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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR THE VILLAGES AT ARROWHEAD PARK
 (A Planned Unit Development)

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This Declaration is made on the date executed below by Arrowhead Partners, LLC, a Utah limited liability company (“Declarant”).

RECITALS

A. The Villages at Arrowhead Park is a planned unit development project located in Payson City, Utah County, Utah, as part of the Arrowhead Park master planned residential development;

B. The Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Project, subject to the following covenants, conditions, restrictions, easements and limitations herein set forth which are hereby declared to be for the benefit of the whole tract and all of the Project described herein and the owners thereof, their successors and assigns;

C. All Owners, guests, invitees, agents, and residents shall abide by the provisions of this Declaration;

D. These covenants, conditions, restrictions, easements, and limitations shall run with the land described in Exhibit "A" and shall be binding on and burden all parties having or acquiring any right, title, or interest to the land or any part thereof and shall create servient tenements on the land. The covenants, conditions, restrictions, easements, and limitations shall also benefit all parties having or acquiring any right, title, or interest to the land and shall create dominant tenements on the land. These covenants shall apply to the Lots identified on the Map only;

E. The Association may be incorporated as a Utah nonprofit corporation. If incorporated, it shall be entitled to the rights, obligations, and benefits of the Revised Nonprofit Corporation Act (Utah Code Ann. 16-6a-101, *et. seq.*) as amended from time to time.

NOW THEREFORE, for the benefit of the Project and the Owners thereof, the following covenants, conditions, restrictions, and easements shall apply to and be binding on the Project:

1 DEFINITIONS

Capitalized terms used in the Governing Documents (including recitals) have the following meanings:

1.1 Architectural Review Committee or ARC

Architectural Review Committee or ARC means the committee appointed by the Board for the purpose of ensuring that all improvements and landscaping within the Project comply with the architectural guidelines and other Governing Documents; and harmonize with the surrounding Lots.

1.2 Articles

Articles mean the Articles of Incorporation for The Villages at Arrowhead Park Homeowners' Association, Inc., as amended from time to time.

1.3 Association

Association means The Villages at Arrowhead Park Homeowners' Association, Inc. It is intended that the Association be a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in dissolution of the Association. The Association may renew its corporate status, reinstate its corporate status, or incorporate without Owner approval. Any actions taken during any period of un-incorporation shall be binding.

1.4 Board

Board means the Board of Directors. The Board governs the Project, business, and affairs of the Association.

1.5 Bylaws

Bylaws mean the bylaws of the Association, as amended or restated from time to time. The Bylaws are attached to this document as Exhibit "B."

1.6 Commercial Builder

Commercial Builder means any builder or developer, other than the Declarant, who owns two (2) or more Lots within the Project for the purpose of constructing homes for sale to residential customers.

1.7 Common Areas

Common Areas mean the open space and any improvements constructed thereon as shown on the Map, and shall include but not be limited to: Parcels C and D in Plat A as shown on the Map, Parcels B and C in Plat B as shown on the Map, the subgrade storm water facility (to the extent such is located within the confines of the Project), and any other land included within the Project that is not a Lot, and for which the maintenance, repair and replacement obligation has not been assigned to the MHOA and which has not been conveyed to a governmental entity. The Common Areas may consist of landscaping, irrigation equipment, walkways, and other improvements. The Association owns all Common Areas.

1.8 Common Expenses

Common Expenses mean all sums spent to administer, maintain, or replace the Common Areas; administer and enforce the Governing Documents; expenses agreed upon as common expenses by a majority of a quorum of Owners; expenses authorized by the Governing Documents or the Community Association Act as common expenses; water and sewer; any other expenses necessary for the common benefit of the Owners.

1.9 Community Association Act

Community Association Act shall mean Utah Code §§ 57-8a-101 *et seq.*, as amended or replaced from time to time.

1.10 Declarant

Declarant means Arrowhead Partners, LLC, its successor or assigns.

1.11 Declaration

Declaration means this document, as amended, annexed, supplemented, or restated from time to time.

1.12 Director

Director means a member of the Board.

1.13 Dwelling

Dwelling means a structure or portion of a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on the Lot concerned which are used in conjunction such residence.

1.14 Family

Family shall have the same meaning as the term has been defined by the Payson City municipal code.

1.15 Governing Documents

Governing Documents mean the Declaration, Bylaws, Articles of Incorporation, Map, and rules and regulations.

1.16 Lot

Lot means a separately numbered parcel of property as shown on the Map, except for Parcel A, which shall remain Common Area as described above and which shall not be treated as a Lot and which shall not be subject to assessments. Lots shall include the Dwelling and all utility lines, and other installations exclusively serving the Lot whether under or over the Common Areas.

1.17 Map

Map means the plat map for The Villages at Arrowhead Park, on file with the Utah County Recorder and any amendments or supplements thereto.

1.18 Master Association or MHOA

Master Association or MHOA means the Arrowhead Park Master Homeowners' Association, Inc.

1.19 Master Declaration

Master Declaration means the Master Declaration of Covenants, Conditions and Restrictions of Arrowhead Park Master Homeowners' Association, Inc. (A Utah Master Planned Residential Development), recorded as Entry No. _____ in the Utah County Recorder's Office, as amended from time to time.

1.20 Member

Member means an Owner. If an Owner is not a natural person, the Owner may designate in writing to act as its representative. If no representative is designated, then an officer, trustee, director, manager, or member as shown in the entities formative documents shall be its representative.

1.21 MHOA Governing Documents

MHOA Governing Documents means the Master Declaration, MHOA Bylaws, MHOA Articles of Incorporation, the Project Maps, and MHOA rules and regulations.

1.22 Neighborhood Association

Neighborhood Association means one of the seven (7) sub-associations located within the Project. The Neighborhood Associations are as follows:

- 1.22.1 The Villages at Arrowhead Park Homeowners' Association, Inc.
- 1.22.2 Townhomes

- 1.22.3 Patio Homes
- 1.22.4 Urban Townhomes
- 1.22.5 Stacked Flats
- 1.22.6 To Be Named Later
- 1.22.7 To Be Named Later

1.23 Nonprofit Act

Nonprofit Act means Utah Code §§ 16-6a-101 *et seq.*, as amended or replaced from time to time.

1.24 Officer

Officer means an officer of the Association.

1.25 Owner

Owner means the owner of the fee in a Lot. If a Lot is subject to an executory purchase contract, the contract purchaser shall be considered the Owner. However, the seller and buyer may otherwise agree but must inform the Board in writing of the alternative arrangement.

1.26 Person

Person means an individual, corporation, partnership, association, trustee, or other legal entity.

1.27 Project

Project means The Villages at Arrowhead Park as shown on the Map. The Project includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. Exhibit "A" contains the legal description for the Project.

1.28 Resident

Resident means any Person living or staying at the Project. Residents include without limitation: Owners, tenants, family members of Owners and tenants, and guests staying more than a week.

1.29 Turnover Meeting

Turnover Meeting means the meeting described in Section 10.1.

2 SUBMISSION

2.1 Submission

The Project is submitted to be bound by the Governing Documents, to provisions of the Community Association Act, and to the Nonprofit Act. All Owners shall take title subject to the Governing Documents, Community Association Act, and Nonprofit Act. All Residents and other users of the Project shall be subject to the Governing Documents, and Community Association Act.

2.2 Withdrawal

Prior to the Turnover Meeting, the Declarant may withdraw any property owned by it from the Project. Such withdrawn property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which burdens the withdrawn property for the benefit of any property which is subject to the Declaration. Such withdrawal shall be made by recording a supplement to this Declaration with the Utah County Recorder's Office, withdrawing the effect of the covenants and restrictions of the Governing Documents from the withdrawn property. Such withdrawn property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

3 PROPERTY RIGHTS IN LOTS

3.1 Use and Occupancy

Except as otherwise expressly provided in the Governing Documents, the Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot and Dwelling. Each Lot shall be bound by, and the Owner shall comply with the Governing Documents for the mutual benefit of the Owners.

3.2 Easements Reserved

In addition to the easements shown on the Map or provided for under this Declaration, the Bylaws or law, the following easements are hereby reserved for the benefit of the Owners and the Association:

3.2.1 **Right of Entry.** The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of performing maintenance and determining whether or not the Lot is in compliance with the Governing Documents. Requests for entry shall be made in advance. Entry shall be made at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot. The right of entry granted by this subsection is in addition to the Association's enforcement rights and applies only to Lots upon which the Association has maintenance responsibilities as provided for in the Governing Documents.

3.2.2 **Easement for Encroachment.** If any part of the Common Areas encroaches on a Lot, an easement for the encroachment and for maintenance shall exist. If any part of a Lot encroaches upon the Common Areas or any other Lot, an easement for the encroachment and for maintenance shall exist. Such encroachments will not be considered to be encumbrances to the Common Areas or Lots. Encroachment causes include, without limitation, errors in the original construction; errors in the Map; settling, rising, or shifting of the earth; or changes in position caused by good faith mistakes in the repair or reconstruction of the Project.

3.2.3 **Utility Easements.** The Association or any public utility provider shall have an easement over all Lots for the installation, maintenance, and development of utilities and drainage facilities. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot of the Association in

3.2.2 Easement for Encroachment. If any part of the Common Areas encroaches on a Lot, an easement for the encroachment and for maintenance shall exist. If any part of a Lot encroaches upon the Common Areas or any other Lot, an easement for the encroachment and for maintenance shall exist. Such encroachments will not be considered to be encumbrances to the Common Areas or Lots. Encroachment causes include, without limitation, errors in the original construction; errors in the Map; settling, rising, or shifting of the earth; or changes in position caused by good faith mistakes in the repair or reconstruction of the Project.

3.2.3 Utility Easements. The Association or any public utility provider shall have an easement over all Lots for the installation, maintenance, and development of utilities and drainage facilities. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot of the Association in accordance with the terms of the Governing Documents, except for those improvements for which a public authority or utility provider is responsible.

3.3 Easements Shown on the Map

Lots shall be subject to the easements shown on the Map.

4 PROPERTY AND USE RIGHTS IN COMMON AREA

4.1 Member's Right of Enjoyment

4.1.1 The Project will have Common Areas as described herein and as designated in the Map for the benefit of all Owners, with such Common Areas to include but not be limited to Parcel A, which is depicted on the Map. Every member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment in and to the Common Areas and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth.

4.1.2 Subject to the Governing Documents, each Resident, guest, or invitee has the right to ingress and egress across the Common Areas necessary for access to his Lot. The rights described in this Section are appurtenant to and pass with title to the Lot.

4.1.3 No portion of the Common Areas may be used exclusively by any Owner or Owners for personal gardens, storage facilities, or for any other purpose.

4.2 Delegation of Right of Use

Any member of the Association may delegate its rights to the use and enjoyment of the Common Area to Residents, all subject to such reasonable rules and regulations which the Association may adopt.

4.3 Compliance with Covenants and Restrictions and Rules and Regulations

Each Owner and Resident shall comply with the covenants and restrictions imposed by this Declaration on the use and enjoyment of the Common Area. Further, each Owner and Resident shall fully and faithfully comply with the rules, regulations and restrictions applicable to use of the Common Area, as such rules, regulations and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Area.

5.2 Owner Responsibility

All maintenance, repair, and replacement of a Lots and improvements on such Lot shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in good repair and in accordance with the Governing Documents. Lots shall be maintained in to protect and preserve the health, safety, and welfare of the other Lots and Common Areas.

6 ASSESSMENTS

6.1 Covenant for Assessment

By accepting a deed or other conveyance, each Owner covenants and agrees to pay the Association all regular assessments, special assessments, supplemental assessments, individual assessments, late penalties, and collection costs (including attorney's fees) whether or not a lawsuit is commenced. No Owner may exempt themselves from liability for assessments by abandonment of their Lot, failure of the Association to maintain the Common Areas, or non-use of the Common Areas. Except for foreclosures, the personal obligation for unpaid assessments, late fees, interest, and collection costs, including attorney's fees, shall pass to the successor in title. If title passes through foreclosure sale, the successor in title shall only be liable for six months of unpaid assessments, late fees, interest, and collection costs, including attorney's fees. A successor in title is entitled to a statement from the Association setting forth the amounts due by the prior owner. The amounts set forth in the statement shall be binding upon the Association. If an Owner loses their Lot to foreclosure or voluntarily conveys it, they shall remain personally liable for unpaid assessments, late fees, interest, and collection costs (including attorney's fees).

6.2 Declarant's Covenant for Assessments

Declarant shall not be obligated to pay assessments on any Lots it owns until 3 months after a certificate of occupancy for a Dwelling on such Lot has been granted by Payson City. If the Declarant still owns the Lot after said 3-month period has expired, Declarant shall pay 25% of any assessment attributable to each Lot until such Lot is conveyed to a purchaser.

6.3 Commercial Builder's Covenant for Assessments

Any Lots transferred to a Commercial Builder by the Declarant will not be required to pay the assessment attributable to each such Lot until the first of the following events occur:

- 6.3.1 Issuance of a certificate of occupancy for a Dwelling located on the Lot; or
- 6.3.2 Expiration of 12 months from the date Commercial Builder took title to the Lot.

After one of the previous events occur, assessments in the full amount will be levied on such Lot.

6.4 Annual Budget

The Board shall prepare an annual budget for the Association. The annual budget shall provide for: the maintenance, repair, and replacement of the Common Areas; maintenance of other areas required to be maintained by the Association; insurance; all other Common Expenses; and the administration, management, operation, and reserves of the Association. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect.

6.5 Reserve Analysis

The Board shall cause a reserve analysis to be conducted no less frequently than required by law. The reserved analysis shall determine the amount of money needed to cover the cost of repairing, replacing, and restoring Common Areas and any other part of the Project that the Association is responsible to repair, replace, and restore, that have a useful life of three years or more and a remaining useful life of less than thirty years, if the cost cannot reasonably be funded from the general budget or other funds of the Association. The Board may conduct the reserve analysis itself or may engage reliable persons or organization, as determined by the Board, to conduct this reserve analysis.

6.6 Reserve Account

The Association shall establish a reserve account to fund long-term maintenance and replacement items identified in the reserve analysis. The Board shall use reasonable efforts, subject to the Owners' rights under the Community Association Act, to fund the reserve account. The Board shall not be personally liable for failure to fund the reserve unless gross negligence or intentional misconduct is proven in a court of law.

The reserve account shall not be used for any purpose other than the purpose for which the reserve fund was established, except as provided by Utah statute.

The reserve fund shall be maintained separately from other funds of the Association. It may be invested in the reasonable judgment of the Board, so long as such investment is insured by the government.

A separate and independent reserve analysis from any MHOA reserve analysis is required for this Project. The MHOA should have its own separate and independent reserve analysis. Reserve accounts shall be established and maintained in accordance with generally accepted accounting practices.

6.7 Regular Assessment

The Association may collect the regular assessment on an annual basis, semi-annual basis, quarterly basis, or monthly basis. Written notice of the regular assessment amount and payment schedule shall be sent to Owners at least 30 days in advance of the beginning of the fiscal year for which the regular assessment will be due. Apart from the initial notice of regular assessment, the Association is not obligated to send periodic invoices for regular assessments. If the Board fails to adjust a regular assessment, the amount of the last regular assessment and payment schedule will continue in effect, whether or not notice is sent.

6.8 Special Assessment

The Association may levy a special assessment for the purpose of defraying in whole or in part the cost of any construction, reconstruction, maintenance, repair, or replacement of the Common Areas or exteriors of Lots. The Association may levy a special assessment up to 50% of the annual budget without approval from the Owners. If a special assessment exceeds 50% of the annual budget, it must be approved by a majority of a quorum of Owners.

6.9 Supplemental Assessment

If the regular assessments are inadequate to pay the Common Expenses, the Board shall determine the amount of the shortfall. Once the amount of the shortfall is determined, the Board shall adopt a supplemental budget. The Association may levy a supplemental assessment to fund the supplemental budget. The Association may levy a supplemental assessment up to

50% of the original annual budget without approval from the Owners. If a supplemental assessment exceeds 50% of the original annual budget, it must be approved by a majority of a quorum of Owners.

6.10 Individual Assessment

Any expenses attributable to less than all the Lots may be assessed exclusively against the affected Lots. Individual assessments include, without limitation:

6.10.1 Assessments levied against a Lot to reimburse the Association for costs incurred in correcting a violation of the Governing Documents;

6.10.2 Fines, late fees, interest, collection costs (including attorney's fees);

6.10.3 Reinvestment fees are due at the time a Lot transfers to a new Owner. The amount of the reinvestment fee shall be \$500.00, unless the amount of \$500.00 exceeds 1/2% of the purchase price of the Lot, in which case the reinvestment fee shall equal 1/2% of the purchase price of the Lot. The amount of the reinvestment fee may be changed (increased or decreased) by the Board, but in no event shall the reinvestment fee be increased to exceed 1/2% of the purchase price of the Lot;

6.10.4 Services provided to a Lot due to an Owner's failure to maintain, for emergency repairs, or to protect the health, safety, and welfare of adjoining Lots and Common Areas; and

6.10.5 Any charge described as an individual assessment by the Governing Documents.

6.11 Apportionment of Assessments

Regular, special, and supplemental assessments will be apportioned equally among the Lots. Individual assessments shall be apportioned exclusively to the Lots benefitted or affected.

6.12 Nonpayment of Assessment

Assessments not paid within 10 days after the due date established by the Board will be late and subject to interest at 18% per annum on any delinquent balance and a late fee established by rule. Late fees may only be charged once per missed payment.

6.13 Application of Payments

Payments, including partial payments, shall be credited first to collection costs (including attorney's fees), then to interest and late fees, then to the oldest assessments, then the most recent assessments.

6.14 Acceleration

If an Owner fails to pay their assessments for 61 days or more, the Board may elect to accelerate the remainder of the Assessments due that year.

6.15 Suspension of Voting Rights

If an Owner has a delinquent assessment balance, the Association may suspend their right to vote.

6.16 Collection of Rent from Tenant

If an Owner rents their Lot and fails to pay their Assessment, the Association may demand the tenants to pay the Association any rent owed to the Owner. Payment of rent to the Association shall not be a violation of the lease by the tenant. The Board shall establish procedure for collecting rents from tenants, which shall comply with the Community Association Act.

6.17 Lien for Assessment

All assessments, late fees, interest, and collection costs (including attorney's fees) not timely paid shall be a charge and continuing lien upon each Lot against which the assessment is made. The Association shall file a notice of lien with the county recorder as evidence of nonpayment.

6.18 Enforcement of Lien

Without waiving its right to personally pursue an Owner for unpaid assessments, the Association may foreclose its lien in the same manner as deeds of trust, mortgages, or any other manner permitted by Utah law.

6.19 Appointment of Trustee

The Owners hereby convey and warrant pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to a member of the Utah State Bar, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of assessments under the terms of the Declaration.

6.20 Subordination of Lien

A lien for assessments shall be subordinate to a first mortgage now or hereafter placed upon a Lot. The sale of a Lot pursuant to foreclosure of a first mortgage shall extinguish the lien for assessments which became due prior to the foreclosure sale. A foreclosure will not relieve the purchaser's obligation to pay six months of assessments, late fees, and penalties.

7 RESTRICTIONS ON USE

7.1 Use of Lots - Residential Use

Each of the Lots in the Project is limited to single-Family, residential use only. The use is further defined by Payson City zoning code. Each Lot and Owner is subject to the uses and restrictions imposed by such restrictions (including any parking restrictions).

7.2 No Obstruction of Common Areas

There shall be no obstructions of the Common Areas by the Owners, Residents, and their tenants, guests or invitees without the prior written consent of the Board. The Board may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Lots or the Common Areas.

Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Board, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Board.

7.3 Cancellation of Insurance, Illegal Activity

Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which

would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Board, but for such activity, would pay, without the prior written consent of the Board.

Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Board and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees.

7.4 Nuisances

No Resident shall create, maintain or permit a nuisance in, on or about the Project. For purposes of this section a "nuisance" includes behavior which annoys, disturbs or interferes with other Residents and interferes with their right to the quiet and peaceful enjoyment of their property. A nuisance includes, but is not limited to, the following:

7.4.1 The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about a Lot or the Common Areas;

7.4.2 The storage of any item, property or thing that will cause any Lot or the Common Areas to appear to be in an unclean or untidy condition or that will be noxious to the senses;

7.4.3 The accumulation of rubbish, unsightly debris, garbage, equipment, or other things or materials so as to constitute an eyesore as reasonably determined by the Board or the Association;

7.4.4 The storage of any substance, thing or material upon any Lot or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;

7.4.5 The creation or maintenance of any noxious or offensive condition or activity in or about any Lot or the Common Areas;

7.4.6 Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invites, particularly if the police or sheriff must be called to restore order;

7.4.7 Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature that diminishes or destroys the enjoyment of the community by other residents, their guests or invites;

7.4.8 Excessive noise in, on, or about any Lot or the Common Areas, especially after 10:00 p.m. and before 7:00 a.m.;

7.4.9 Excessive traffic in, on, or about any Lot or the Common Areas, especially after 10:00 p.m. and before 7:00 a.m.;

7.4.10 Allowing a pet to be unleashed while outside of the Lot;

7.4.11 Continuous barking, meowing, or other animal noises;

7.4.12 Allowing an animal to defecate in the Common Areas without failing to immediately clean up any such feces;

7.4.13 Flying of drones or unmanned aircraft by Residents in or above any Lot or Common Area;

7.4.14 Storing trash receptacles outside of the garage or keeping them curbside longer than 24-hours from trash pick-up;

7.4.15 Any other activity defined as nuisance under Utah law.

7.5 Rules and Regulations

No Owner or Resident shall violate the Rules and Regulations for the use of the Lots and of the Common Areas as adopted from time to time by the Board. An Owner shall be responsible to advise their guests and invitees about the rules and shall be responsible for their guests and invitees compliance with the rules and regulations.

7.6 MHOA Governing Documents

No Owner or Resident shall violate the MHOA Governing Documents.

7.7 Structural/Exterior Alterations

Except for initial construction and landscaping performed by an agent of Declarant, no improvements, alterations, repairs, maintenance, excavation or other work which in any way alters the exterior appearance of a Lot or the improvements located thereon shall be made without the prior written approval of the ARC. No exterior alterations to a Dwelling may be performed without the prior written approval of the ARC and the appropriate governmental entity. No building, fence, wall, or other structure shall be erected, maintained, improved, altered, made or done (including choice of exterior color scheme and building materials) without the prior written approval of the ARC.

7.8 Window Coverings

The Board, by rule, may require that certain colors and types of window covering be used. Under no circumstances shall any cardboard or tinfoil be used as window coverings in the Project. Additionally, no stickers or non-holiday decorations will be permitted in windows.

7.9 Signs

No signs shall be erected or maintained in the Common Areas without the prior written consent of the Board. Without restricting an Owner's right to display political, religious, and holiday signs, the Board may adopt rules and regulations regarding the display of any signs in the Project. The foregoing notwithstanding, for sale signs no larger than three feet by two feet (3' x 2') may be placed on a Lot by the Owner of said Lot.

7.10 Animals

No animals, livestock, birds, insects, reptiles or poultry of any kind shall be raised, bred, or kept on any Lot except for domesticated dogs, cats, birds, and fish, and only then in accordance with animal rules adopted by the Board and in accordance with Payson City code. Such permitted animals shall be allowed as long as said animals do not unreasonably bother or constitute a nuisance to others, and provided such animals are kept in compliance with the rules and regulations of the Association. In no case shall any Owner raise, breed, or keep more than two animals total, regardless of species, at any time. The Board has the authority to establish an animal fee as part of the rules pertaining to animals and their Owners.

If an animal owner violates any of animal rules and regulations, the Board shall have the express authority to issue citations or levy assessments, and collect these by judgment, lien or foreclosure. In the event of a violation of this provision or the rules (if any) pertaining to animals and/or animal owners, the Board may require that the Owner or Resident remove their animal from the Project.

7.11 Storage and Parking of Vehicles

The driving, parking, standing and storing of motor vehicles in, on or about the Project shall be subject to the following:

- 7.11.1 The parking rules and regulations adopted by the Board from time to time.
- 7.11.2 No recreational, commercial or oversized vehicles shall be allowed within the Project.
- 7.11.3 No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be parked or stationed in such a manner so as to block access to any Lot or parking space or to create an obstacle.
- 7.11.4 No Resident shall repair or restore any vehicle of any kind in, on a Lot (outside the garage) or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.
- 7.11.5 No garage may be altered in such a manner that the number of motor vehicles, which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonably parked in the garage as originally designed and constructed.

Vehicles parked in violation of this Declaration may be impounded or towed without further notice, and at the Owner's sole expense.

7.12 Aerials, Antennas, and Satellite Dishes

Aerials, antennas, and satellite dishes larger than one meter in diameter are prohibited. Aerials, antennas, and satellite dishes may not be installed on Common Areas. One antenna or satellite dish smaller than one meter in diameter may be installed within the Lot. The Association may create policies to create a hierarchy of preferred installation locations to protect the aesthetics of the Project. The hierarchy of preferred installation locations may not interfere with reception.

7.13 Timeshares

Timeshares and time-sharing of Lots within the Project is prohibited, and under no circumstances shall any Lot be owned or used for time sharing, including but not limited to a "Timeshare Interest" as that term is defined in Utah Code Ann. § 57-19-2(27), as amended.

7.14 Firearms and Projectile Weapons

The use of firearms, airsoft guns, BB guns, pellet guns, archery equipment, or any other projectile weapon, however powered, is prohibited.

7.15 Leases

Leases shall be subject to the following restrictions:

7.15.1 The leasing of a Lot shall comply with this Section. "Leasing" means granting the right to use or occupy a Dwelling to a non-owner while no Owner occupies the Dwelling as their primary residence. Lots owned by business entities shall be considered leased regardless of who occupies the Dwelling.

7.15.2 Lots may be rented only to a single Family. Dormitory, hostel, hotel, nightly, or vacation-by-owner rentals are strictly prohibited.

7.15.3 All leases and lessees shall be subject to the provisions of the Governing Documents and the MHOA Governing Documents. Any Owner who leases their Dwelling shall be responsible for assuring the occupants' compliance with the Governing Documents and MHOA Governing Documents.

7.15.4 Rental-Lease Limit. No Lot may be rented or leased if the rental or lease results in more than 13 of the Lots within the Project being rented or except as provided in subsection 7.15.7 of this Section ("Rental-Lease Limit"). If any portion of a Lot is rented or leased, the entire Lot shall be considered to be rented or leased for the purposes of this provision and the subparagraphs listed herein.

7.15.5 Rental-Lease Term. All initial lease terms shall be a minimum of 12 months, except as provided in subsection 7.15.7 of this Section ("Rental-Lease Term").

7.15.6 Prior to renting or leasing any Lot or portion of a Lot, an Owner shall apply to the Board. The Board shall review the application and make a determination of whether the rental or lease will exceed the Rental-Lease Limit. The Board shall:

7.15.6.1 approve the application if it determines that the rental or lease will not exceed the Rental-Lease Limit and complies with the Rental-Lease Term;

7.15.6.2 deny the application if it determines that the rental or lease of the Lot will exceed the Rental-Lease Limit, or does not comply with the Rental-Lease Term.

7.15.7 The Board shall allow the following exemptions to the Rental-Lease Limit and Rental-Lease Term in such cases as:

7.15.7.1 an Owner is in the military for the period of the Owner's deployment;

7.15.7.2 a Lot is occupied by an Owner’s parent, child or sibling;

7.15.7.3 an Owner serves in a religious order or other temporary volunteer assignment outside of Salt Lake and Utah counties for no more than three consecutive years;

7.15.7.4 an Owner whose employer has temporarily relocated the Owner for no less than two (2) years; or

7.15.7.5 a Lot is owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of a current resident of the Lot or the parent, child, or sibling of the current resident of the Lot.

7.15.8 Notwithstanding the Rental-Leasing Limit and Rental-Leasing Term exemptions listed above, it is the intent and desire of the Association to consist solely of owner-occupied Lots with a maximum of 13 Lots being rented. Consequently, all decisions of the Board with respect to the implementation of Section 7.15 shall be made, to the extent reasonable, to fulfill this intent and desire.

7.15.9 Lease Agreements – Required Terms. Unless otherwise approved by the Board, all lease agreements shall be in writing. All Owners shall use and provide the Board with a copy of a written lease agreement. All lease agreements shall contain terms subjecting the occupant to the terms, conditions, and restrictions of the Governing Documents and MHOA Governing Documents, as amended from time to time. The Owner shall provide the tenant with a copy of the Governing Documents and MHOA Governing Documents. In the event the Governing Documents or MHOA Governing Documents are amended, revised, changed, or supplemented by the Association or MHOA, the Owner shall provide the tenant with a copy of the amendments, revisions, changes, or supplements within 10 calendar days of adoption.

7.15.10 Any Owner leasing their Lot must comply with current laws and ordinances regarding renting, including but not limited to, business licensing regulations.

7.15.11 Owners shall not rent to registered sex or kidnap offenders. An Owner who leases shall conduct a criminal background check on all potential tenants. The Owner shall provide the Association with a sworn statement that as of the date they rent the Lot, none of the tenants are registered sex or kidnap offenders.

7.15.12 The Board will create rules to establish procedures regarding this Section 7.15 to:

7.15.12.1 determine and track the number of rentals and Lots in the Project subject to the provisions described in Section 7.15.7;

7.15.12.2 ensure consistent administration of these Rental-Lease Limit provisions.

7.15.13 Failure to Take Legal Action. Failure by an Owner to take legal action against their occupant who is in violation of the Governing Documents within 10 days after delivery of written demand to so do from the Board, shall entitle the Association to take any

and all action for and in behalf of said Owner including, the institution of legal proceedings on behalf of such Owner against his or her occupant for eviction, injunctive relief, or damages. Neither the Association nor its agents shall be liable to the Owner or occupant for any legal action commenced under this paragraph that is made in good faith. The Owner hereby appoints the Board as his or her attorney in fact to take any action authorized by this provision as if the Owner was performing it.

7.15.14 **Recovery of Costs and Attorney Fees; Owner Liable.** The Association shall be entitled to recover from the offending Owner its costs and attorney's fees incurred for enforcement of this Section, regardless of whether any lawsuit or other action is commenced. The Association may assess such costs and attorney's fees against the Owner and the Lot as an assessment pursuant to this Declaration. Additionally, the Owner shall be liable for all fines, assessments, or other penalties levied due to violations of their tenant. The Owner shall be personally liable for any violations caused by their tenant. Any assessments, fines or penalties levied under this Section shall be collectible as an assessment.

7.16 Temporary Structures, etc.

No structure of a temporary character, or trailer, camper, tent, shack, garage, or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently, unless first approved in writing by the Board.

7.17 Repair of Buildings

No improvement upon any Lot shall be permitted to fall into disrepair, and each such improvement shall be at all times be kept in good condition and repair and adequately painted or otherwise finished.

7.18 Subdivision of Lots

No Lot shall be further subdivided or separated into smaller Lots or parcels by any Owner, and no portion less than all of any such Lot, shall be conveyed or transferred by any Owner without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity without the prior written approval of the Board. No further covenants, conditions restrictions or easements shall be recorded against any Lot without the written consent of the Board being evidenced on the recorded instrument containing such restrictions and without such approval such restrictions shall be null and void. No applications for rezoning, variances, or use permits shall be filed without the written approval of the Board and then only if such proposed use in compliance with this Declaration.

7.19 Clothes Drying Facilities

Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained within the Project.

7.20 Front Porches

Front porches are required to be maintained in a clean and tidy fashion. Any outdoor furniture kept on the front porch shall be well maintained and in good condition. The Association may require worn furniture or furniture that detracts from the aesthetic of the Project to be removed from the front porch.

Front porches shall not be used for storage. Examples of items prohibited from being kept on front porches include, without limitation, bicycles, toys, barbecues, trash receptacles, ash trays,

and anything else which appears unkempt, dirty, or detracts from the appearance of the Project.

7.21 Alternative Energy Solutions

After receiving approval from the Association as to the type, appearance, and location, an Owner may install alternative energy solutions on their Lot.

7.22 Trash Cans

Trash cans shall be stored in the garage or hidden from view behind a fence. Trash cans may be set out on the curb for trash pick-up the evening prior to trash pick-up until the evening after trash pick-up.

7.23 Sex Offenders

No person required to register as a sex or kidnap offender for life pursuant to Utah Code § 77-41-105(3)(c)(i) ("Lifetime Offender"), may permanently or temporarily reside in the Project. If a Lifetime Offender occupies a Dwelling or an Owner becomes a Lifetime Offender after this amendment is recorded, they shall be subject to the provisions of this Section.

7.23.1 Owners. Any Owner in violation of this Section must vacate the Lot within 180 days of receipt of notice from the Association. If the Owner fails to vacate within 180 days, the Association shall be entitled to a mandatory injunction requiring the Lifetime Offender to immediately vacate.

7.23.2 Tenants/Guests/Family Members. If a Lifetime Offender occupies a Lot/Dwelling as a tenant, guest, resident, or family member, the Owner who owns the Lot must immediately cause the person to vacate the Lot and, if the person does not vacate within 30 days of the date the Owner was notified by the Association of the presence of a Lifetime Offender, then the Owner will immediately commence eviction proceedings. If the Owner fails to commence eviction proceedings within 30 days following the date the Owner is required to do so, and/or if the Owner fails to diligently prosecute the eviction to its conclusion, then the Association may act as attorney-in-fact for the Owner and pursue the eviction action. The Owner shall reimburse the Association for any costs and attorney's fees incurred. Cost and attorney's fees shall be collectable as an assessment.

Each Owner, by accepting a deed to property within the Project, appoints the Association as the Owner's attorney-in-fact for the purpose of commencing eviction proceedings, executing any and all documents pertaining to the proceedings, or performing any or all responsibilities as may be required or necessary to be performed pursuant to this Section. This power of attorney is expressly declared and acknowledged to run with the title of any and all Lots and will be binding upon the heirs, personal representatives, successors, and assigns of the Owner.

7.23.3 Association not Liable. The Association will not be liable to any Owner or anyone occupying a Lot/Dwelling or visiting the Association as a result of the Association's failure to dispossess a Lifetime Offender.

7.23.4 Board Membership. From the effective date of this amendment forward, any person who has to register as a sex or kidnap offender under Utah Code § 77-41-105, whether or not for life, may not serve on the Board.

7.24 Restrictions on Wetland Areas

Wetland areas within the Project are as depicted on the Map, and such areas shall remain in their natural vegetative state and without irrigation. There shall be no motorized vehicles in any wetlands area, with the exception of service vehicles as such may be required from time to time. There shall be no dumping of grass, debris, trash or any other material on wetland areas. No activity that is harmful to the environment may be conducted on any wetland areas.

8 ARCHITECTURAL CONTROL

8.1 Architectural Review Committee

Until the Turnover Meeting, Declarant may appoint all members of the Architectural Review Committee ("ARC"), which shall be comprised of three (3) people. If no such appointment is made, then the Board shall be the ARC. After the Turnover Meeting, members of the ARC shall be appointed by the Board from the membership of the Association. The ARC shall ensure that all improvements and landscaping within the Project comply with the requirement of this Declaration and harmonize with the surrounding homes.

8.2 Submission to the Committee

No home, accessory, addition, repair to the exterior of a home, or other improvement shall be constructed, maintained, or altered unless complete plans and specifications have first been submitted and approved by the ARC.

8.3 Standard

In deciding whether to approve plans and specifications, the ARC shall use its best judgment to ensure that all improvements, construction, color schemes, and building materials harmonize with existing surroundings and structures.

8.4 Approval Procedure

Any plans submitted to the ARC shall be approved or disapproved in writing within 30 days after submission. ARC failure to act and communicate the decision in 30 days results in approval of the proposed plans.

8.5 No Liability for Damages

Neither the ARC, nor its individual members, shall be liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to a request for approval.

8.6 Exterior Requirements

In order to create an executive housing environment, Dwellings will be designed to have custom exterior elevations with strict avoidance of tract housing, file plans, repetitive use of colors, materials, and architectural features. The Project will contain Dwellings with varying design and architecture. Rooflines will include unique and significant articulation.

Exterior materials shall include a mix of masonry products, brick, stone, stucco or and cementitious fiber board with the exception of roofing materials, eaves, doors, windows and other similar architectural details. The use of metal soffit or fascia is allowed. Processed wood, aluminum, and vinyl exteriors are not permitted. However, shake shingles of masonry/Hardie products are permitted as accent materials, if approved by the ARC. Metal on a porch or railing is allowed if approved by the ARC. All sides of a Dwelling shall receive equal design consideration, particularly where they may be viewed by pedestrians and motorists, or from adjacent properties. Detached structures or outbuildings must match the color scheme and exterior materials of the primary Dwelling. No metal buildings are allowed. All exterior walls (front, rear and all sides) shall include appealing architectural features such as multiple roofline pitches and gables, dormers, wall articulation including insets and pop-outs, and other aesthetic treatments such as porches, decks, chimneys, etc. Driveways shall be cement or brick pavers, or a combination thereof.

8.7 Garages Required

Each Dwelling shall contain at least an attached two-car garage that measures no less than twenty (20') feet by twenty (20') feet. Side entry garages, recessed garage doors, garage doors with windows and decorative handles, and other creative solutions to avoid having the garage appear as the dominant architectural feature of the Dwelling will be stressed in the development. The garage area must be maintained as off-street parking space and shall not be used or converted in a manner that will eliminate the required parking.

8.8 Dwelling and Structure Size

8.8.1 A one story Dwelling shall not be less than 1,200 square feet above the finished lot grade, if the Dwelling has a full basement. If a one-story Dwelling does not have a basement, the Dwelling shall not be less than 1,800 square feet above the finished lot grade.

8.8.2 A two-story Dwelling shall not be less than 1,400 square feet on the main floor, and not less than a total of 2,200 square feet of finished living area above the finished lot grade.

8.8.3 There shall be no split entry homes in the Project. One story Dwellings with steps from the garage to the main floor shall not be considered split entry homes.

8.8.4 Any allowed detached structures or accessory buildings must be constructed using a similar architectural motif and materials as the primary Dwelling. All detached structures or accessory buildings square footage will comply with all applicable city, county, state and federal laws. No metal buildings are allowed. Any detached structures or buildings must be approved by the ARC.

8.8.4 Any allowed detached structures or accessory buildings must be constructed using a similar architectural motif and materials as the primary Dwelling. All detached structures or accessory buildings square footage will comply with all applicable city, county, state and federal laws. No metal buildings are allowed. Any detached structures or buildings must be approved by the ARC.

8.8.5 The square footage requirements set forth in this Section 8.8 and any of its subsections (8.8.1, 8.8.2, etc.) are exclusive of the square footage of any garage, porches and decks.

8.9 Fascia

Fascia along roof lines must be a minimum of 6 inches (6") wide, either flat or two-step.

8.10 Setbacks

Setbacks for all Lots shall be 20 feet from the front property line (back of sidewalk), 25 feet from the rear property line, and 8 feet from each of the side property lines if a Dwelling includes a 3-car garage or 8 feet and 10 feet from the side property lines if a Dwelling include a 2-car garage – in such event, the 10 feet side will be adjacent to the garage. The side setback requirement for any corner Lot is twenty feet (20').

8.11 Landscaping

Each Lot shall have a minimum of four (4) trees and a minimum of eight (8) two-gallon shrubs in the front and/or visible side yard within each Lot are required prior to occupancy. Conifers shall be a height of at least four (4) feet and deciduous trees shall be at least a one and one-half (1½) inch caliper and be a minimum of 7 feet in height, except on the parking strip, where deciduous trees shall be at least a two-inch caliper. The ARC may designate by rule which trees and shrubs are approved or prohibited within the Project.

Front and visible side yard lawn areas must be provided with sod and not grown from seed or power mulching.

All landscape and lawn areas, including those in the landscape planter strip, shall be maintained by an underground automatic sprinkler system.

Landscaping in the front and side yard (to the rear of the Dwelling) must be installed prior to residential occupancy of the Dwelling. However, if occupancy occurs during a time of year when installation of landscaping is not practical because of weather conditions, such landscaping must be completed by the following June 1st. The initial landscaping of the front yard shall be performed by the party constructing the Dwelling upon the Lot, or by its agents, contractors, or subcontractors. Landscaping in the rear yard, must be completed by the Owner within 1 year after occupancy.

The Board and the ARC may adopt additional landscaping rules and regulations.

8.12 Temporary Structures and Equipment

No temporary structure, trailer, tent, shack, detached garage, barn, or other out building shall be used on a Lot as a residential unit unless approved in writing by the Association. No truck larger than 1-ton, or similar equipment shall be permitted to remain upon any Lot unless approved in writing by the Association. No vehicle shall be parked in a manner to obstruct any sidewalk or

roadway.

8.13 Completion

Any construction shall be continuously and diligently performed until completion. An application for approval shall have a proposed timeline showing start and finish date and all work shall be performed within a reasonable time of the proposed timeline.

8.14 Fences

Owners may install fencing on their Lot with the prior written permission of the ARC. Fencing shall be ARC-approved, including but not limited to colors, materials, and heights. Privacy fencing shall not extend past the front of the Dwelling. All interior fencing will be six feet in height. Fences are not permitted in the front yard. Rear fencing on Lots 303 and 304 shall be six feet in height as shall be rear fencing on all rear Lots not adjoining Beer Creek or wetland areas as shown on the Map. Except as may be expressly stated otherwise herein, Owners are responsible for the maintenance, repair, and replacement of fences.

Declarant shall install or cause to be installed a 6' decorative precast concrete (or equivalent) fencing along the frontage of Arrowhead Trail ("Arrowhead Trail Fencing") and install, or cause to be installed, a 6' wrought iron fencing along the rear (north) property line along Beer Creek (Lots 212 through and including 221) and Lots 301 through and including Lot 303, Lots 104 through and including Lot 111 rear or side lot lines along the wetlands areas ("Beer Creek Fencing"), prior to the City of Payson's issuance of an occupancy permit for said Lots. The Arrowhead Trail fencing and Beer Creek Fencing shall be maintained, repaired, and replaced by the Association. Further, except for temporary removal by the Association in the event replacement is required, no removal of the Arrowhead Trail Fencing and the Beer Creek Fencing is permitted. No installation of gates or any point of access in the Arrowhead Trail Fencing or the Beer Creek Fencing is permitted.

As per that certain Development Agreement between Declarant and Payson City (dated August 22, 2018), the following fencing materials shall not be permitted in the Project: barb wire, field fence on posts, wooden fences or chain link fence.

8.15 Grading, Slope Stabilization and Foundation Drainage Requirements

Improvements on the Lots must be completed in a manner that controls runoff from impervious cover and slopes steeper than 2:1 must be properly retained. Retaining walls, berms, anchors, and other slope stabilization techniques must be properly design, and possibly engineered. A grading and stabilization plan will need to be prepared that addresses lot to lot drainage, imported fill and compaction, and other slope stabilization methods. Stabilization methods must be properly designed and approved by Payson City prior to installation. Declarant and Owners must adhere to the foundation drain system requirements as set forth in the attached Exhibit C, dated June 21, 2018 and prepared by Earthtec Engineering.

9 MEMBERSHIP AND ASSOCIATION

9.1 Membership

Every Owner is a Member of the Association. Membership in the Association is mandatory, is appurtenant to the Lot, and shall not be separated from the Lot.

authority to act in the Association's name. Any action taken by the Board on behalf of the Association will be deemed to be done in the Association's name. The rights and powers of the Board are governed by the Bylaws.

9.4 Composition and Selection of Board

The Bylaws govern how the Board is established and selected.

9.5 Adoption of Bylaws

The Association has adopted Bylaws which are being recorded simultaneously with this Declaration.

10 DECLARANT RIGHTS

10.1 Administrative Control of Association

Declarant shall assume full administrative control of the Association through an appointed interim Board, which shall serve until the Turnover Meeting.

The Turnover Meeting shall be held at the Declarant's option and sole discretion but shall not be held later than three (3) months from the date the last Lot to be developed in the Project is sold.

Declarant may elect to relinquish control of the Association at an earlier time by written notice to Owners and the Turnover Meeting shall be held within ninety (90) days of such notice.

10.2 Other Rights

In addition to any other rights under the Governing Documents, as long as Declarant owns at least one Lot within the Project Declarant:

10.2.1 Sales Office and Model. Shall have the right to maintain a sales office and model on one or more of the Lots that Declarant owns. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

10.2.2 "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations within the Project, including without limitation, the Common Areas.

10.2.3 Declarant Exemption. Unless specifically and expressly bound by a provision of the Governing Documents, Declarant shall be exempt from the provisions of the Governing Documents.

10.3 Easements Reserved to Declarant

10.3.1 The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Map as "public utility easement," or otherwise designated as an easement area over any road or Common Area on the Project, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Map.

10.3.2 An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Project and the Lots

therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

10.3.3 Easement granting the privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to affect such purposes.

10.3.4 The reservation to Declarant and its successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Common Area for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the Project and the provision of utility services, and related services and facilities.

10.3.5 The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Project in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Lot in any easement area set forth in this Declaration or as shown on the Map.

10.3.6 The Declarant further reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "open space" and storm water management reservation, to public use all as shown on the Map. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Lot or Lots in the Project except as set forth in this Declaration, or as laid down and shown on the Map, without the prior written approval of the Board.

10.3.7 Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

10.3.8 Declarant further reserves unto itself, for itself and any builder and their successors and assigns, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Project other than those Lots conveyed to Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Project.

10.4 Dedication

In addition to all other rights under the Governing Documents, Declarant may, as long as Declarant owns at least one Lot within the Project and without any need for approval of Owners or mortgagees, dedicate or otherwise transfer ownership of any roads, pedestrian walkways, or

pedestrian access areas existing as Common Area within the Project to Payson City by any method Declarant deems appropriate. Such dedication or transfer shall be conditioned upon acceptance by Payson City. Declarant shall have all authority to prepare applications, pay fees, execute deeds, amend the Map, or do any other thing necessary to affect the dedication or transfer. Once any such dedication or transfer is so affected, the "Project" as defined herein shall no longer include any dedicated or transferred road, walkway, or access area.

Declarant shall also have the power to dedicate or cause to be conveyed and dedicated utility easements on or across the Project.

11 COMPLIANCE AND ENFORCEMENT

11.1 Compliance

Each Owner or Resident of a Lot shall comply with the provisions of the Governing Documents and the rules and regulations adopted pursuant thereto and any applicable statute. Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved Owner.

11.2 Remedies

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such documents, shall give the Board acting on behalf of the Association, the right, in addition to any other rights set forth in the Governing Documents, or under law, to do any or all of the following after giving notice and an opportunity to be heard:

11.2.1 To enter the Lot which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Board shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished. Costs and attorney's fees shall be an Individual Assessment;

11.2.2 To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

11.2.3 To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Board. In the absence of a resolution to the contrary, fines shall be \$100.00 per-occurrence for non-continuing violations and \$100.00 every 10 days for failure to cure continuing violations until the continuing violation is cured. Unless otherwise defined in a resolution, a continuing violation is one that is not cured 48 hours after the Association gives Owner notice of the violation. All other violations shall be non-continuing;

11.2.4 To terminate the right to receive utility services paid for out of assessments, if any, or to terminate the right of access to and use of recreational and service facilities of the Association, until the correction of the violation has occurred;

11.2.5 The right of the Association to suspend the voting rights and the rights to use of the Common Areas after notice and a hearing for any period not to exceed sixty (60) days for any infraction of any of the Governing Documents;

11.2.6 Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any rules or regulations adopted pursuant thereto. Costs and attorney's fees shall be an Individual Assessment.

11.3 Action by Owners

Subject to any limitation imposed under the Governing Documents or Utah law, an aggrieved Owner may bring an action against such other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

11.4 Injunctive Relief

Nothing in this Section shall prevent an Owner, the Association, or other interested party from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

11.5 Hearing

The Board shall, by resolution, promulgate procedures for hearings. When a hearing is requested or required, the hearing shall be conducted in accordance with the Board's resolution on hearings.

12 INSURANCE

12.1 Types of Insurance Maintained by the Association

12.1.1 Property and liability insurance for the Common Areas in an amount determined by the Board;

12.1.2 Directors and officers insurance for at least \$1,000,000.00; and

12.1.3 Fidelity bond or dishonest acts insurance for at least the value of the reserves and operating capital of the Association.

The Board may adopt insurance rules and policies to maintain the insurability of the Project, keep the premiums reasonable, and enforce responsibilities of the Owners.

12.2 Insurance Company

The Association shall use an insurance company knowledgeable with community association insurance, which is licensed in Utah.

12.3 Premium as Common Expense

The premiums for the Association's insurance policies shall be a Common Expense.

12.4 Insurance by Owner

Owners shall be solely responsible for maintaining insurance on their Dwelling and Lot.

12.5 Right to Adjust Claims

The Association has the right and authority to adjust claims.

13 AMENDMENT AND DURATION**13.1 Amendments**

13.1.1 Approval Required. Except as otherwise provided in this Declaration, this Declaration may be amended by approval of Owners holding sixty-seven percent (67%) of the voting rights of the Association.

13.1.2 Execution and Recordation. An amendment shall not be effective until the amendment is certified by the president and secretary of the Association as being adopted in accordance with this Declaration is acknowledged and is recorded in the Salt Lake County Recorder's Office, Utah.

13.1.3 Declarant's Right to Amend. Notwithstanding anything in this Declaration, so long as the Class B membership exists, the written consent of the Declarant is required to amend this Declaration or the Map. As long as Declarant owns any Lot, the Declarant shall have the unilateral right to amend the Declaration.

14 MISCELLANEOUS PROVISIONS**14.1 Professional Management**

The Association may be managed by a professional management company. The Board may select the professional management company using criteria set by the Board and complying with Utah law.

14.2 Invalidity; Number; Captions

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

14.3 Votes without a Meeting

The Association may collect votes without a meeting as outlined in the Bylaws.

14.4 Joint Owners

In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

14.5 Lessees and Other Invitees

Lessees, invitees, contractors, family members and other persons entering the Project under rights derived from an Owner shall comply with all of the provisions of this Declaration, the Bylaws and rules and regulations adopted by the Association restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Project. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

14.6 Covenants Run with the Land

The Declaration contains covenants which run with the land and create equitable servitudes. The Declaration shall be binding upon and inure to the benefit of the Association, all parties who hereafter acquire any interest in or occupy a Lot or any part of the Project, their heirs, successors, assigns, grantees, devisees, personal representatives, guests, and invitees. Each Owner or Resident shall comply with the Governing Documents. All interests in the Lots shall be subject to the Governing Documents. Failure to comply shall be grounds for an action for damages or injunctive relief by the Association or an Owner. By acquiring any interest in a Lot, each Owner or Resident agrees to be bound by the Governing Documents.

14.7 Waiver, Precedent and Estoppel

No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association or Owner as to any similar matter.

14.8 Notice of Sale, Mortgage, Rental, or Lease

Immediately upon the sale, mortgage, rental, or lease of any Lot, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenants.

14.9 Taxes on Lots

Each Owner will pay all taxes which may be assessed against him or his Lot.

14.10 Service of Process

The registered agent of the Association will be the Person named in the corporate records on file with the Utah State Department of Commerce. If the corporate status of the Association expires, the president shall be the successor agent. The name and address of the president shall be kept with the Association's records at its principal place of business.

14.11 Conflicts

If the Declaration conflicts with the Community Association Act, the Community Association Act shall control. If the Declaration conflicts with the Map, the Declaration shall control. If the Declaration conflicts with the Bylaws, Articles, or rules, the Declaration shall control. If any Governing Documents conflict with the MHOA Governing Documents, the MHOA Governing Documents shall control.

14.12 Interpretation

In all cases, the Governing Documents shall be interpreted liberally to effectuate the purpose of protecting the uniformity of the Project's overall scheme and resulting desired quality of residential life in the Project.

14.13 Effective Date

The Declaration and any amendments take effect upon recording in the Utah County Recorder's Office.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized agent.

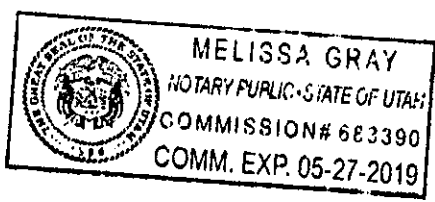
DATED: 12.19.18

DECLARANT:
Arrowhead Partners, LLC

TERRY C. ARROWHEAD
By: Terry C. Arrowhead
Its: Arrowhead

STATE OF UTAH)
)
) :ss.
County of _____)

On this 19 day of December, 2018, personally appeared before me _____ who being by me duly sworn, did say that they are the authorized agent of the Declarant authorized to execute this Declaration and did certify that this Declaration was approved by Declarant's members.



Melissa Gray
NOTARY PUBLIC

Exhibit A
Legal Description

PLAT A, VILLAGES AT ARROWHEAD PARK

A PORTION OF THE NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED S0°28'54"E ALONG THE SECTION LINE 1695.06 FEET AND EAST 100.87 FEET FROM THE NORTHWEST CORNER OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE N20°46'33"E 21.98 FEET; THENCE ALONG THE ARC OF A 283.50 FOOT RADIUS CURVE TO THE RIGHT 107.44 FEET THROUGH A CENTRAL ANGLE OF 21°42'47" (CHORD: N31°37'56"E 106.79 FEET); THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 20.84 FEET THROUGH A CENTRAL ANGLE OF 79°35'15" (CHORD: N2°41'42"E 19.20 FEET); THENCE N52°54'05"E 61.00 FEET; THENCE ALONG THE ARC OF A 245.00 FOOT RADIUS NON-TANGENT CURVE (RADIUS BEARS: N52°54'05"E) TO THE LEFT 39.44 FEET THROUGH A CENTRAL ANGLE OF 9°13'23" (CHORD: S41°42'37"E 39.40 FEET); THENCE S46°19'18"E 107.90 FEET; THENCE ALONG THE ARC OF A 10.00 FOOT RADIUS CURVE TO THE LEFT 15.71 FEET THROUGH A CENTRAL ANGLE OF 89°59'56" (CHORD: N88°40'40"E 14.14 FEET); THENCE N43°40'42"E 74.46 FEET; THENCE S53°56'54"E 66.59 FEET; THENCE S46°19'18"E 95.00 FEET; THENCE N43°40'42"E 37.50 FEET; THENCE S46°19'18"E 70.99 FEET; THENCE S30°05'22"E 57.25 FEET; THENCE S22°02'25"E 299.11 FEET; THENCE S42°29'10"E 73.52 FEET; THENCE S46°19'18"E 273.66 FEET; THENCE S43°19'00"W 242.08 FEET; THENCE N46°19'18"W 115.37 FEET; THENCE S43°40'42"W 15.00 FEET; THENCE N46°19'18"W 216.44 FEET; THENCE S45°57'19"W 38.63 FEET; THENCE S71°59'00"W 37.00 FEET; THENCE N18°01'00"W 95.05 FEET; THENCE N34°34'21"W 89.13 FEET; THENCE N57°46'42"E 25.90 FEET; THENCE ALONG THE ARC OF A 45.00 FOOT RADIUS CURVE TO THE RIGHT 11.31 FEET THROUGH A CENTRAL ANGLE OF 14°23'48" (CHORD: N64°58'36"E 11.28 FEET); THENCE N25°29'44"W 51.77 FEET; THENCE S57°46'42"W 37.87 FEET; THENCE N19°54'33"W 93.97 FEET; THENCE N27°57'54"W 78.97 FEET; THENCE N49°21'52"W 244.95 FEET; THENCE N20°46'33"E 30.73 FEET; THENCE ALONG THE ARC OF A 45.00 FOOT RADIUS CURVE TO THE RIGHT 6.45 FEET THROUGH A CENTRAL ANGLE OF 8°13'02" (CHORD: N24°53'04"E 6.45 FEET); THENCE N73°55'35"W 50.63 FEET TO THE POINT OF BEGINNING.

CONTAINS: ±6.85 ACRES

PLAT B, VILLAGES AT ARROWHEAD PARK

A PORTION OF THE NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED S0°28'54"E ALONG THE SECTION LINE 1577.36 FEET AND EAST 385.04 FEET FROM THE NORTHWEST CORNER OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE N43°40'42"E 172.86 FEET; THENCE ALONG THE ARC OF A 10.00 FOOT RADIUS CURVE TO THE LEFT 15.71 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" (CHORD: N1°19'18"W 14.14 FEET); THENCE N43°40'42"E 45.00 FEET; THENCE S46°19'18"E 15.00 FEET; THENCE N43°40'42"E 152.49 FEET; THENCE S44°28'35"E 205.77 FEET; THENCE S29°41'07"E 116.35 FEET; THENCE S19°44'03"E 273.23 FEET; THENCE S36°09'33"E 72.98 FEET; THENCE S45°06'40"E 77.14 FEET; THENCE S56°49'24"E 180.88 FEET; THENCE S46°41'00"E 11.21 FEET; THENCE S43°19'00"W 334.25 FEET; THENCE N46°19'18"W 273.66 FEET; THENCE N42°29'10"W 73.52 FEET; THENCE N22°02'25"W 299.11 FEET; THENCE N30°05'22"W 57.25 FEET; THENCE N46°19'18"W 70.99 FEET; THENCE S43°40'42"W 37.50 FEET; THENCE N46°19'18"W 95.00 FEET; THENCE N53°56'54"W 66.59 FEET TO THE POINT OF BEGINNING.

CONTAINS: ±6.79 ACRES

PLAT C, VILLAGES AT ARROWHEAD PARK

A PORTION OF THE NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED S0°28'54"E ALONG THE SECTION LINE 2656.47 FEET AND EAST 363.38 FEET FROM THE NORTHWEST CORNER OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE N7°15'53"E 193.68 FEET; THENCE N32°17'28"E 192.24 FEET; THENCE N10°09'56"W 32.11 FEET; THENCE N71°59'00"E 37.00 FEET; THENCE N45°57'19"E 38.63 FEET; THENCE S46°19'18"E 216.44 FEET; THENCE N43°40'42"E 15.00 FEET; THENCE S46°19'18"E 115.37 FEET; THENCE S43°19'00"W 282.35 FEET; THENCE S89°48'18"W 241.11 FEET TO THE POINT OF BEGINNING.

CONTAINS: ±2.56 ACRES

Exhibit B

Bylaws of the Villages at Arrowhead Park Homeowners' Association, Inc.

1 Bylaw applicability/definitions

1.1 Definitions

The capitalized terms used in the Bylaws shall have the same meaning given to them in the Declaration, unless otherwise specifically stated.

1.2 Bylaw Applicability

The provisions of these Bylaws are binding upon the Association and the Owners. All present and future Owners shall be subject to these Bylaws, as amended from time to time. Acquisition of any Lot constitutes an acknowledgment that the Owner has agreed to and ratified these Bylaws and will comply with them.

2 Association

2.1 Composition

All of the Owners acting as a group in accordance with the Governing Documents shall constitute the Association. Except for matters specifically reserved for a vote of the Owners, administration of Association affairs shall be performed by the Board on behalf of the Owners.

2.2 Annual Meeting

Annual meetings shall be held one a year. The date, time, and place of the annual meeting shall be determined by the Board. The Association shall send notice of annual meetings at least 20 days in advance of the meeting. At the annual meeting the Association shall conduct the following business:

- 2.2.1 Roll call and verification of quorum;
- 2.2.2 Approval of minutes from preceding annual meeting;
- 2.2.3 Reports of Officers;
- 2.2.4 Special committee reports;
- 2.2.5 Election of directors;
- 2.2.6 Unfinished business from preceding annual meeting; and
- 2.2.7 New business.

2.3 Special Meeting

Special meetings may be held at any time for any purpose. A special meeting may be called by a majority of the Directors or upon petition of at least 20% of the Owners in good standing. The Association shall schedule and send notice of a special meeting within 30 days of request. The notice of a special meeting shall state the date, time, place, and purpose of the meeting. The Association shall send notice of a special meeting at least 10 days in advance of the meeting. No business may be transacted at a special meeting except as stated in the notice.

2.4 Place of Meeting

Meetings shall be held at a place designated by the Board and stated in the notice of meeting. Meetings shall be held in Utah County.

2.5 Conduct of Meeting

The President shall preside over all meeting of the Association. The Secretary shall keep the minutes of the meeting and take record of all resolutions adopted at the meeting. Meetings of the Board shall be open to Owners in accordance with the provisions of the Community Association Act. Participation in Board meetings by Directors or Owners may be via electronic communication as defined by the Community Association Act.

2.6 Quorum

A quorum shall be the Owners present in person or by proxy at a meeting.

2.7 Voting by Owners

The Association shall initially have the following two classes of votes:

(a) Class A. Class A Members shall be all Owners other than the Declarant until the Class B membership ceases. Class A Members shall be entitled to one vote for each Lot in which the interest required for membership in the Association is held. In no event, however, shall more than one Class A vote exist with respect to any Lot.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to 10 votes for every Lot owned by the Declarant, plus 10 votes for every acre of land nearby, adjacent to, or adjoining any Lot or land owned by the Association within the community, plus 2 votes for each Class A vote. The Class B Membership shall automatically cease and be converted to Class A Membership upon the sale of the last Lot.

If a Lot is owned by more than one Person and multiple Owners are present at a meeting, the vote appertaining to that Lot shall be cast by agreement of a majority of the Owners. If a Lot is owned by more than one Person and a single Owner is present at a meeting, the vote appertaining to that Lot shall be cast by the Owner present. The Association may conclusively presume the consent of all a Lot's Owners when a vote is cast by a Lot with multiple Owners.

Except where a greater number is required by the Governing Documents or the Nonprofit Act and elections of directors, any decision requiring Owner consent shall be passed by majority vote of a quorum.

2.8 Good Standing

An Owner shall be in good standing if he has paid assessments levied against his Lot, including late fees, interest, fines, collection costs, and attorney fees, and has no reported or obvious outstanding violations of the Governing Documents. An Owner must have cured violations and paid in full at least three days prior to the meeting or action.

2.9 Proxies

An Owner in good standing may vote or otherwise act by proxy. An Owner may appoint a proxy by signing a proxy appointment form. The proxy appointment form may be submitted to the Association in person, by mail, or electronically. The proxy appointment form must name a proxy, be dated, and signed by the Owner. Any proxy appointment form that does not contain a proxy's name, a date, and both the proxy's and Owner's signatures shall be void. A proxy appointment form is valid until revoked by the Owner's attendance at a meeting, a signed and dated revocation delivered to the Association, a subsequent proxy appointment, notice of death or incapacity of the Owner, or the passage of 11 months.

2.10 Mail-in Ballots

Any action requiring a vote of the Owners, except election of directors, may be taken by mail-in ballots. Action by mail-in ballot shall comply with the procedures set forth in Nonprofit Act Section 16-6a-709, as amended from time to time. A combination of mail-in ballots, ballots collected electronically, and ballots cast in person may be used.

2.11 Written Consent in Lieu of Vote

Any action requiring a vote of the Owners, except election of directors, may be taken by written consent in lieu of a vote. Action by written consent shall comply with the procedures set forth in Nonprofit Act Section 16-6a-707, as amended from time to time. Written consents may be collected electronically.

3 Board of directors**3.1 Number of Directors**

There shall be three Directors. Except for Directors appointed by Declarant, Directors must be Members in good standing.

3.2 Selection and Term of Directors

Unless appointed by the Board under this Article or appointed by Declarant, Directors shall be elected by the Owners. Cumulative voting shall not be permitted. Except in the case of appointment, the candidates with the most votes shall be elected.

Directors shall serve terms of two years. Directors shall hold office until their successor is elected. There is no limit on the number of terms a Director may serve. Directors' terms shall be staggered as follows: (i) two Directors shall be elected in years ending with an even number; and (ii) one Director shall be elected in years ending with an odd number. If the terms ever become un-staggered, the Directors shall establish a plan to make their terms staggered again.

3.3 Vacancies

After the Turnover Meeting, Director vacancies, for any reason other than removal by vote of the Association, may be filled by vote of a majority of the remaining Directors. The Board may conduct a special meeting for the purpose of filling the vacancy. The meeting shall be valid even if a quorum is not present. Each replacement Director shall serve until the next annual Owners' meeting, then the vacancy shall be filled by vote of the Owners. The replacement Director elected by the Owners shall serve the remaining term of the replaced Director.

3.4 Removal of Directors

Prior to the Turnover Meeting, a Director may be removed by Declarant at Declarant's sole discretion. After the Turnover Meeting, a Director may be removed with or without cause by vote of a majority of a quorum of Owners. If the Owners propose to remove a Director, the Association shall hold a special meeting and give the Director and Owners at least 15 day written notice of the meeting and the purpose of the meeting. The Director shall be given an opportunity to be heard at the meeting prior to the vote to remove him. At any meeting where a Director is removed by the Owners, the Owners must vote to replace the Director. The replacement will serve the remaining term of the removed Director.

After the Turnover Meeting, any Director who allows his assessments to become more than 90

days past due may be removed and replaced by vote of a majority of the Board. The Board shall give the Director 10 day written notice to cure the default prior to voting to remove the Director.

3.5 Organization Meeting

The Directors shall hold a meeting following the annual owners meeting for the purpose of electing Officers. Notice of the organization meeting shall be given verbally at the annual meeting. The organization meeting shall be conducted within 14 days of the annual meeting.

3.6 Regular Meetings

The Board shall hold regular meetings. The Board shall determine frequency, times, and locations of regular meetings. However, the Board shall conduct at least one regular meeting per quarter. Notice of regular meetings shall be given to each Director at least five days prior to the meeting.

3.7 Special Meetings

A Director may call a special meeting of the Board. Notice shall be given at least 10 days prior to the meeting. Notice shall state the time, place, and purpose of the meeting.

3.8 Conduct of Meetings

The President shall preside over all meetings of the Board. The Secretary shall take minutes of the Board meetings and shall make record of all resolutions.

3.9 Quorum of Directors

A majority of the Board shall constitute a quorum. A quorum shall be required to conduct business at a meeting. If less than a quorum is present at a meeting, the majority of those present may adjourn the meeting until such time as a quorum is present. Once established, a quorum will be present even if directors leave. Directors may attend a meeting telephonically. Each Director shall have one vote.

3.10 Waiver of Meeting Notice

Directors may waive notice of meetings in writing. A waiver shall be deemed equivalent to notice. Attendance of a Director at a meeting will be considered a waiver of notice, unless the Director attends to dispute notice. If all Directors are present at a meeting, notice of the meeting is waived and any business may be conducted.

3.11 Action without Meeting

Any action by the Board may be taken without a meeting if all the Directors give written consent to the action. Written consent may be given in person, by mail, or electronically. The Association shall file the written consents with its record of minutes.

3.12 Powers and Duties

The Board shall manage the affairs and business of the Association. The Board is vested with all power and authority necessary to administer the affairs of the Association in accordance with the Governing Documents. The Board may do any act required or allowed by the Governing Documents, the Community Association Act, the Nonprofit Act, or any other rule of law.

Subject to the limitations contained in the Declaration, Bylaws, or Community Association Act, the Board shall have the following authority:

- 3.12.1 Prepare an annual budget and establish what constitutes a Common Expense;
- 3.12.2 Adopt and amend rules, regulations, policies, and procedures governing the Common Areas, administration of the Association, and to enforce and interpret the Governing Documents;
- 3.12.3 Delegate authority to a managing agent to act on behalf of the Association;
- 3.12.4 Provide for the maintenance, repair, and replacement of the Common Areas and exterior of Dwellings;
- 3.12.5 Hire, contract for, and terminate personnel or contractors necessary for the maintenance repair and replacement of the Common Areas and administration of Association business. Provide for the compensation of personnel. Purchase supplies, equipment, and materials for use in the Association;
- 3.12.6 Open and maintain bank accounts on behalf of the Association. Designate authorized signers for the bank accounts;
- 3.12.7 File lawsuits or initiate other legal proceedings on behalf of the Association. However, any action where the amount in controversy may be greater than \$15,000.00, excluding attorney's fees and court costs, shall require the affirmative approval of 75% of the Owners and written consent from Declarant, if Declarant owns at least one Lot. The preapproval of the Owner and Declarant shall not apply to actions to collect assessments, fines, or actions to enforce the covenants against Owners in violation of the Governing Documents;
- 3.12.8 Defend lawsuits, administrative actions, and other legal proceedings against the Association;
- 3.12.9 Pay costs of any services rendered to the Project or multiple Owners, but not billed to the Owners individually;
- 3.12.10 Keep books with detailed accounts of the receipts and expenditures of the Association. Make the books available to the Owners as required by the Community Association Act and Nonprofit Act. The books shall be kept in accordance with generally accepted accounting practices. Retain an independent auditor to audit the books;
- 3.12.11 Grant easements, licenses, or permission over, under, and through the Common Areas;
- 3.12.12 Upon approval by 67% of the ownership interest in the Common Areas, to convey Common Areas;
- 3.12.13 Create committees;
- 3.12.14 Any other act allowed or required by the Governing Documents, the Community Association Act, or the Nonprofit Act;
- 3.12.15 Any act allowed or required to be done in the name of the Association.

3.13 Manager

The Board may employ a manager to perform such duties and services as the Board shall authorize. The Board may delegate to the manager all powers granted to the Board and Officers by the Governing Documents. However, the manager must obtain the Board's written consent to exercise the powers listed in Bylaw Sections 3.12.2, 3.12.6, 3.12.7, 3.12.8, 3.12.11, 3.12.12.

3.14 Compensation

Directors shall not be compensated for their work as a Director. However, they may seek reimbursement for actual costs and mileage incurred during their service.

3.15 Limitation of Liability

The Directors shall not be liable to the Owners for any mistake of judgment, negligence, or other

errors, unless it was by willful misconduct or criminal conduct. The Association shall indemnify and hold the Directors harmless against liability to third parties for actions taken on behalf of the Association, while acting in their capacity as Director, unless the action constitutes willful misconduct or criminal conduct.

3.16 Resignation

A Director may resign at any time by providing written notice to the other Directors.

4 Officers

4.1 Election and Term of Officers

The Officers of the Association shall be elected by the Board. Officers shall be elected from the Directors. Officers shall serve one year terms and shall serve until their successor is elected.

4.2 Removal of Officers

The Board may remove any Officer with or without cause by affirmative vote of a majority of a quorum of the Board. If an Officer is removed, the Board shall replace them. If an Officer is removed by the Board pursuant to this Section, it shall not impact that person's membership on the Board.

4.3 Offices

The Association Officers shall be president, vice president, secretary, and treasurer. The Board may appoint assistant Officers as it may deem necessary. Except for the president, the same person may hold two offices.

4.3.1 President

The president shall be the chief executive Officer. He shall preside at meetings of the Association and the Board. He shall be an unofficial member of all committees. He shall have general and active management of Association business. He shall see that all resolutions and policies of the Association are executed.

4.3.2 Vice President

The vice president shall perform the duties and exercise the powers of the president in the absence or disability of the president. If the president and vice president are unable to act, the Board shall appoint a Director to fulfill the duties on an interim basis.

4.3.3 Secretary

The secretary shall attend all meetings and shall record all votes and take minutes thereof. He shall also make record of all resolutions, rule, policies, and procedures. He shall give or cause to be given notice of all meetings. He shall compile or cause to be compiled a complete list of the owners and their contact information.

4.3.4 Treasurer

The treasurer shall oversee the finances of the Association. He shall be responsible to ensure that the Association has full and accurate records of income and expenses. He shall give financial reports at regular Board meetings and the annual Owners' meeting.

4.4 Delegation of Duties

The Association Officers may delegate any of their duties to a manager or to committee. However, the Officers shall be responsible to oversee and ensure that the duties so delegated are being properly discharged.

4.5 Compensation

Officers shall not be compensated for their work. However, they may seek reimbursement for actual costs and mileage incurred during their service.

4.6 Resignation and Vacancies

An Officer may resign at any time by providing written notice to the Board. If an Officer resigns or a vacancy otherwise arises, the Board shall fill the vacancy as provided for in Section 4.1.

5 Notice

5.1 Manner of Notice

All notices and other communications required under the Governing Documents shall be in writing.

5.1.1 Notices to Owners will be provided by electronic means, including but not limited to, text messages, e-mail, or the Association's website. Notices will be delivered to the last-known contact information provided to the Association by an Owner. If an Owner desires to receive communication by any other method, a written request for the alternate method of notice must be submitted to the Board and must specify the alternate method.

5.1.2 Notice to the Association may be delivered by the following methods:

5.1.2.1 By electronic mail, or any other electronic means to the Association's official electronic contact as designated in writing to the Owners; or

5.1.2.2 By professional courier service or First-class U.S. mail, postage prepaid, to the principal office of the Association as designated in writing to the Owners.

5.1.3 Notices sent via courier or mail shall be deemed received 3 days after being sent. Notices hand delivered or sent via electronic means shall be deemed received upon delivery or being sent.

5.2 Waiver of Notice

Whenever any notice is required under the Governing Documents, the Community Association Act, or the Nonprofit Act, an Owner may waive notice in writing. The waiver may be signed before or after the time for notice. A waiver of notice shall be equivalent to notice.

5.3 Owner Duty to Update Contact Information

All Owners shall provide the Association with contact information including name of the Owners on title and each Owner's mailing address, email address, and phone number. If any of this information changes, the Owner shall provide prompt notice to the Association of the change and the new contact information.

6 Finances

6.1 Fiscal Year

The fiscal year of the Association shall be the calendar year.

6.2 Checks, Agreements, Contracts

All checks, contracts, deeds, leases, and other instruments used for expenditures or obligations may be executed by any person authorized by the Board.

6.3 Books and Records

The books and records shall be kept with accounts of the receipts and expenditures affecting the Project, and the administration of the Project, specifying the maintenance, repair and any other expenses incurred.

6.4 Availability of Records

Association records (financial or otherwise) shall be available as provided by the Community Association Act and Nonprofit Act.

7 Amendment to Bylaws**7.1 Amendments**

These Bylaws may be amended either by the Board, unless it would result in changing the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class. These Bylaws may also be amended by a majority vote of the Owners. The foregoing notwithstanding, for so long as Class B membership exists, the written consent of Declarant is required to amend these Bylaws. Further, as long as Declarant owns any Lot, the Declarant shall have the unilateral right to amend these Bylaws.

7.2 Recording

Any amendment to these Bylaws shall become effective on the date it is recorded in the Utah County Recorder's Office.

8 Miscellaneous**8.1 Office**

The principal office of the Association shall be located at any place within the State of Utah which may be designated from time to time by the Board.

8.2 Conflicts

The Bylaws are subordinate to any conflicting provisions in the Community Association Act, the Nonprofit Act, the Articles, the Map, or the Declaration. The Bylaws are superior to the rules, regulations, and policies of the Association.

8.3 Severability

If any provision of these Bylaws is held by a court of law to be invalid, the validity of the remainder of these Bylaws shall not be affected.

8.4 Waiver

No provision of these Bylaws shall be deemed to be waived because of a failure to enforce the provision.

8.5 Captions

The captions contained in these Bylaws are for convenience only. The captions shall not be used to interpret, limit, or enlarge the provisions of these Bylaws.

8.6 Gender, etc.

Whenever the context so requires, the singular shall include the plural and vice versa. The use of any gender shall include all genders.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be executed by its duly authorized officer.

DATED: 12.19.18

Arrowhead Partners, LLC

By: TERRY C. HARWARD
Its: MANAGER

STATE OF UTAH)
County of Utah)
:ss.

On this 19 day of December 2018, personally appeared before me _____ who being by me duly sworn, did say that they are the authorized agent of the Declarant authorized to execute this Declaration and did certify that this Declaration was approved by Declarant's members.



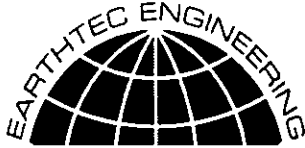
Melissa Gray
NOTARY PUBLIC

Exhibit C

Foundation Drain System Requirements

Attached:

**Earthtec Engineering
Dated: June 21, 2018
Pages 1, 2 & Figure No.1**



1497 West 40 South
Lindon, Utah - 84042
Phone (801) 225-5711

3662 West 2100 South
Salt Lake City, Utah - 84120
Phone (801) 787-9138

1596 W. 2650 S. #108
Ogden, Utah - 84401
Phone (801) 399-9516

June 21, 2018

Harward Real Estate
Attention: Mr. Terry Harward
704 North 1890 West
Provo, UT 84601

**Re: Perimeter Foundation Drain Recommendations-Revised
Villages at Arrowhead Park
2200 West Arrowhead Trail
Payson, Utah
Job No: 179376**

Gentlemen:

As you requested, this letter summarizes the perimeter foundation drain system requirements at the Villages at Arrowhead Park Subdivision located in Payson, Utah. Earthtec Engineering has previously conducted a geotechnical study¹ for the subdivision.

As also stated in the referenced geotechnical study, Section R405.1 of the 2015 International Residential Code states, "Drains shall be provided around all concrete and masonry foundations that retain earth and enclose habitable or usable spaces located below grade." Section R310.2.3.2 of the 2015 International Residential Code states, "Window wells shall be designed for proper drainage by connecting to the building's foundation drainage system when required by Section R405.1 or an approved alternative method." An exception is allowed when the foundation is installed on well drained ground consisting of Group 1 soils, which include those defined by the Unified Soil Classification System as GW, GP, SW, SP, GM, and SM. The soils observed in the explorations at the depth of foundation consisted primarily of lean clay (CL) and silt (ML) which are not Group 1 soils. The recommendations presented below should be followed during design and construction of the foundation drains:

- A perforated 4-inch minimum diameter pipe should be enveloped in at least 12 inches of free-draining gravel and placed adjacent to the perimeter footings. The perforations should be oriented such that they are not located on the bottom side of the pipe, as much as possible. The free-draining gravel should consist of primarily ¾- to 2-inch size gravel having less than 5 percent passing the No. 4 sieve, and should be wrapped with a separation fabric such as Mirafi 140N or equivalent.
- The highest point of the perforated pipe bottom should be equal to the bottom elevation of the footings. The pipe should be uniformly graded to drain to an appropriate outlet (storm drain, land drain, other gravity outlet, etc.) or to one or more sumps where water can be removed by pumping.
- A perforated 4-inch minimum diameter pipe should be installed in all window wells and connected to the foundation drain.

¹ Geotechnical Study, Villages at Arrowhead Park, 2200 West Arrowhead Trail, Payson, Utah, Earthtec Engineering, Project No. 179376, December 19, 2017.



Perimeter Foundation Drain Recommendations-Revised
 Villages at Arrowhead Park
 2200 West Arrowhead Trail
 Payson, Utah
 Job No: 179376

Page 2

- To facilitate drainage beneath basement floor slabs we recommend that the minimum thickness of free-draining fill beneath the slabs be increased to at least 10 inches (approximately equal to the bottom of footing elevations). A separation fabric such as Mirafi 140N or equivalent should be placed beneath the free-draining gravel. Connections should be made to allow any water beneath the slabs to reach the perimeter foundation drain.
- The drain system should be periodically inspected and clean-outs should be installed for the foundation drain to allow occasional cleaning/purging, as needed. Proper drain operation depends on proper construction and maintenance.
- Water collected at the sumps should be removed by either gravity or by pumps to an appropriate outlet as far from the structure as possible a minimum 10 feet and down gradient.

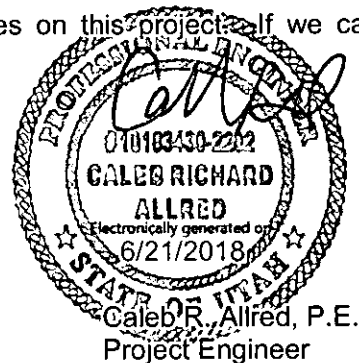
The information presented in this letter applies only to the perimeter foundation drain system at the subject development. Site grading activities are outside of the scope of our work and are not addressed in this letter. The observations and recommendations presented in this letter were conducted within the limits prescribed by our client. No warranty or representation is intended in our proposals, contracts, reports, and letters.

We appreciate the opportunity of providing our services on this project. If we can answer questions or be of further service, please call.

Respectfully;
EARTHTEC ENGINEERING



Timothy A. Mitchell, P.E.
 Senior Geotechnical Engineer



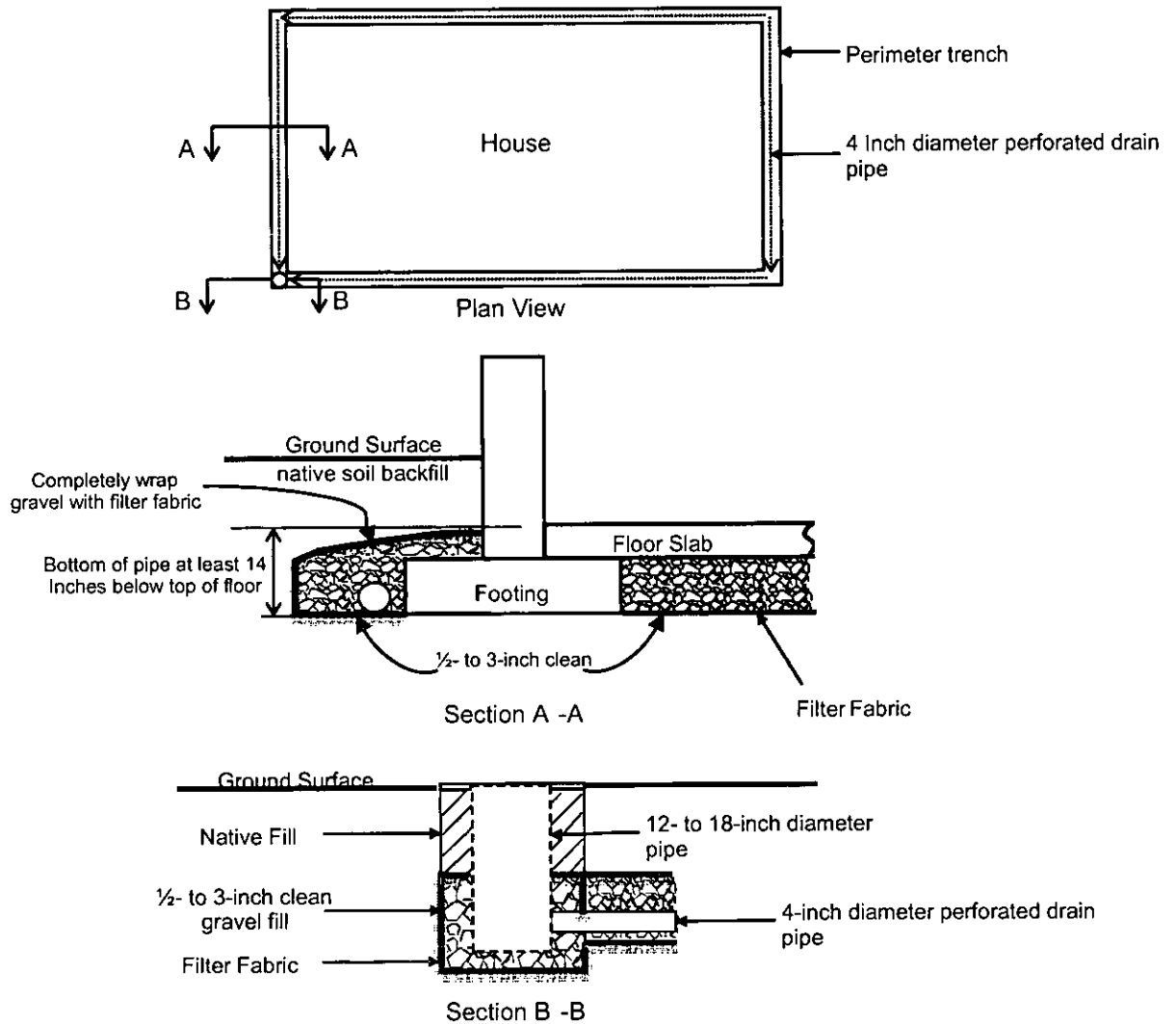
TM/ca

Attachments: Figure No. 1 *Perimeter Foundation Drain System*



PERIMETER FOUNDATION DRAIN SYSTEM

Villages at Arrowhead Park Payson, Utah



Note: A sump is not required if the collected water can be conveyed to a point where it can freely drain; such as a landscaped area, storm drain, or other gravity outlet, and as long as water cannot back up into the drain system.