Committee, or any agent thereof, nor Declarant, Declarant Affiliate, or any of Declarant's members, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Governing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Frostwood Design Review Committee shall be defended and indemnified by the Master Association in any such suit or proceeding which may arise by reason of the Frostwood Design Review Committee's decision. The Master Association, however, shall not be obligated to indemnify any member of the Frostwood Design Review Committee to the extent any such member of the Frostwood Design Review Committee shall be adjudged to be liable for

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gross negligence or willful misconduct in the performance of his or her duty as a member of the Frostwood Design Review Committee, unless and then only to the extent that the court in which such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

ARTICLE XIV

RIGHTS AND POWERS OF MASTER ASSOCIATION

14.1 Master Association's Rights and Powers As Set Forth in Articles and Bylaws. In addition to the rights and powers of the Master Association set forth in this Master Declaration, the Master Association shall have such rights and powers as are set forth in its Articles and Bylaws. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by Declarant, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Master Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Master Declaration.

14.2 Master Association's Rights of Enforcement of Provisions of the Governing Documents. The Master Association, as the agent and representative of the Owners and Members, shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in this Master Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in the Governing Documents. In the event suit is brought or arbitration is instituted or an attorney is retained by the Master Association to enforce the terms of the Governing Documents and the Master Association prevails, the Master Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Master Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Member and shall also be secured by the Assessment Lien against such Member's Parcel. If the Master Association should fail to act within a reasonable time, any Member shall have the right to enforce the Covenants set forth in this Master Declaration.

14.3 Contracts with Others for Performance of Master Association's Duties. Subject to the restrictions and limitations contained herein, the Master Association may enter into contracts and transactions with others, including the Declarant and any Declarant Affiliate, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more trustees or officers of the Master Association or members of any committee are employed by or otherwise connected with Declarant or any Declarant Affiliate, provided that the fact of such interest shall be disclosed or known to the other

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trustees acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such trustee, officer or committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he or she is a member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Declarant, Declarant Affiliate or any competitor thereof and may vote to authorize any such contract, transaction or approval with like force and effect as if he or she were not so interested.

14.4 Change of Use of Master Association Land. The Board shall have the power and right to change the use of any Master Association Land (and in connection therewith, construct, reconstruct, alter or change the Improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of all of the Members, (ii) shall be consistent with the Governing Documents, and (iii) shall not be inconsistent with the development of any Parcel by a Parcel Developer pursuant to the Parcel's development plans as approved by the Municipal Authority and the Design Review Committee. Any construction, reconstruction, alteration or change of the Improvements on Master Association Land shall require the approval of the Design Review Committee.

ARTICLE XV

INSURANCE

15.1 Scope of Coverage. Commencing not later than the time of the first conveyance of a Parcel to an Owner other than the Declarant or Declarant Affiliate, the Master Association shall maintain, to the extent reasonably available, the following insurance coverage:

15.1.1 Property Insurance. Property insurance on the Common Elements insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Common Elements, as determined by the Board; provided however, that the total amount of insurance shall not be less than one hundred percent (100%) of the current replacement cost of the insured property (less reasonable deductibles), exclusive of the land, excavations, foundations and other items normally excluded from a property policy;

15.1.2 General Liability Insurance. Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and other portions of Frostwood which the Master Association is obligated to maintain under this Master Declaration;

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15.1.3 Worker's Compensation Insurance. Worker's compensation insurance to the extent necessary to meet the requirements of applicable law;

15.1.4 Other Insurance. Such other insurance as the Board shall determine from time to time to be appropriate to protect the Master Association or the Members;

15.2 Insurance Provisions. Each insurance policy purchased by the Master Association shall, to the extent reasonably available, contain the following provisions:

15.2.1 The insurer issuing such policy shall have no rights of subrogation with respect to claims against the Master Association or its agents, servants or employees, or with respect to claims against Members or Owners;

15.2.2 No act or omission by any Member or Owner will void the policy or adversely affect recovery on the policy;

15.2.3 The coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Members or Owners;

15.2.4 A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner, Resident or Occupant because of the negligent acts of the Master Association or other Owners, Residents or Occupants;

15.2.5 Statement naming the Master Association as the insured; and

15.2.6 For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify any Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy.

15.3 Certificates of Insurance. An insurer which has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Master Association and, upon request, to any Member, Owner or Mortgagee. Any insurance obtained pursuant to this Article shall not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Master Association and to each Member, Owner and Mortgagee to whom certificates of insurance have been issued.

15.4 Payment of Premiums. The premiums for any insurance obtained by the Master Association pursuant to this Master Declaration shall be included in the budget of the Master Association and shall be paid by the Master Association.

15.5 Payment of Insurance Proceeds. With respect to any loss to the Common Elements covered by property insurance obtained by the Master Association, the loss shall

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be adjusted with the Master Association, and the insurance proceeds shall be payable to the Master Association and not to any Mortgagee. Subject to the provisions of Section 15.6, the proceeds shall be disbursed for the repair or restoration of the damage to the Common Elements.

15.6 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Elements which is damaged or destroyed shall be repaired or replaced promptly by the Master Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Master Association. If the entire Common Element is not repaired or replaced, insurance proceeds attributable to the damaged Common Element shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall, as the Board shall determine in its sole and exclusive discretion, either: (i) be retained by the Master Association as an additional capital reserve; (ii) be used for payment of operating expenses of the Master Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Members representing more than fifty percent (50%) of the votes in the Master Association; or (iii) shall be distributed to Members in proportion to their respective Assessment Units.

ARTICLE XVI

DAMAGE OR DESTRUCTION

16.1 Master Association as Attorney in Fact. Each Member hereby irrevocably constitutes and appoints the Master Association as such Member's true and lawful attorney-in-fact in such Member's name, place, and stead for the purpose of dealing with the Improvements on the Common Elements upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article XVII below. Acceptance by any Parcel Developer of a Deed or other instrument of conveyance from the Declarant shall constitute appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Master Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, Deed, waiver, or other instrument with respect to the interest of any Member which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney-in-fact. All insurance proceeds shall be payable to the Master Association except as otherwise provided in this Master Declaration.

16.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Improvements on the Common Elements in Frostwood, the Master Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Common Elements so damaged or destroyed. "Repair and reconstruction" as used in this Article XVI means restoring the

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damaged or destroyed Improvements to restore to as near its original condition as possible in which they existed prior to the damage or destruction.

16.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Master Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Common Elements or Improvements. As attorney-in-fact for the Members, the Master Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Member shall be necessary. Assessments of the Master Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

16.4 Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Master Association may, pursuant to Article IX above, levy, assess, and collect in advance from all Members without the necessity of a special vote of the Members, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

16.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master Association and the amounts received from the Special Assessments provided for in Article IX above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Members in proportion to the contributions each Member made as a Special Assessment to the Master Association under Section 16.4 above, or, if no Special Assessments were made, then to Members in proportion to their respective Assessment Units, first to the Mortgagees and then to the Members.

16.6 Notice to Eligible Mortgagees. The Master Association shall give timely written notice to any holder of any Eligible Mortgage on a Parcel, Lot or Improvement who requests such notice in writing in the event of substantial damage to or destruction of a material part of the Common Elements.

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ARTICLE XVII

CONDEMNATION

17.1 Notice. Whenever all or any part of the Common Elements shall be taken or conveyed in lieu of and under threat of condemnation, each Member shall be entitled to

notice of the taking, but the Master Association shall act as attorney-in-fact for all Members in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

17.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Master Association as trustee for all Members to be disbursed as follows: If the taking involves a portion of the Common Elements on which Improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Members representing at least sixty-seven percent (67%) of the votes in the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Review Committee. If such Improvements are to be repaired or restored, the provisions in Article XVI above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed to Members in proportion to their respective Assessment Units, first to the Mortgagees and then to the Members.

17.3 Complete Condemnation. If all of Frostwood is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Master Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed to Members based upon the relative value of the Parcels prior to the condemnation.

ARTICLE XVIII

ADDITIONAL LAND

18.1 Right to Expand and State of Title to the Additional Land. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to add to Frostwood the Additional Land described in Exhibit B. Notwithstanding any provision of this Master Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other Person (including any Member, Parcel Developer, Owner or Mortgagee) and shall be limited only as specifically provided in this Article XVIII. The Additional Land shall be deemed added to Frostwood at such time as a duly approved Plat and an amendment to this Master Declaration containing the information required by Section 18.3 below have been Recorded with respect to the Additional Land. After the date such amendment to this Master Declaration is Recorded, title to the Additional Land and its appurtenant right and easement of use and enjoyment in and to the Common Elements shall be vested in and held by Declarant, and none of the other Members, Parcel Developers, Owners or the Master Association shall

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have any claim or title to or interest in such Additional Land or its appurtenant right and easement of use and enjoyment to the Common Elements. If and when the Additional Land described in Exhibit B is added to Frostwood, it shall become a part of Parcel F2-B without any right of the Declarant or the Parcel Developer of Parcel F2-B to enlarge the Maximum Gross Building Area assigned to Parcel F2-B by this Master Declaration and the Master Development Plat.

18.2 Improvements on the Additional Land. Future Improvements on the Additional Land shall be consistent with the initial Improvements in structure type and quality of construction and subject to the Frostwood Design Guidelines.

18.3 Procedure for Expansion. Notwithstanding the Class B Termination Date, The amendment by which to add the Additional Land shall be executed by Declarant, shall be in recordable form, must be Recorded in the office of the County Recorder of Summit County, Utah on or before the date which is twenty-five (25) years from the date that this Master Declaration is Recorded, and shall contain the following information:

18.3.1 Data sufficient to identify this Master Declaration with respect to the Additional Land.

18.3.2 The legal description of the Additional Land being added.

18.3.3 A statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this Master Declaration.

18.3.4 A statement that the Additional Land shall be considered a portion of Parcel F2-B.

18.3.5 Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Master Declaration.

Upon the date any amendment contemplated above is Recorded, it shall automatically supplement this Master Declaration and any amendments previously Recorded. At any point in time, this Master Declaration for Frostwood shall consist of this Master Declaration, as amended and expanded by all amendments theretofore Recorded pursuant to the terms hereof.

18.4 No Obligation to Expand. Except to the extent specifically indicated herein, this Master Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the addition to Frostwood of the Additional Land; (ii) the creation or construction of any Lot, Unit, Residential Structure or other Improvement, or the carrying out in any particular way or within any particular time of any development or addition which may be undertaken on the Additional Land; or (iii) the taking of any particular action with respect to any

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portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Master Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to Frostwood.

ARTICLE XIX

MORTGAGEE REQUIREMENTS

19.1 Notice of Action. The Board shall maintain a roster containing the name and address of each Eligible Mortgagee as such term is defined herein and in Section 1.53 above. To be considered an Eligible Mortgagee, a First Mortgagee shall provide the Board with a certified copy of its Recorded First Mortgage and the name and address of the First Mortgagee and a statement that the Mortgage is a First Mortgage together with a written request that it receive notice of the matters and actions described below. The Eligible Mortgagee shall be stricken from the roster upon request by such Eligible Mortgagee or upon receipt by the Board of a certified copy of a Recorded full release or satisfaction of the Eligible Mortgage. Notice of such removal shall be given to the Eligible Mortgagee unless the removal is requested by the Eligible Mortgagee. Upon the Master Association's receipt of such written request, an Eligible Mortgagee shall be entitled to timely written notice of:

19.1.1 Any condemnation loss or any casualty loss which affects a material portion of Frostwood or any Parcel on which there is a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor;

19.1.2 Any delinquency in the payment of Assessments or charges owed by a Member whose Parcel is subject to a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days; and

19.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond or insurance maintained by the Master Association.

19.2 Availability of Frostwood Documents and Financial Statements. The Master Association shall maintain and have current copies of the Governing Documents and other documents concerning Frostwood as well as its own Frostwood Rules, membership register, books, records, and financial statements available for inspection by Members or by holders, insurers, and guarantors of Eligible Mortgages. Generally, these documents shall be available during normal business hours. The Master Association may, as a condition to permitting a Member to inspect the membership register or to its furnishing information from the register, require that the Member agree in writing not to use, or allow the use of, information from the membership register for commercial or other purposes not reasonably

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related to the regular business of the Master Association and the Member's interest in the Master Association.

19.3 Subordination of Lien. The Assessment or claim against a Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, for unpaid Assessments or charges levied by the Master Association pursuant to this Master Declaration shall be subordinate to the First Mortgage affecting such Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, and the First Mortgagee thereunder which comes into possession of or which obtains title to such Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, shall take the same free of such lien or claim for unpaid Assessment or charges, but only to the extent of Assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a Deed or assignment in lieu of foreclosure. No Assessment, charge, Assessment Lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Master Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, affected or previously affected by the First Mortgage concerned. The provisions of this Section 19.3 shall be in addition to the rights of a First Mortgagee under Section 10.4.

19.4 Notice to Eligible Mortgagees. The Master Association shall give timely written notice of the events listed in Section 19.1 above to any holder of any Eligible Mortgage on a Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, who requests such notice in writing.

19.5 Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Common Elements are not timely paid, or in the event the required hazard insurance described in Section 15.1 lapses, is not maintained, or the premiums therefor are not paid when due, any First Mortgagee or any combination of First Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any First Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Master Association.

19.6 Priority. No provision of this Master Declaration or the Articles gives or may give a Member or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Members of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Parcels or the Common Elements. All proceeds or awards shall be paid directly to any Mortgagees of Record, as their interest may appear.

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ARTICLE XX

TERM; AMENDMENTS; TERMINATION

20.1 Canyons SPA Documents. The Canyons SPA Documents shall not be subject to modification or amendment by the Declarant, Board and/or Members. In addition, Declarant and/or the Board shall not amend this Master Declaration in any way which would be materially inconsistent with the terms and conditions of the Canyons SPA Documents without first obtaining the prior written consent of the Municipal Authority and the RVMA and the approval of a majority of the total votes of the Class A Members.

20.2 Term; Method of Termination. This Master Declaration shall be effective upon the date of Recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of fifty (50) years from the date this Master Declaration is Recorded. From and after said date, this Master Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Master Declaration by the then Members casting eighty percent (80%) of the total votes cast at an election held for such purpose or otherwise approved in writing within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. The Master Declaration may be terminated at any time if eighty percent (80%) of the votes of the Members shall be cast in favor of termination at an election held for such purpose. Anything in the foregoing to the contrary notwithstanding, no vote to terminate (or amend as provided in Section 20.3 below) this Master Declaration shall be effective unless and until written consent to such termination or amendment has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from Eligible Mortgagees on sixty-seven percent (67%) of the Parcels upon which there are such Eligible Mortgages. If the necessary votes and consents are obtained, the Board shall cause to be Recorded a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Master Association, with their signatures acknowledged. Thereupon these Covenants shall have no further force and effect, and the Master Association shall be dissolved pursuant to the terms set forth in its Articles.

20.3 Amendments. This Master Declaration may be amended by Recording with the County Recorder of Summit County, Utah, as applicable, an Amendment to this Master Declaration, duly signed and acknowledged by and on behalf of the Association. The Amendment shall set forth in full the amendment adopted. Except as provided in Section 20.4 and 20.5 of this Article or elsewhere in this Master Declaration, the Amendment shall also certify that at a meeting duly called and held pursuant to the provisions of the Articles and Bylaws, the Members casting at least sixty seven percent (67%) of the total votes of the Master Association voted affirmatively for the adoption of the amendment, or by unanimous written consent without a meeting. Notwithstanding the foregoing, any Amendment which shall modify the rights granted to Mortgagees under Article XIX, shall require the vote or written assent of sixty-seven percent (67%) of all Eligible Mortgagees. Prior to the Class B

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Termination Date, this Master Declaration shall not be terminated or amended without the written approval of the Declarant.

20.4 Unilateral Amendments. The Declarant alone may amend or terminate this Master Declaration prior to the closing of a sale of the first Parcel. Notwithstanding anything contained in this Master Declaration to the contrary, this Master Declaration may be amended unilaterally at any time and from time to time by Declarant if such amendment is (i) necessary to correct typographical errors or inadvertent omissions; (ii) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (iii) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Parcels, Lots, Units, Residential Structures or Improvements subject to this Master Declaration; provided, however, any such amendment shall not materially adversely affect the title to any Parcel, Lot, Unit, Residential Structure or Improvement unless any such Owner shall consent thereto in writing. Further, so long as the Declarant's Class B Membership in the Master Association exists, Declarant may unilaterally amend this Master Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the consent of the affected Owner.

20.5 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article or Master Declaration to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Master Declaration to such extent and with such language as may be requested by the Municipal Authority, a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Master Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Parcel(s), Lot(s), Unit(s), Residential Structure(s) or any portions thereof. Any such amendment shall be effected by the Recordation by Declarant of an Amendment duly signed by or on behalf of the members, authorized agents, or authorized officers of Declarant, as applicable, with their signatures acknowledged, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the Amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an Amendment, and such Amendment, when Recorded, shall be binding upon all of Frostwood and all persons having an interest therein. It is the desire of Declarant to retain control of the Master Association and its activities during the anticipated period of planning and development. If any Amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Master Declaration to restore such control.

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ARTICLE XXI

DECLARANT'S RIGHTS

21.1 Transfer. Any or all of the special rights and obligations of the Declarant or any Declarant Affiliate may be transferred to other Persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Master Declaration, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly Recorded. Nothing in this Master Declaration shall be construed to require Declarant or any successor to develop any Additional Land in any manner whatsoever.

21.2 Sales Material. So long as Declarant continues to have rights under this Master Declaration, all sales, promotional, and advertising materials, and all forms for Deeds, contracts for sale, and other closing documents for the subdivision and sale of Parcels, Lots, Units or Improvements in Frostwood by any Parcel Developer shall be subject to the prior approval of Declarant, which approval shall not be unreasonably withheld. Declarant shall deliver notice to any Parcel Developer of Declarant's approval or disapproval of all such materials and documents within thirty (30) days of receipt of such materials and documents and, if disapproved, the specific changes requested. If Declarant fails to so notify any Parcel Developer within such thirty (30) day period, Declarant shall be deemed to have waived any objections to such materials and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

21.3 Modifications. Declarant reserves for itself, Declarant Affiliate and Declarant's assigns the right to vary the timing, mix, type, use, style, and numbers of Parcels, Lots and Improvements, the materials, and other such details of construction or modifications with respect to Parcels owned by Declarant or any Declarant Affiliate.

21.4 Termination of Declarant's Approval Rights and Obligations. Except as otherwise expressly provided for herein, any or all of the approval rights and obligations of the Declarant or any Declarant Affiliate under this Master Declaration shall terminate on the Class B Termination Date. Thereafter, the Master Association shall have the power to exercise any remaining approval rights and obligations of the Declarant or any Declarant Affiliate under this Master Declaration.

21.5 Amendment. This Article XXI may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article XXI shall terminate upon the earlier of (i) eighteen (18) years from the date this Master Declaration is Recorded, (ii) upon Recording by Declarant of a written statement that all sales activity has ceased, or (iii) when the Declarant, in its sole and exclusive discretion, otherwise determines as evidenced in a written and Recorded instrument.

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ARTICLE XXII

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

22.1 Agreement to Avoid Costs of Litigation. The Master Association, Declarant, all Persons subject to this Master Declaration, and any Person not otherwise subject to this Master Declaration who agrees to submit to this Section (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the properties at Frostwood, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving properties at Frostwood, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Master Declaration or the Governing Documents (collectively "Claim"), except for those Exempt Claims authorized under Section 22.2 below, shall be subject to the procedures set forth in Section 22.3.

22.2 Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 22.3:

22.2.1 Any suit by the Declarant against any Bound Party to enforce the provisions of this Master Declaration or to enforce any of Declarant's developmental rights set forth in this Master Declaration, including any defensive or responsive actions by the party against whom the action is taken;

22.2.2 Any suit by the Master Association against any Bound Party to enforce the provisions of this Master Declaration, including any defensive or responsive actions by the party against whom the action is taken;

22.2.3 Any suit by the Master Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Master Association's ability to enforce the provisions of this Master Declaration, including any defensive or responsive actions by the party against whom the action is taken;

22.2.4 Any suit between Owners (other than the Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under the law of the State of Utah in the absence of a claim based on the Governing Documents, if the amount in controversy exceeds \$5,000.00; and

22.2.5 Any suit or enforcement action or exercise of any right or remedy under or in respect of any Mortgage, any indebtedness secured by such Mortgage or any other document or agreement executed in connection with such Mortgage or in respect of any right provided herein with respect to such Mortgage.

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Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 22.3, but there shall be no obligation to do so.

22.3 Mandatory Procedures for All Other Claims. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") other than an Exempt Claim, shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has complied with the following procedures:

22.3.1 Notice. The Claimant shall notify each Respondent in writing of the Claim ("Notice"), stating plainly and concisely:

22.3.1.1 The nature of the Claim, including date, time, location, person involved, Respondent's role in the Claim;

22.3.1.2 The basis of the Claim (i.e., the provision of the Master Declaration, Governing Documents, or other authority out of which the Claim arises);

22.3.1.3 What Claimant wants Respondent to do or not to do to resolve the Claim; and

22.3.1.4 That Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

22.3.2 Good Faith Negotiation.

22.3.2.1 Each Claimant and Respondent ("Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

22.3.2.2 Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the Frostwood community.

22.3.3 Final and Binding Arbitration.

22.3.3.1 If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), the Claimant shall have thirty (30) days following Termination of Negotiations to

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submit the Claim to arbitration in accordance with the Rules of Arbitration maintained on file in the office of the Master Association or the Claim shall be deemed abandoned, and Respondent shall be release and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

22.3.3.2 This Section 22.3 is an agreement of the Bound Parties to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Utah. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Utah.

22.3.4 Allocation of Costs of Resolving Claims.

22.3.4.1 Each Party shall bear all its own costs incurred prior to and during the proceedings described in this Section 22.3, including the fees of its attorney or other representative.

22.3.4.2 Each Party shall share equally in the costs of conducting the arbitration proceeding (collectively, "Arbitration Costs"), except as otherwise provided in this Section 22.3.4; provided, however, if the Claim is rejected in whole or in part, the Claimant shall pay all Arbitration Costs, including the costs incurred by the Respondent.

22.3.5 Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Section 22.3.2 and any Party thereafter fails to abide by the terms of such Agreement, or if the Parties agree to accept the Award following arbitration and any Party thereafter fails to comply with such Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 22.3. In such event, the party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys fees and court costs.

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ARTICLE XXIII

GENERAL PROVISIONS

23.1 Canyons SPA Documents Control. In the event of any conflict or inconsistency between this Master Declaration and the Canyons SPA Documents, the

Canyons SPA Documents shall control. Thereafter, priority shall be given to the Governing Documents in the following order: this Master Declaration, Articles, Bylaws, and Frostwood Rules.

23.2 Property Held in Trust. Except as otherwise expressly provided in this Master Declaration, any and all portions of Frostwood which are now or hereafter held in a subdivision or similar trust or trusts (or similar means of holding title to property), the beneficiary of which trust(s) is the Declarant or a Declarant Affiliate, shall be deemed for all purposes under this Master Declaration to be owned by the Declarant or such Declarant Affiliate, as applicable, and shall be treated for all purposes under this Master Declaration in the same manner as if such property were owned in fee by the Declarant or such Declarant Affiliate, as applicable. No conveyance, assignment or other transfer of any right, title or interest in or to any of such property by or to the Declarant or any such Declarant Affiliate to any such trust (or the trustee thereof) shall be deemed for purposes of this Master Declaration to be a sale of such property or any right, title or interest therein.

23.3 Interpretation of the Covenants. Except for judicial construction, the Declarant, prior to the Class B Termination Date, and thereafter the Master Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Master Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Declarant's or the Master Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefitted or bound by the Covenants and provisions hereof. All such construction and interpretation shall, to the extent possible, be consistent with the other terms and provisions of the Governing Documents, and shall reflect the intent of this Master Declaration and the overall master development plan for Frostwood as embodied in the Governing Documents.

23.4 Severability. Any determination by any court of competent jurisdiction that any provision of this Master Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

23.5 Change of Circumstances. Except as otherwise expressly provided in this Master Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Master Declaration.

23.6 Rules and Regulations. In addition to the right to adopt Frostwood Rules on the matters expressly mentioned elsewhere in this Master Declaration, the Master Association (through its Board) shall have the right to adopt rules and regulations with respect to all other aspects of the Master Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Master Declaration.

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23.7 Declarant's Disclaimer of Representations. Anything to the contrary in this Master Declaration notwithstanding, and except as otherwise may be expressly set forth on

a Plat or other Recorded instrument, Declarant or Declarant Affiliate makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of Frostwood can or will be carried out, or that any such land (whether or not it has been subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect. Declarant shall have the right to make changes or modifications to this Master Declaration, the Master Plat or any other land use or landscaping plan with respect to any property owned by Declarant or Declarant Affiliate in any way which the Declarant desires, so long as such changes do not contradict the Canyons SPA Documents. Such amendments may include, but are not limited to, changing the Maximum Gross Building Area of all or any portion of the property owned by the Declarant or Declarant Affiliate, changing the nature or extent of the uses to which such property may be devoted, reallocating Maximum Gross Building Areas, or readjustment of Parcel lot line boundaries in connection with the location and development of a portion of the Golf Course on the Golf Course Parcel.

23.8 References to the Covenants in Deeds. Deeds or any instruments affecting any Parcel, Lot, Unit or Improvement, or any part of Frostwood may contain the Covenants herein set forth by reference to this Master Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the Covenants shall be binding upon the grantee-Owner or other person claiming through any instrument and his or her heirs, executors, administrators, successors and assigns.

23.9 List of Members. The Board shall maintain up-to-date records showing: (i) the name of each Parcel Association, the address of such Parcel Association and the Parcel which is maintained by it and (ii) the name of each Eligible Mortgagee on a Parcel. In the event of any transfer of a fee or undivided fee interest in a Parcel, either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of Record. The Board may for all purposes act and rely on the information concerning Members and Parcel ownership which is thus acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Parcel which is obtained from the Office of the County Recorder of Summit County, Utah, as applicable. The address of a Member shall be deemed to be the address of the Parcel Association unless the Board is otherwise advised. The list of Members shall be made available by the Board to any Member for noncommercial purposes upon such Member's written request and such Member's payment of any copying charges.

23.10 General Obligations. Each Member and Owner shall enjoy and be subject to all rights and duties assigned to Members and Owners pursuant to this Master Declaration. With respect to unsold Parcels, the Declarant shall enjoy the same rights and assumes the same duties with respect to each unsold Parcel.

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23.11 Rights of Action. The Master Association and any aggrieved Member shall have a right of action against Members who fail to comply with the provisions of this

Master Declaration or the decisions of the Master Association or the Canyons SPA Documents. Members shall have a similar right of action against the Master Association.

23.12 Successors and Assigns of Declarant. Any reference in this Master Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder, including without limitation any Declarant Affiliate.

23.13 Gender and Number. Wherever the context of this Master Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

23.14 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Master Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

23.15 Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such Person at the address given by that Person to the Master Association for the purpose of service of such notice or to the address of the Parcel, Lot, Unit or Improvement of such Person if no address has been given. Such address may be changed from time to time by notice in writing received by the Master Association. Notice to the Board or to the Frostwood Design Review Committee shall also be delivered or mailed to the Declarant at 3652 Brighton Point Drive, Salt Lake City, Utah 84121, or at such other address as the Board may designate after the end of Declarant's control of the Board.

23.16 Number of Days. In computing the number of days for purposes of any provision of this Master Declaration or the Governing Documents, all days shall be counted including Saturdays, Sundays and holidays; provided however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

23.17 Notice of Violation. The Master Association shall have the right to Record a written notice of a violation by any Member, Owner, Resident or Occupant of any restriction or provision of the Governing Documents. The notice shall be executed and acknowledged by an officer of the Master Association and shall contain substantially the following information:

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23.17.1 The name of the Parcel Association, Owner, Resident or Occupant;

23.17.2 The legal description of the Parcel, Lot, Unit or Improvement against which the notice is being Recorded;

23.17.3 A brief description of the nature of the violation;

23.17.4 A statement that the notice is being Recorded by the Master Association pursuant to this Master Declaration; and

23.17.5 A statement of the specific steps which must be taken by the Member, Owner, Resident or Occupant to cure the violation.

Recordation of a notice of violation shall serve as a notice to the Member, Owner, Resident or Occupant, and to any subsequent purchaser of the Parcel, Lot, Unit or Improvement, that there is such a violation. If, after the Recordation of such notice, it is determined by the Master Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Master Association shall Record a notice of compliance which shall state the legal description of the Parcel, Lot, Unit or Improvement against which the notice of violation was Recorded, the Recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured or, if such be the case, that it did not exist. Notwithstanding the foregoing, failure by the Master Association to Record a notice of violation shall not constitute a waiver of any existing violation or evidence that no violation exists.

23.18 Perpetuities. If any of the Covenants or other provisions of this Master Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the person holding the office of Governor of the State of Utah on the date this Master Declaration is Recorded.

23.19 Security. The Master Association may, but shall not be obligated to, maintain or support certain activities within Frostwood designed to make Frostwood safer than they otherwise might be. Neither the Master Association, nor the Declarant shall in any way be considered insurers or guarantors of security within Frostwood, however, and neither the Master Association, nor the Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Members, Owners, Residents, and his, her or its tenants, guests and invitees acknowledge that the Declarant, the Master Association and its Board, and the Frostwood Design Review Committee do not represent or warrant that any fire protection system or burglar alarm system designated by or installed according to the Design Guidelines may not be compromised or circumvented, that any fire protection or burglar alarm systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise nor that fire protection or burglary alarm systems will in all cases provide the detection or protection for which the system is designed or intended. Each Member, Owner, Resident, or his, her or its tenant, guest or invitee acknowledges and understands that the Declarant, the Master Association, its Board and the Frostwood Design Review Committee are not insurers and that each Member, Owner, Resident, or his, her or its tenant, guest and invitee assumes all risks for loss or damage to Persons or property within Frostwood and further acknowledges that Declarant, the Master Association, its Board, and the Frostwood Design Review Committee

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have made no representations or warranties nor has any Member, Owner, Resident, or his, her or its tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems recommended or installed or any security measures undertaken within Frostwood.

23.20 Use of Frostwood Term. No Person shall use the term "Frostwood" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Parcel Developers may use the term "Frostwood" in printed or promotional matter where such term is used solely to specify that particular property is located within Frostwood.

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IN WITNESS WHEREOF, the Declarant has executed this Master Declaration as of the day first above written.

PARK WEST ASSOCIATES, L.L.C., a Utah
limited liability company

By: Richard Frost
Richard Frost, Manager

By: James Fogg
James Fogg, Manager

By: Walter J. Plumb III
Walter J. Plumb III, Manager

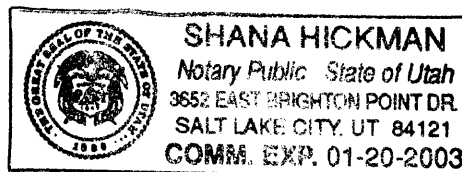
By: Ronald Ferrin
Ronald Ferrin, Manager

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STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 15th day of September, 2000, personally appeared before me Richard Frost, Manager of Park West Associates, L.L.C., the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

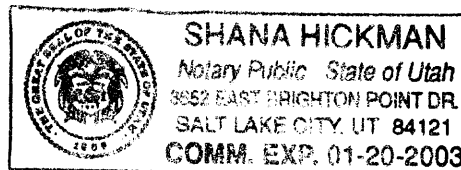
Shana Hickman
NOTARY PUBLIC



STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 15th day of September, 2000, personally appeared before me James Fogg, Manager of Park West Associates, L.L.C., the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

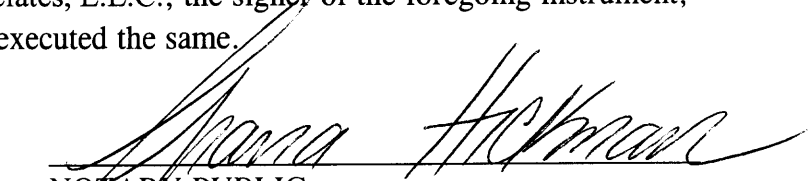
Shana Hickman
NOTARY PUBLIC

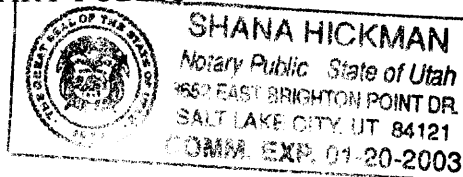


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STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

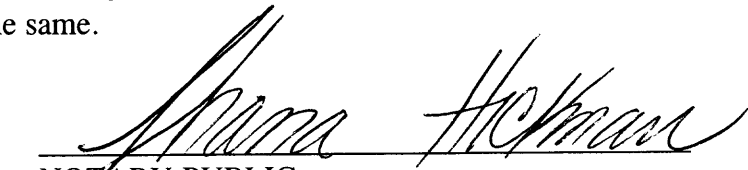
On the 16th day of September, 2000, personally appeared before me Walter J. Plumb III, Manager of Park West Associates, L.L.C., the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

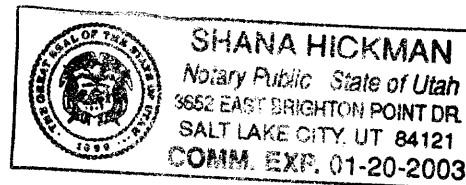

NOTARY PUBLIC



STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 16th day of September, 2000, personally appeared before me Ronald Ferrin, Manager of Park West Associates, L.L.C., the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.


NOTARY PUBLIC



00573073 Bk01334 Pg00262

EXHIBIT "A"

Frostwood Real Property

All of that certain real property situated in the County of Summit, State of Utah, as shown on the official Master Development Plat of Frostwood, a Planned Community, recorded as of the even date herewith in the Official Records of Summit County, Utah and being more particularly described as follows:

Beginning at the Southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base & Meridian; thence along the West line of said Section 31, North 00°00'55" East 2103.17 feet to the True point of beginning; (basis of bearing being North 00°00'55" East 2639.29 feet between the Southwest Corner of said Section 31 and the West Quarter Corner of said Section 31); thence North 89°27'00" West 1337.92 feet to the West line of the Northeast quarter of the Southeast quarter of Section 36, Township 1 South, Range 3 East, Salt Lake Base & Meridian; thence along said West line North 00°06'06" West 540.19 feet to the Northwest corner of the Northeast quarter of the Southeast quarter of said Section 36; thence North 00°06'36" West 1354.90 feet to the Northwest corner of the Southeast quarter of the Northeast quarter of said Section 36; thence along the North line of the Southeast quarter of the Northeast quarter of said Section 36, South 88°57'12" East 1341.75 feet to the boundary line of Willow Draw Plat "B" Subdivision on the file and of record in the office of the Summit County Recorder; Thence along said Willow Draw Plat "B" Subdivision boundary South 00°00'06" East 74.06 feet; thence South 89°30'00" East 263.88 feet; thence South 61°04'36" East 187.87 feet; thence South 41°58'44" West 60.00 feet; thence South 68°49'08" East 210.07 feet to the Westerly line of the Willow Draw Plat "E" Subdivision on file and of record in the office of the Summit County Recorder; thence leaving said Willow Draw Plat "B" and continuing along said Willow Draw Plat "E" and along Willow Draw Plat "F" on file and of record in the office of the Summit County Recorder, South 1240.08 feet; thence leaving said Willow Draw Plat "F" Subdivision West 584.06 feet to the West line of Section 31, Township 1 South, Range 4 East, Salt Lake Base & Meridian; thence along said West line of Section 31 South 00°00'55" West 356.61 feet to the point of beginning.

Containing 76.73 acres more or less.

00573073 Bk01334 Pg00263

EXHIBIT "B"

Additional Land

All of that certain real property situated in the County of Summit, State of Utah, as shown on the official Master Development Plat of Frostwood, a Planned Community, recorded as of the even date herewith in the Official Records of Summit County, Utah and being more particularly described as follows:

Beginning at a point which is South 00°00'55" West along the Section Line 180.50 feet from the West Quarter Corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian (Basis of Bearing being South 00°00'55" West 2639.29 feet between said West Quarter Corner and the Southwest Corner of said Section 31) and running thence East 182.39 feet; thence South 44°02'18" West 262.45 feet to the West Line of said Section 31; thence North 00°00'55" East along said West Section line 188.67 feet to the point of beginning.

Containing 17,206 Sq. Ft. or 0.39 Acre more or less.

00573073 Bk01334 Pg00264