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MARCY M. MURRAY, Recorder
WASATCH COUNTY CORPORATION
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For: Cottonwood Title Insurance Agency, In
ELECTRONICALLY RECORDED

RECORDING REQUESTED BY:

COTTONWOOD TITLE INSURANCE
AGENCY, INC.

WHEN RECORDED, MAIL TO:

MILLER HARRISON, LLC
(Andrew Blonquist, Esq.)
5292 S. College Dr., Suite 304
Murray, UT 84123

Tax Parcel Identification and Serial Nos.:

(Space Above for Recorder's Use)

00-0007-6872, 00-0007-6880,
00-0007-6898, 00-0015-5338,
00-0020-2698, 00-0020-4218,
00-0020-4219, 00-0020-9040,
00-0020-9370, 00-0020-9372,
00-0021-5551, 00-0021-5557,
00-0021-5558 and 00-0021-5559

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2**

NOTE: THE LIEN FOR ASSESSMENTS CREATED BY THIS INSTRUMENT CONSTITUTES A SENIOR LIEN AND OBLIGATION UPON EACH OF THE LOTS THAT FORMS A PART OF THE ASSESSED PROPERTY, AND SHALL BE SENIOR TO ALL OTHER INDEBTEDNESS LIENS, INCLUDING FOR LOANS SECURED BY A MORTGAGE OR DEED OF TRUST. WHILE A LOT REMAINS ENCUMBERED BY THE ASSESSMENT LIEN, LENDING SOURCES FOR REFINANCING OR OTHER PURPOSES, INCLUDING FOR PURCHASERS AT A RESALE, MAY BE LIMITED. BEFORE PURCHASING A LOT, EACH OWNER SHOULD DETERMINE WHETHER AND TO WHAT EXTENT THE ASSESSMENT LIEN OBLIGATIONS HEREUNDER MAY IMPACT THE ABILITY OF OWNER TO OBTAIN LOANS FROM BANKS OR OTHER LENDING INSTITUTIONS IN THE CUSTOMARY LOAN MARKETS.

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2 (this "**Declaration**") is made as of this 28th day of March, 2022 (the "**Effective Date**") by **BENLOCH RANCH DEVELOPMENT GROUP II, LLC**, a Utah limited liability company ("**Declarant**") with the consent and authorization of **BENLOCH RANCH LAND COMPANY II, LLC**, a Utah limited liability company ("**Developer**"), with the acknowledgement and agreement of **BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2**, a Utah nonprofit corporation ("**Association**"), and with the acknowledgement of **UMB BANK, N.A.**, a national banking association ("**Bond Trustee**") with respect to the duties, rights and interests of each party hereunder.

PREAMBLE:

A. AJ Fireside Park City LLC, a Delaware limited liability company ("**Master Developer**"), is the master developer of an approximately 2,336.3-acre master-planned residential development known as "**Benloch Ranch**" that is planned to include up to 1903 density units for 1,465 single-family detached homes and 428 small lot detached or attached homes, 250 Fireside Resort condo hotel/cabins totaling 82.5 density units, and commercial square footage equivalent to 21.5 density units. Benloch Ranch is situated upon those certain parcels of real property in Wasatch County, Utah (the "**County**"), as more particularly described in Exhibit "A" and depicted in Exhibit "B", attached hereto (the "**Ranch Property**").

B. Developer is an affiliate of Master Developer and, shortly prior hereto, was conveyed certain land parcels of the Ranch Property comprising approximately 374.29 acres of mostly undeveloped Ranch Property, more particularly described in Exhibit "C" and depicted in Exhibit "D" attached hereto (the "**Assessed Property**"). Developer was formed to develop the Assessed Property within Benloch Ranch, including the Lots and Subdivision Parcels that comprise the Ridgeview East and Ridgeview West Phases (as more fully described below), which are planned to be developed with up to 375 residential Lots. The Assessed Property has received preliminary plat approval from the County for the planned Lots, and a final plat is anticipated to be submitted to the County for approval in June 2022.

C. Declarant is also an affiliate of Master Developer and Developer, and was formed to perform the duties and exercise the rights of "Declarant" hereunder.

D. The Association has been formed by the Declarant to act as an association in accordance with the Utah Community Association Act with the specific purposes of implementing the terms and provisions of this Declaration with respect to the Assessed Property. The Members of the Association will be the Owners of the Lots in the Assessed Property, provided that they will not have voting rights. Instead, Developer and Declarant intend that Declarant will act in lieu of a Board of Directors and will control the Association for the life of the Association, subject only to a subsequent election by Declarant under Section 2.4.

E. As required by this Declaration and the Association Act, the Association Trustee is a Person who would be qualified under Utah Code Section 57-1-21(1)(a)(i) or (iv) to act as, and to perform and fulfill the duties of, a trustee under a deed of trust.

F. The Assessed Property has previously been benefitted by various offsite infrastructure improvements, vested utility rights, and utility impact fee and connection fee credits, including: water and sewer infrastructure; sanitary sewer impact fee credits; water conveyance and storage impact fee credits; water reservations in the amount of 359 acre-feet; offsite natural gas, power and telecommunications lines installed at SR-32 (as further defined herein below, the ***“Existing Development Benefits”***). The Existing Development Benefits for the Assessed Property are itemized and have the estimated values for the Assessed Property as set forth in Exhibit “E”, attached hereto and incorporated herein by reference.

G. The Assessed Property has also benefited from significant pre-development work and initial backbone improvements related to the development of the first phases completed by the Master Developer, including: preliminary excavation of natural water sources/ponds; stockpiling of rock/boulders for onsite retaining walls; screened topsoil reserves; roadway excavation for Benloch Ranch Roadway; site and arterial roadway mass excavation; pond construction, installation of lining, bedding and filtration; purchase and installation of trees and vegetation at project entry and main roadways; SR-32 and project entry utility and roadway connections; project backbone utility installation (water sewer, drainage, dry utilities); onsite water tank grading, installation, pumps and connection; mass-excavation and earthwork for water source and pond construction; rock-crushing operations for roadway base and retaining wall block; screened topsoil reserves; acquisition and installation of trees, landscaping and access features; screened topsoil reserve (as further defined herein below, the ***“Existing Backbone Infrastructure”***). The Existing Backbone Infrastructure for the Ranch Property is itemized as set forth in Exhibit “F”, attached hereto and incorporated herein by reference, a \$13,208,984 portion of which provides benefits and value for the Assessed Property.

H. Benloch Ranch is being developed with a variety of residential housing product types in accordance with a master development plan (***“Development Plan”***) approved by County, the most current version of which is attached hereto as Exhibit “G”, and incorporated herein by reference. As shown on the Development Plan, residential housing product types in Benloch Ranch are intended to include residential single-family attached and detached homes, attached condominium units, and condominium/hotel cabins. This Declaration is not a declaration of condominium; however, the condominiums depicted on the Development Plan will, when developed, be governed by the Condominium Ownership Act codified in Utah Code Chapter 57-8. Benloch Ranch is not a cooperative. Portions of Benloch Ranch are anticipated to be developed with commercial and entertainment improvements, which may include fishing ponds, mountain biking/hiking trails and open space, an equestrian center, paddle-boarding and kayaking, private ski lockers and shuttle service to Deer Valley Resort, a kids’ ranch, cross country skiing, spa facilities, a clubhouse, boutique retail and grocery, and a conference center (collectively, the ***“Amenities”***), which Amenities will be located on portions of the Ranch Property that will not be governed by this Declaration.

I. Benloch Ranch is being developed in multiple phases (each, a ***“Phase”***), as follows: (1) Phase One (under development) consisting of 154 residential Lots; (2) Phase Two

(sold to Jeremy Ricks) consisting of 96 residential Lots; (3) Phase Three (under development) consisting of 135 residential Lots; (4) Phases Four, Five and Six (sold to Prospera/Cache Valley Capital) consisting of up to 617 residential Lots; (5) Ridgeview East and Ridgeview West Phases (the Assessed Property) consisting of 375 residential Lots. The Fireside Resort complex with its 250 condo hotel/cabin units will not be associated with a particular phase. Within each Phase, the Lots will be platted into several separate neighborhoods (each, a **“Neighborhood”**).

J. Pursuant to that certain Development Agreement with the County dated May 29, 2020, and last amended and recorded on September 15, 2021, and as set forth in certain other documents and approvals authorizing development, use and occupancy of Benloch Ranch (collectively, the **“Entitlement Documents”**), certain public infrastructure improvements are required to be constructed in connection with the development of Benloch Ranch, including but not limited to improvements constructed for public use and dedicated or conveyed to a public agency to be operated and maintained by such public agency, as well as improvements on private property that will, pursuant to the Entitlement Documents be constructed, operated and maintained by the Developer, Master Developer, or successor owners’ association(s). Benloch Ranch infrastructure also includes all right-of-way improvements, streets and roads, utilities facilities such as gas, electricity, cable television and communications, water, sewer, and storm drainage), pedestrian and bicycle paths and trails, parks, and other open space. Portions of the infrastructure improvements, along with certain open space and landscaping, will be dedicated to public agencies or public utilities and the remainder of the infrastructure improvements will be owned by the developer, builders, one or more homeowners’ associations or others. The conveyance to one or more homeowners’ associations of the privately-owned infrastructure improvements, and the ownership and maintenance thereof, will be addressed in instruments separate and apart from this Declaration.

K. The Master Developer has financed the acquisition of Benloch Ranch and the initial engineering, entitlement and preliminary construction activities using internal sources of funds. The Developer intends to finance the costs of the remaining engineering, indirect and direct improvement costs to develop the Assessed Properties to finished lot status. The Developer does not intend to construct all the components of Benloch Ranch infrastructure, but rather intends to construct only those components that are required to prepare the Ridgeview East and Ridgeview West residential lots (including the Assessed Properties) to a finish lot status. The Developer-financed improvements for the direct and special benefit of the Lots to be constructed for the Assessed Property include the following: grading/earthwork, storm drain system, sanitary sewer system, water system improvements, roadway improvements, common costs, dry utilities, reimbursement to the Master Developer for the Assessed Property portion of the costs of Existing Development Improvements and Existing Backbone Infrastructure and some additional Assessed Property Backbone Infrastructure, and soft costs (the **“Improvements”**). The Improvements and their estimated costs are listed on Exhibit “H”.

L. Declarant will cause the Association to issue Special Assessment Bonds, Series 2022 (the **“Bonds”**), from which the proceeds (the **“Bond Proceeds”**) will be used to (i) fund the costs of the Improvements, including reimbursement of the Master Developer for the costs of the Assessed Property portion of the Existing Development Benefits and Existing Backbone Infrastructure and additional Backbone Infrastructure to be completed by Master Developer; (ii) pay capitalized interest on the Bonds, (iii) fund a reserve account, and (iv) pay costs of issuance

of the Bonds. In accordance with an Indenture of Trust and Pledge to be executed and delivered by the Association (the “*Indenture*”), the Bonds will have a repayment term of thirty (30) years, and Association will service and repay the Bonds through the levying and collecting assessments (as more fully defined below, the “*Assessments*”) in annual installments from the Owners of the Assessed Property. Developer will be responsible for the costs of the Improvements that exceed the Bond Proceeds. The Developer intends to have the Improvements provided promptly after receipt of the Bond Proceeds.

M. Included among the general powers of a Utah nonprofit corporation under the Utah Revised Nonprofit Corporation Act (“*Nonprofit Act*”) is the power to issue bonds and to secure its obligations by pledge of property, assets or income. An assessment levied against real property by a nonprofit community association under the Association Act constitutes a debt of the lot owner collectible by the association and, where levied pursuant to a notice of assessment lien recorded by the association, has priority over (1) any security interests in the real property secured by a mortgage or trust deed recorded after an association’s recorded notice of assessment lien, (2) any assessment lien rights of any other association liens recorded against the property, including without limitation, the lien of assessments under the Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Benloch Ranch recorded on June 16, 2021, as Entry No. 502142, which is expressly subordinated by the Lienholder Consent and Subordination, attached hereto.

N. The Improvements will provide a direct and special benefit for each Lot due to the proximity of the Improvements to the Lots and the specific purpose of the Improvements to provide infrastructure for the Lots and to facilitate development of the Assessed Property. More particularly, the Assessed Property could not be developed and used in the manner proposed without the Improvements. The Improvements are being specifically intended to satisfy the needs of the Assessed Property as required for the proposed use of the Assessed Property as a residential master-planned community, and the special benefits from the Improvements for each Lot will be equal to or greater than the Assessments for each Lot.

O. Based on the estimated assessed value at build-out, a value will be assigned to each Lot on the basis of residential housing product type that Developer intends to be constructed thereon (“*Lot Type*”) and number of anticipated units (“*Unit Count*”) for the Subdivision Parcels, more generally as follows:

Phase 3 Lot Type	Total Units
Estate + Lot	10
Estate Lot	26
Large Lot	70
Medium Lot	99
Small-Medium Lot	100
Small Lot	70
	375

The Assessments and the Annual Installments thereof for each of the Lots will be as shown on the assessment allocation plan attached hereto as Exhibit "I" (the "*Assessment Plan*") which is incorporated herein by this reference.

P. Declarant formed the Association for the following express purposes: (1) issuing, selling and servicing the Bonds to fund the Improvements for the Assessed Property; (2) establishing and holding a first priority assessment lien on the Lots within the Assessed Property (as they are subdivided and platted); (3) administering and enforcing the Association's governing documents; (4) collecting the Assessments from the Owners of Lots as necessary to service, repay and otherwise satisfy the Bond indebtedness and obligations of the Association under the Indenture; (5) enforcing against the Owners of the Lots the duty to pay the Assessments and, to the extent it may be required, foreclosing on the Liens for delinquent Assessments; and (6) transferring to the Bond Trustee (or entity identified by Bond Trustee) for the benefit of the Beneficial Owners title to any Lot obtained by foreclosure to the extent the proceeds thereof are insufficient to satisfy the Bond obligation allocated to such Lot. In addition, the Association will exercise such powers as are necessary, as authorized by the Nonprofit and Association Acts.

Q. Declarant declares that the portions of the Assessed Property upon which the Lots will be located will be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the reservations, rights, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration, all of which are for the purpose of enhancing the Assessed Property, in furtherance of a general plan for the subdivision, development, improvement and sale of Benloch Ranch and in accordance with the Entitlement Documents. The provisions of this Declaration are imposed as equitable servitudes on the portions of the Assessed Property upon which the Lots will be located. The covenants, conditions, restrictions, rights, reservations, and equitable servitudes set forth herein will (1) run with and burden the portions of the Assessed Property upon which the Lots will be located and will bind all Persons having or acquiring any interest in the portions of the Assessed Property upon which the Lots will be located or any part thereof, and their heirs, successors and assigns, (2) benefit every portion of the Assessed Property upon which the Lots will be located and any interest therein, and (3) benefit and bind Declarant and each Lot owner and their successors-in-interest. The duties and obligations of each Owner of a Lot hereunder may be enforced by the Association and the Association Trustee as set forth in this Declaration.

R. Benloch Ranch remains subject to the terms, conditions and restrictions contained in the Entitlement Documents, and the Owners of the Assessed Property are bound thereby. While development rights and entitlements are being pursued by Developer for certain portions of the Assessed Property, the Assessment obligations for each anticipated Lot of that portion of the Assessed Property shall be satisfied and performed by Developer. Master Developer has agreed to transfer and assign to Developer a total of 375 "Density Units" (as defined in and pursuant to the Development Agreement) and to transfer water rights sufficient for those 375 Density Units. The Declaration and the Assessments levied herein will have priority and be separate and apart and from any obligation that may attach to the Assessed Property from one or more associations that may be formed to own and manage the Assessed Property and/or Improvements and to govern the Lots therein.

S. The Association shall continue in existence until the Bondholders have received indefeasible repayment of the Bonds, the Bond Obligations are fully satisfied, and Bond Trustee confirms that all of the Association's obligations under the Indenture have been fully performed, following which Declarant shall cancel and terminate the liens and encumbrance of this Declaration, and shall cause the Association to be dissolved.

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 **DEFINITIONS.** Unless otherwise expressly provided, the following words and phrases when used in this Declaration will have the following meanings given in this Article and be subject to the limits described in this Article.

1.1.1 **Additional Owner.** *“Additional Owner”* means the Owner of a Lot which is held in multiple ownership or is subdivided to whom a portion of the Lot's Assessment is allocated by the Administrator.

1.1.2 **Administrative Costs Account.** *“Administrative Costs Account”* means the account established pursuant to the Indenture by the Bond Trustee within the Bond Fund to pay the administrative costs of Administrator in managing the Assessments hereunder.

1.1.3 **Administrator.** *“Administrator”* means the Person appointed and charged by the Declarant with (i) tracking and allocating Assessments among the various Lots held by the Owners, including Developer, Declarant, Builders and Owners, and reallocating the Assessments as the Lots are platted, reconfigured and sold for residential use, (ii) administering the invoicing and monitoring payment of the Assessments by Owners to the Association, as set forth herein, and (iii) administering the release of Lots from the Declaration and from the Lien of Assessment as the Assessments are satisfied for the Lots, including providing timely responses to (A) Owner requests for Elective Prepayment Amounts following a Prepayment Election by the Owner, and (B) Sale Notices by calculating the Lot Sale Prepayment Amount applicable to the conveyed Lot, group of Lots or Subdivision Parcel being conveyed. The Administrator shall work under the direction of Declarant (or the Board, if constituted) as an authorized representative of the Association. Declarant has initially appointed David Taussig and Associates, Inc., a California corporation (d/b/a, and sometimes herein, “DTA”) as Administrator, but (a) shall have the right to appoint a different Administrator from time to time in its sole discretion, and (b) shall have the duty to appoint an alternative Administrator upon receipt of notification from Bond Trustee of the exercise by the Beneficial Owners holding a majority of the aggregate principal amount of the then Bonds Outstanding in accordance with the Indenture.

1.1.4 **Amenities.** *“Amenities”* mean the Benloch Ranch commercial and entertainment elements, none of which shall be the basis for any Assessment herein, and which shall be severed from the Assessed Property upon final platting of the Lots for subdivision.

1.1.5 **Annual Installment.** *“Annual Installment”* means payment of the annual installment amount of the Assessment owing with respect to each Lot or other parcel of the Assessed Property, as shown in the Assessment Plan which, if paid on or before the

October 1 due date, will satisfy the obligations of the Owner of that Lot or parcel with respect to the Assessment allocable thereto until October 1 of the following calendar year.

1.1.6 **Articles.** *“Articles”* means the Articles of Incorporation of the Association filed and approved in the Utah Department of Commerce on February 24, 2022. A copy of the initial form of the Articles is attached for informational purposes as Exhibit “J.”

1.1.7 **Assessed Property.** *“Assessed Property”* means the Lots and parcels of the Ranch Property that will be later subdivided into Lots that are included within that portion of the Ranch Property as initially described and depicted in Exhibits “C” and “D”, and as subsequently allocated to individual Lots created upon platting of the Neighborhood subdivisions, pursuant to a Supplemental Declaration, showing the exact locations of the Lots that will individually be identified as part of the Assessed Property.

1.1.8 **Assessment.** *“Assessment”* means the charge imposed and levied pursuant to this Declaration by the Association against each Lot and its Owner, as set forth in the Assessment Plan.

1.1.9 **Assessment Plan.** *“Assessment Plan”* means the “Assessment Plan” section of the Benefit Apportionment Analysis prepared by the Administrator, which section is attached hereto as Exhibit “I” and is incorporated herein by this reference; provided, however, that the Declarant, with the recommendation and advice of the Administrator, shall have the power to modify, supplement or replace the Assessment Plan as reasonably required to satisfy the Association’s duties and obligation under the Indenture; provided that no such modification, supplement or replacement may materially and unreasonably increase the financial obligations of any Owner of a Lot.

1.1.10 **Association.** *“Association”* means the Benloch Ranch Improvement Association No. 2, a Utah nonprofit corporation, organized and operating as a community association in accordance with the Association Act.

1.1.11 **Association Act.** *“Association Act”* means the Utah Community Association Act, codified at Utah Code Title 57, Chapter 8a, as the same may be amended or superseded from time to time.

1.1.12 **Association Trustee.** *“Association Trustee”* means the Person designated by Declarant, from time to time, to process and carry out, on behalf of the Association, any foreclosure of the Liens on the Lots pursuant to the Declaration. Association Trustee shall procure and, at all times relevant to the Indenture and this Declaration, maintain the qualifications for a trustee pursuant to Utah Code Section 57-1-21(1)(a)(i) or (iv). The initial Association Trustee shall be the Miller Harrison, LLC law firm; but Declarant (a) shall have the right to appoint a different Association Trustee from time to time in its sole discretion, and (b) shall have the duty to appoint an alternative Association Trustee upon receipt of notification from Bond Trustee of the exercise by Beneficial Owners holding a majority of the aggregate principal amount of the then Bonds in accordance with the Indenture.

1.1.13 **Beneficial Owner.** *“Beneficial Owner”* means any person for which a Participant acquires an interest in the Bonds.

1.1.14 **Benloch Ranch.** *“Benloch Ranch”* means a master-planned residential development being developed pursuant to the Entitlements on the Ranch Property in Wasatch County, Utah and each Phase thereof.

1.1.15 **Board or Board of Directors.** *“Board”* or *“Board of Directors”* means the Association’s Board of Directors if and to the extent Declarant elects, in its sole discretion, to form and authorize a Board of Directors to govern the Association. Prior to such formation and authorization, Declarant shall have the primary authority to manage the affairs of the Association, in lieu of a Board of Directors.

1.1.16 **Bond Fund.** *“Bond Fund”* means that fund to be established pursuant to the Indenture to be funded by Assessments and administered by the Bond Trustee for the payment of Bond Obligations when due.

1.1.17 **Bond Obligation.** *“Bond Obligation”* means the obligation to repay to the Bondholders the par amount of the Bonds in accordance with the debt servicing schedule of the Bonds as set forth in the Assessment Plan attached hereto as Exhibit “I”, and incorporated herein by this reference.

1.1.18 **Bond Proceeds.** *“Bond Proceeds”* means the amount of monies financed by the Bonds to include the amounts intended for construction and/or reimbursement of the Improvements and for financing and reserve costs.

1.1.19 **Bonds.** *“Bonds”* means Special Assessment Bonds Series 2022 as set forth in the Indenture to be financed by Assessments on each Lot within the Assessed Property.

1.1.20 **Bondholders.** *“Bondholders”* mean and refer to, as a whole, the purchasers and holders of the Bonds, and such other persons or their successors and assigns in whose names the Bonds are registered.

1.1.21 **Bond Trustee.** *“Bond Trustee”* means UMB Bank, N.A., a national banking association, or such other Person identified by the Bondholders as duly appointed and authorized to act as trustee for the Bondholders under the Indenture.

1.1.22 **Builder.** *“Builder”* means a Person who is designated by Declarant as a “Builder” in a recorded document and who acquires a portion of the Assessed Property (whether as Lots or a Subdivision Parcel) for the purpose of developing such portion for resale to the general public, or a Person who acquires all or a portion of a Neighborhood from such Builder for the purpose of developing such portion for resale or leasing of homes to the general public, or a successor to such Builder who acquires a Neighborhood or substantially all of Builder’s assets, including the Neighborhood. The term “Builder” does not include Declarant, although Declarant may develop portions of the Community on its own behalf for resale or lease to the general public.

1.1.23 **Bylaws.** *“Bylaws”* means the Bylaws of the Association as adopted and amended from time to time. A copy of the signed and recorded Bylaws is attached hereto as Exhibit “K.” Declarant may from time to time amend the Bylaws without need to amend this Declaration.

1.1.24 **Construction Fund.** “*Construction Fund*” means that fund to be established pursuant to the Indenture to fund the construction of the Improvements.

1.1.25 **Cost of Issuance Fund.** “*Cost of Issuance Fund*” means that fund established and administered by the Bond Trustee pursuant to the Indenture to pay for the costs of issuing the Bonds.

1.1.26 **County.** “*County*” means Wasatch County, Utah, and its various departments, divisions, employees and representatives.

1.1.27 **Debt Service Reserve Requirement.** “*Debt Service Reserve Requirement*” means, with respect to the Bonds, an amount initially equal to \$8,408,353.80, which amount shall be adjusted as prepayments are made.

1.1.28 **Declarant.** “*Declarant*” means Benloch Ranch Development Group II, LLC, a Utah limited liability company and its successors or assigns. As used in this Subsection, “successor or assign” means a Person who: (i) acquires Declarant or substantially all of Declarant’s assets by sale, merger, reverse merger, consolidation, sale of stock or assets, operation of law or otherwise; and (ii) executes a written acceptance of all or a portion of a written assignment of Declarant’s rights and obligations under this Declaration. Declarant shall determine in its sole discretion the time, place and manner in which it discharges its obligations and exercises the rights reserved to it under this Declaration.

1.1.29 **Depository.** “*Depository*” means any securities depository that the Association as the “Issuer” under the Indenture may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as a securities depository for the Bonds.

1.1.30 **Developer.** “*Developer*” means Benloch Ranch Land Company II, LLC, a Utah limited liability company, and its successors or assigns.

1.1.31 **Development Plan.** “*Development Plan*” means the master plan of development for Benloch Ranch, as contained in the Development Agreement, which includes the scheme of development for all the Phases, Neighborhoods, Lots and contemplated Amenities for Benloch Ranch, as may be amended from time to time, set forth in Exhibit “G”.

1.1.32 **Effective Date.** “*Effective Date*” shall mean that date set forth in the introductory paragraph of this Declaration.

1.1.33 **Elective Prepayment Amount.** “*Elective Prepayment Amount*” as more fully described in Section 4.8, shall be the amount of payment, as calculated by the Administrator following a Prepayment Election, necessary to fully satisfy and redeem the Bond Obligation allocated to such Lot.

1.1.34 **Entitlement Documents.** “*Entitlement Documents*” means, collectively, the Development Agreement with the County dated May 29, 2020, and such other documents, instruments or writings containing approvals (including conditions of approval) authorizing development, use and occupancy of Benloch Ranch.

1.1.35 **Entitlements.** “*Entitlements*” means, collectively, the approvals and rights for development, use and occupancy of residences, Amenities and other improvements in Benloch Ranch as may be contained in the Entitlement Documents.

1.1.36 **Existing Development Benefits.** “*Existing Development Benefits*” means collectively, the various offsite infrastructure improvements, vested utility rights, and utility impact fee and connection fee credits provided by the Master Developer for Benloch Ranch, a portion of which are allocable to the Assessed Property as set forth in Exhibit “E” and a portion of which will be reimbursed to the Master Developer with the Bond Proceeds.

1.1.37 **Existing Backbone Infrastructure.** “*Existing Backbone Infrastructure*” means collectively, significant pre-development work and initial onsite improvements related to the development of the Benloch Ranch first phases completed by the Master Developer for Benloch Ranch, as set forth in Exhibit “F”, a \$13,208,984 portion of which is allocable to the Assessed Property and which will be reimbursed to the Master Developer by the Bond Proceeds, with an additional \$3,043,026 in Backbone Infrastructure to be completed by and reimbursed to the Master Developer with the Bond Proceeds.

1.1.38 **Fund or Funds.** “*Fund*” or “*Funds*” shall mean, collectively, the Assessment Fund, Cost of Issuance Fund, Construction Fund, Bond Fund and Reserve Fund, as each is more particularly described in Article III, below.

1.1.39 **Governing Documents.** “*Governing Documents*” means this Declaration, the Articles and the Bylaws, and any amendments thereto properly authorized in accordance with the terms thereof.

1.1.40 **Improvements.** “*Improvements*” means those improvements to the Assessed Property being financed by means of the Bond Proceeds as set forth in Exhibit “H”.

1.1.41 **Indenture.** “*Indenture*” means the Indenture of Trust and Pledge agreement entered into between the Association and the Bond Trustee as of the Effective Date, incorporated herein by this reference.

1.1.42 **Interest Payment Date.** “*Interest Payment Date*” means each of the dates identified as the Interest Payment Dates under the Indenture.

1.1.43 **Lien.** “*Lien*” means the lien of the Association securing payment of Assessments (and all other amounts required for collection of the Assessment as itemized in Section 4.11 of this Declaration) established by this Declaration, which lien attaches to each parcel and Lot of the Assessed Property until the Bond Obligation allocated to such parcel or Lot is satisfied pursuant to the Indenture and this Declaration, or a Membership Termination Event occurs with respect to such Lot.

1.1.44 **Lot.**

(a) “*Lot*” means each separate portion of the Assessed Property that is developed (or identified in the Development Plan as intended for future development) for use and occupancy as a residential dwelling. A residential dwelling constructed (or intended to

be constructed) on a Lot may consist of a detached single-family home, a condominium unit, a town home, a villa or a cottage. In addition, vacant land intended for future development of a residential dwelling may be identified as a Lot. The term shall include all portions of each Lot, together with the residential structure and other improvements that may be constructed or installed thereon. With respect to any structure consisting of multiple attached condominium units or other occupiable dwellings, each such unit or dwelling contained therein shall be deemed to constitute a separate Lot for purposes of this Declaration and the Indenture.

(b) In the case of any Subdivision Parcel, or other undivided parcel or parcels of land, whether unimproved or under construction, intended by the Development Plan for future subdivision into individual home Lots, that parcel shall be subject to the Lien of the Assessment calculated using LTUC, and shall be deemed to contain the number of Lots equal to the number of residential dwellings to be developed on such parcel as set forth on the Development Plan or as subsequently determined by the Administrator according to the Assessment Plan until such time as a final subdivision plat is recorded in the public records of Wasatch County, Utah, on all portions thereof, indicating a different final number of individual home Lots. Upon recordation of a subdivision plat for all or a portion thereof, each the portion designated on that plat developed or intended for use and occupancy as an individual residential dwelling shall comprise a separate Lot as determined by subparagraph (a) above and the number of Lots on the remaining land, if any, shall continue to be determined in accordance with this subparagraph (b). Notwithstanding the foregoing, and where applicable in this Declaration, use of the term "Lot" or the phrase "group of Lots" hereunder may sometimes include a Subdivision Parcel consisting of multiple future individual home Lots on the basis of, and subject to Assessments, in accordance with a LTUC allocation under the Assessment Plan.

(c) Portions of the real property initially included as Assessed Property that will hereafter become common area parcels, parcels of real property dedicated to the County or to any other governmental authority, parcels containing an Amenity, commercial parcels and parcels of real property owned in fee simple title by a homeowners' association that may be legally conveyed without the filing of further subdivision plats will not be considered Lots for purposes of Assessment or any other purpose under the Declaration.

1.1.45 **Lot Sale.** "*Lot Sale*" means the sale, transfer or conveyance by Developer of any Lot or other portion of the Assessed Property to a homebuilder, homeowner or any other third-party that is not the Developer; provided, however, that a Lot Sale does not include acquisition by Association or Bondholders of a Lot or other Assessed Property by foreclosure (or deed-in-lieu thereof) following an Assessment Default in accordance with Sections 4.13 and 4.14, hereof.

1.1.46 **Lot Sale Prepayment.** "*Lot Sale Prepayment*" shall have the meaning ascribed to that term in Section 4.9.1(a) of this Declaration.

1.1.47 **Lot Sale Prepayment Amount.** "*Lot Sale Prepayment Amount*" shall have the meaning ascribed to that term in Section 4.9.1(a) of this Declaration.

1.1.48 **LTUC.** "*LTUC*" means, with respect to each Subdivision Parcel or other parcel of the Assessed Property, the Lot Type and Unit Count expressed as a value for each

future individual home Lot and unit of residential housing in the Assessed Property, which shall be used by the Administrator and Declarant to allocate the Bond Obligations among all the parcels in the Assessed Property prior to recordation of a final subdivision plat subdividing such Subdivision Parcel or other parcel into its final configuration of individual home Lots.

1.1.49 **Membership.** *“Membership”* means the rights, privileges, and duties established in the Governing Documents for Owners of Lots within the Assessed Property, each of whom shall be a “Member”, as that term is used herein. Except to the extent that a Membership Termination Event has occurred with respect to any Lot, every Owner of a Lot shall automatically acquire a Membership in the Association and retain the Membership until such Owner’s ownership of a Lot ceases, at which time such Owner’s Membership shall automatically cease. Ownership of a Lot is the sole qualification for Membership. Memberships are not assignable except to the Person to whom title to the Lot is transferred, and every Membership is appurtenant to and may not be separated from the fee ownership of the Lot.

1.1.50 **Membership Termination Event.** A *“Membership Termination Event”* shall occur with respect to any Lot, and each Owner thereof, upon the occurrence of any one of the following events: (a) the Owner of the Lot causes to be delivered the Elective Prepayment Amount to Bond Trustee following a timely making of a Prepayment Election, (b) the Association, following an Assessment Default, sells the Lot by foreclosure or acquires a Lot by foreclosure (or deed-in-lieu thereof) and delivers fee title to the Bondholders (or to the Bond Trustee on behalf of the Bondholders) in accordance with Section 4.17 of this Declaration in full satisfaction of the Bond Obligation allocated to such Lot, or (c) the termination of this Declaration following full satisfaction of all Bond Obligations by the Association.

1.1.51 **Neighborhood.** *“Neighborhood”* means each separately designated “Neighborhood” on the Development Plan. The two Neighborhoods that will be included in the Assessed Property, Neighborhoods A and C of Phase 1 will initially be included as separate parcels of the Assessed Property and subsequently be subdivided by means of a final plat prepared in accordance with Utah Code § 17-27a-603.

1.1.52 **Nonprofit Act.** *“Nonprofit Act”* means the Utah Revised Nonprofit Corporation Act, as may be amended from time to time.

1.1.53 **Owner.** *“Owner”* means the Person or Persons, including Developer, Declarant and Builders, holding fee simple interest in a Lot or Subdivision Parcel.

1.1.54 **Participant.** *“Participant”* means any broker-dealer, bank, or other financial institution from time to time for which Depository Trust Company (DTC) or another Depository holds the Bonds.

1.1.55 **Person.** *“Person”* means a natural individual or any legal entity recognized under Utah law. When the word “person” is not capitalized, the word refers only to natural persons.

1.1.56 **Phase.** *“Phase”* means each portion of development of Benloch Ranch identified as a “Phase” on the Development Plan. The Declaration deals with the Assessed

Property which contains the Ridgeview East and Ridgeview West Phases (numerically constituting Phases 7 and 8).

1.1.57 **Prepayment Election.** “*Prepayment Election*,” as more fully described in Section 4.8, shall refer to the election of a Lot Owner, prior to any Annual Installment due date, to make a prepayment of the allocated Bond Obligation to cause a release of the Lien from such Owner’s Lot.

1.1.58 **Qualified Investments.** “*Qualified Investments*” means those investments that are authorized under the Utah State Money Management Act, Title 51, Chapter 7, Utah Code 1953, as amended, and includes Government Obligations as defined in the Indenture and the fund held by the Treasurer of the State of Utah commonly known as the Utah Public Treasurer’s Investment Fund.

1.1.59 **Ranch Property.** “*Ranch Property*” means that particular real property and associated rights, title and interest, including encumbrances, owned by Developer and included in Benloch Ranch, as particularly described in Exhibit “A” and depicted in Exhibit “B”.

1.1.60 **Redemption Account.** “*Redemption Account*” means the account established pursuant to the Indenture and administered by the Bond Trustee within the Bond Fund pursuant to the Indenture to redeem the Bonds.

1.1.61 **Release Parcels.** “*Release Parcels*” means those parcels which the Owner of several Lots seeks to release from the Assessment Lien by means of prepayment of the Assessment in accordance with the requirements set forth in this Declaration and the Indenture.

1.1.62 **Reserve Fund.** “*Reserve Fund*” means that fund established by the Indenture to fund any Bond principal and interest payments that may not be satisfied by payment of Assessments to be administered by the Bond Trustee pursuant to the Indenture.

1.1.63 **Requisition.** “*Requisition*” means a written request submitted by the Declarant to the Bond Trustee for payment to the Developer for costs expended to complete construction of the Improvements, on a form contained in Exhibit “D” of the Indenture.

1.1.64 **Special Processing Charges.** “*Special Processing Charges*” shall have the meaning ascribed to that term in Section 4.11 of this Declaration.

1.1.65 **Subdivision Parcel.** “*Subdivision Parcel*” shall mean and refer to each portion of the Assessed Property (whether that portion consists of an entire Neighborhood or a segment thereof) that is projected, as shown in the Development Plan, for future subdivision and the creation of individual home Lots, but which has not yet been subdivided into the final Lot configuration by a subdivision plat map. Prior to such final subdivision plat map being recorded establishing all of the Lots allotted to a Subdivision Parcel under the Development Plan, the Bond Obligation and Assessments shall be allocated to a Subdivision Parcel (utilizing the LTUC metric) in accordance with Section 4.5, below.

1.1.66 **Supplemental Declaration.** “*Supplemental Declaration*” shall mean a supplement to this Declaration that is executed by Declarant and the Owner of the Subdivision Parcel, Lots or other parcel containing Lots that is the subject thereof, recorded concurrently with the platting of a Neighborhood that details the revised number and configuration of Lots that will continue to be subject to Assessments and sets forth the Assessment allocation rate for each newly created Lot.

1.2 INTERPRETATION.

1.2.1 **General Rules.** This Declaration shall be liberally construed to effectuate its purpose of creating a means of funding the Improvements for the benefit of the Lots within the Assessed Property. As used in this Declaration, the singular includes the plural and the plural the singular. The masculine, feminine and neuter each includes the other, unless the context dictates otherwise. Any reference in this Declaration to time of performance of obligations or to elapsed time means consecutive calendar days, months or years, as applicable, unless otherwise expressly provided.

1.2.2 **Articles, Sections and Exhibits.** The Article and Section headings are inserted for convenience only and may not be considered in resolving questions of interpretation or construction. Unless otherwise indicated, any references in this Declaration to articles, sections or exhibits are to Articles, Sections and Exhibits of this Declaration. The Articles of Incorporation and Bylaws of the Association are attached hereto, but they may be amended from time to time without having to amend this Declaration. In the event the Articles of Incorporation or Bylaws are amended, the instrument as amended shall control notwithstanding the attachment of an earlier version thereof to this Declaration.

1.2.3 **Governing Law.** This Declaration shall at all times be subject to, governed by, and interpreted according to Utah law.

1.2.4 **Priorities and Inconsistencies: Governing Documents of the Community.** If there are conflicts or inconsistencies between this Declaration and the Articles, Bylaws, then the provisions of this Declaration shall prevail; however, the conflicting documents shall be construed to be consistent with the Declaration to the extent possible.

1.2.5 **Severability.** The provisions of this Declaration are independent and severable. If for any reason, any provision of this Declaration becomes invalid, partially invalid, unenforceable, illegal, null and void, or against public policy, or if for any reason, a court of competent jurisdiction determines that any provision of this Declaration is invalid, partially invalid, unenforceable, illegal, null and void, or against public policy, the validity and enforceability of the remaining provisions of this Declaration shall remain in effect to the fullest extent permitted by law.

1.2.6 **Statutory and Regulatory References.** All references made in the Governing Documents to statutes or regulations are to those statutes or regulations as currently in effect or to subsequently enacted replacement statutes.

ARTICLE 2 THE ASSOCIATION

2.1 GENERAL DUTIES AND POWERS OF THE ASSOCIATION. The Association is incorporated in the State of Utah as a nonprofit corporation under the Nonprofit Act exclusively for the express nonprofit purpose of selling and servicing the Bonds to fund the Improvements for the development of Benloch Ranch, for the direct and special benefit of the Assessed Property of Ridgeview East and Ridgeview West Phases. The Association, acting in the interest of Benloch Ranch and of the Owners under the Association Act, shall administer the creation, levy, allocation, notice, collection and enforcement of Assessments set forth in the Assessment Plan to fund and secure the Bond Obligation, including Annual Installments thereof, upon the Lots of the Owners contained within the Assessed Property. The Association has the duties and powers listed in the Governing Documents and also has all the general and implied powers of a nonprofit corporation, generally to do all things that a nonprofit corporation organized under the laws of the State of Utah may lawfully do which are necessary or proper in operating for the general welfare of the Owners, subject only to the limits on the exercise of such powers listed in the Governing Documents. Unless otherwise indicated in any Supplemental Declaration hereafter recorded by Declarant pursuant to the Articles, Bylaws and this Declaration, the powers of the Association shall be exercised by Declarant, in lieu of a Board of Directors, and the Association shall be Declarant-controlled during the entire existence of the Association.

2.2 ASSOCIATION MEMBERSHIP. Each Owner, upon receiving conveyance of title to a portion of the Assessed Property that includes a Lot (either in one of the initial Neighborhood parcel form or in a subsequent platted subdivision) shall be a Member of the Association solely by virtue of the Owner's ownership of Lots therein. Each Owner, as a Member of the Association, has an obligation to pay Assessments for each Lot it owns and is entitled to receive the special benefit of the Improvements, which Improvements are anticipated to provide value to that Lot in an amount equivalent to, or greater than, the Assessment amount. The Membership, along with its attendant duties and obligations, shall continue as to each Lot in the Assessed Property until a Membership Termination Event occurs with respect to such Lot. Following a Membership Termination Event for a Lot, the Lot shall no longer be part of the Assessed Property or otherwise encumbered by this Declaration.

2.3 SPECIFIC DUTIES AND POWERS. In addition to its general powers and duties, the Association has the following specific powers and duties.

2.3.1 Own and Dispose of Foreclosed Property. The power and duty to accept title to and ownership of those portions of the Assessed Property for which foreclosure is pursued in connection with a Lot for which an Assessment Default has occurred. Except for the foregoing, the Association shall not own or maintain any real property or real property interests. In particular, the Association shall not own or maintain the Improvements, any Common Areas, or any of the Amenities portions of the Assessed Property following platting of the Neighborhoods, all of which shall instead, upon completion, be dedicated or conveyed by Developer, Declarant or the applicable Builder, to either governmental authorities, public utilities or any of the Neighborhood associations or other community associations within Benloch Ranch

that may be formed by Developer or any Builder of a Neighborhood upon platting and/or acceptance thereof with respect to improvements to be dedicated to government entities.

2.3.2 Issue and Sell Bonds. The power and duty to issue, sell, guarantee and service the Bonds to finance the costs of the Improvements, and to perform and satisfy all of the covenants, duties and obligations of "Issuer" under the Indenture.

2.3.3 Receive/Administer Bond Proceeds for Improvements. The power and duty to receive the Bond Proceeds and to allocate the Bond Proceeds to the purposes set forth in the Indenture, including making Requisitions for the allocation of the monies in the Construction Fund pursuant to the estimated costs of the Improvements constructed by Developer and maintaining sufficient Reserve Funds, as such may be available.

2.3.4 Establish and Cooperate with the Bond Trustee to Establish Accounts. The power and duty to establish the Assessment Fund and to hold, administer and allocate the monies therein according to the purposes and manner set forth in Section 4.1 of the Indenture and, in coordination with the Bond Trustee, to establish and place into the custody of the Bond Trustee, the Construction Fund, Bond Fund, Reserve Fund and Issuance Fund, and any sub-accounts as may set forth in the Indenture.

2.3.5 Pledge of Assessments and Lien of Lots. The power and duty to pledge the Assessments for the Lots for the repayment of the Bond Obligation under the Bonds and to secure the payment of those Assessments by means of a first priority lien on the Lots of the Assessed Property pursuant the Indenture and Declaration.

2.3.6 Fix, Levy, Collect and Enforce Assessments. The power and duty to fix, levy, collect and enforce the Assessments (and any Special Processing Charges, interest or other charges) established pursuant to this Declaration, the Bylaws or any rules and regulations (including any Special Processing Charges) for the servicing and satisfaction of the Bonds and Bond Obligation.

2.3.7 Invest Funds in Qualified Investments. The power and duty to purchase, receive, subscribe for, otherwise acquire, own hold, vote, use, sell mortgage, lend, pledge, or otherwise dispose of and deal in and with shares or other interest in, or obligations of, any other entity which constitute Qualified Investments.

2.3.8 Contracts of Indenture. The power and duty to make contracts and guarantees, incur liabilities, borrow money, issue notes, bonds, and other obligations and secure any of its obligations by mortgage or pledge of any of its property, assets, franchises or income, including in particular in connection with the Indenture.

2.3.9 Insurance. The power and duty to procure and maintain such insurance policies and coverages as the Declarant deems prudent on behalf of the Association, including without limitation (a) commercial general liability insurance protecting the Association against loss, damage, third party claims or causes of action to the extent that Association engages in activities or maintains property for which the Association or its employees, officers, directors, agents, contractors or representatives could have liability for injuries to persons or loss or damage to the property or property interest of another, (b) errors and omissions insurance,

indemnity bonds, fidelity bonds and other insurance as Declarant deems advisable, insuring the Association's directors (or Declarant acting in lieu thereof) and officers against any liability for any act or omission in carrying out their obligations hereunder, and (c) such other policies or coverages that Declarant may determine are appropriate in the interest of the Association and its Membership to procure.

2.4 ASSOCIATION MANAGEMENT. Unless and until Declarant elects to form and authorize a Board of Directors, Declarant shall be authorized to exercise all of the powers that would otherwise be exercised by a Board of Directors under the Nonprofit Act in lieu of a Board of Directors. Declarant anticipates that the Association will be under Declarant Control during the entire existence of the Association; provided, however, that Declarant may subsequently choose (i) to establish and authorize a Board of Directors, (ii) to exercise an exclusive right and power of appointment of the Persons to serve upon that Board, and/or (ii) to appoint officers in its discretion as may be necessary to carry out the duties and exercise the rights of the Association. Declarant shall be governed by the general standards for conduct and nonliability provisions set forth in the Nonprofit Act at Utah Code Section 16-6a-822.

2.4.1 Not a Trustee. Declarant shall not be considered a trustee with respect to any property held or administered by the Association.

2.4.2 No Reserve Analysis Required. Declarant shall not be required to conduct a reserve analysis under the Association Act at Utah Code Section 57-8a-211 because the Association intends to own no replaceable assets that are subject to wear or waste.

2.4.3 No Annual Budget/Annual Administrative Report. Neither Declarant nor any Board of the Association shall be obligated to prepare annual budgets of the Association, except to the extent required under the Association Act (including at Utah Code Section 57-81-215); however, Declarant shall cause the Administrator to prepare annually an Annual Administrative Report that sets forth (a) the current status of all Assessments for the Assessed Property, including the principal amount owed by the Owners of each Lot, (b) the balances held in each Fund, and (c) such other information as may be relevant to the Assessments to be levied against the Owners.

2.4.4 Limited Declarant Liability. Declarant is not a Director and shall thus not be subject to liability for Director conflicting interest transactions under the Nonprofit Act in Utah Code Section 16-6a-825. To the maximum extent possible under the Nonprofit Act, Declarant shall have no liability or obligation to the Owners by virtue of its governance of the Association, subject only to any exceptions which may apply to Declarant as a non-Director under Utah law. Declarant shall be indemnified by the Association to the maximum extent possible under Utah law.

2.4.5 Administration of Indenture. Declarant shall cause the Association to carry out all of its duties and obligations under the Indenture and as set forth in this Declaration, including those relating to the Funds required to be established and administered and relating to the Assessments required to be imposed and administered. Upon the platting of a Neighborhood or Subdivision Parcel, or any portion thereof, Declarant and each Owner of Lots platted by such subdivision shall execute and cause to be recorded a Supplemental Declaration as

described in Section 5.3 showing the revised configuration of Lots, and allocating or re-allocating (as applicable) the Bond Obligation substantially consistent with LTUC allocations under Section 4.5 that will continue to be subject to the Assessment Lien upon the Assessed Property established hereunder.

2.4.6 Registration with Department of Commerce. Declarant shall promptly and, at the latest, within 90 days after recordation of the Declaration, cause the Association to register with the Utah Department of Commerce in the manner established by the Department and thereafter timely file any updated registration in connection with any change in the required registration information, as required by the Association Act under Utah Code Section 57-8a-105.

2.4.7 Agreement to Supplemental Declaration. Declarant shall have the right to consent to and execute, for filing and recordation, any Supplemental Declaration as described in Section 5.4, below.

2.4.8 Amendment of the Declaration. Declarant may amend the Declaration only as may be necessary and proper to carry out the express provisions and purposes of the Declaration and to conform to Utah law in doing so. Declarant shall have the sole power to amend the Declaration during the Declarant Control Period.

2.4.9 Termination of the Association. Following repayment of the Bonds, and satisfaction of the Bond Obligation in accordance with the terms of the Indenture and this Declaration, Declarant shall terminate the Association in accordance with the Nonprofit Act and Association Act. The termination shall not require a vote of the Owners unless required by the Nonprofit Act or Association Act.

Concurrently herewith or prior hereto, Declarant, with the consent and approval of Developer (as Owner of the Assessed Property), caused the Association to undertake the following actions: (a) execution and delivery of the Declaration; (b) execution and delivery of the Indenture binding the Association to the terms, timing and manner for issuance, servicing and repayment of the Bonds and otherwise satisfying the Bond Obligations; and (c) authorize the issuance and sale of the Bonds, and to pay all costs, fees and expenses relating thereto. By taking title to a Subdivision Parcel or Lot, whether or not it is so expressed in such deed or conveyance instrument, each Builder and Owner shall be deemed to have acknowledged, affirmed and ratified such authorization and acts. Accordingly, each Owner and Builder agrees that, at no time will it contest, protest, or otherwise challenge, or seek to repeal of the authorization or levy for, or the amount of, the Bonds or the Assessments against the Assessed Property, or the assignment of the Assessments of the Association to the Bond Trustee for repayment of the Bond Obligations.

2.5 ASSOCIATION TRUSTEE. The Association Trustee shall undertake all duties and responsibilities of a trustee under the Association Act for the benefit of the Association. The Association Trustee acknowledges and agrees that the Association Trustee shall act under the direction of Declarant as the "trustee" required by Utah law to carry out judicial and nonjudicial foreclosures under the Declaration and the Association Act on the Liens over Lots whose Owners are delinquent in payment of Assessments (a "*Delinquent Property*"). The Association

Trustee agrees to, and at all times will, be a qualified licensed trustee under Utah law as required by the Association Act in Utah Code Sections 57-8a-212, 57-8a-302 and under the qualifications provisions for trustee sales in Utah Code Section 57-1-21(a)(a)(i) or (iv). At the direction of the Association, given from time to time on the occasion of an Assessment payment default by the Owner of a Lot, and in compliance with this Declaration, the Indenture and the Association Act (including at Utah Code Section 57-8a-302), the Association Trustee agrees to proceed with foreclosures in full compliance with the applicable provisions and procedures of the trustee sales provisions in Utah Code Sections 57-1-24 through 57-1-34. Declarant hereby appoints the Association Trustee for such purposes, and conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8a-302 to the Association Trustee, with power of sale, the Lots and all improvements to the Lots for the purpose of securing payment of the Assessments under the terms of this Declaration.

ARTICLE 3 MANAGEMENT OF BOND PROCEEDS AND ASSESSMENTS

3.1 **MANAGEMENT OF FUNDS.** Pursuant to the Indenture, upon issuance of the Bonds, the Association shall deposit the Bond Proceeds into the custody of the Bond Trustee and the Association shall transfer the Assessments to the Bond Trustee. Pursuant to the Indenture, the Bond Trustee shall allocate the Bond Proceeds and Assessments to the various Funds established pursuant to the Indenture (Construction Fund, Assessment Fund, Reserve Fund, Bond Fund, and Cost of Issuance Fund) for the various Bond Components in the amounts set forth in the Indenture for the uses and according to the procedures set forth in the Indenture and in this Declaration. Each Owner, by acceptance of a deed or other instrument conveying title to a parcel, Lot or group of Lots constituting part of the Assessed Property, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest: (i) the Bond Obligation in the amount set forth in the Indenture and the apportionment thereof to the Lots in accordance with the Assessment Plan, (ii) the allocation of the Bond Proceeds among the various Funds and accounts in the proportions or amounts set forth or as otherwise authorized in the Indenture, and (iii) the allocation of the Assessments to the various Funds as set forth in the Indenture.

3.1.1 **Investment of Funds.** Pursuant to the Indenture, and except for monies deposited or held in the Assessment Fund, Declarant may authorize the Bond Trustee to invest moneys in the Funds in Qualified Investments, including guaranteed investment contracts secured solely by Qualified Investments. All income derived from the investments from each fund shall be maintained in the Funds and accounts respectively and shall be disbursed along with the other moneys on deposit therein as herein provided. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest such investments and Declarant's waiver of the right to receive brokerage confirmations of the security transactions as they occur, and to instead have Declarant receive periodic cash transactions statements showing the detail for all investment transactions made by the Bond Trustee.

3.1.2 **Funds Held in Trust.** Pursuant to the Indenture, all monies received by the Bond Trustee under the provisions of the Indenture shall be trust funds under the terms of

the Indenture and shall not be subject to lien or attachment of any creditor of the Bond Trustee, including the State or any political subdivision, body, agency, or instrumentality thereof, or of the Association and shall not be subject to appropriation by any legislative body or otherwise. Such monies shall be held in trust and disbursed or applied in accordance with the provisions of the Indenture. Unless and until disbursed pursuant to the terms of the Indenture, all such monies and the income therefrom shall be held by the Bond Trustee as security for the payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Association and the Bond Trustee payable under the Indenture. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the establishment of such trust as set forth in the Indenture.

3.1.3 Method and Frequency of Valuation. The Owners and the Association acknowledge and agree that Bond Trustee will value Qualified Investments at market value in computing the amount in any Fund or Account. Such valuation will occur annually, except in the event of a withdrawal from the Reserve Fund, whereupon the securities shall be valued immediately after such withdrawal.

3.1.4 Perfection of Security Interest. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the creation by the Indenture of a valid and binding pledge and assignment of security interest in all of the Assessments and all other applicable funds and moneys pledged under the Indenture in favor of the Bond Trustee as security for payment of the Bonds, enforceable by the Bond Trustee in accordance with the terms thereof, with no right to any other security interest in the Assessments so long as the Bonds remain outstanding. Following the recordation of any final subdivision plat or other instrument subdividing any parcel containing Lots, Association shall have the right to require any Owner to execute and record a notice of the Lien for Assessments against its Lot or Lots, and may also require any such Owner to execute and record a Supplemental Declaration or other instrument confirming the Lien for Assessments with respect to each constituent subdivided Lots or other parcels.

3.1.5 Limited Obligation of Association. As set forth in the Indenture, the Bonds are not a general obligation of the Association and are payable exclusively out of the funds and/or property described in this Article. Following any Membership Termination Event, the Administrator shall obtain confirmation from the Bond Trustee that the Bond Obligation of the Association shall be proportionately reduced with respect to the applicable Lot or Lots subject to the Membership Termination Event.

3.2 CONSTRUCTION FUND. Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Construction Fund ("**Construction Fund**"). Pursuant to the Indenture, the Bond Trustee will establish within the Construction Fund a Series 2022 Construction Account for the Bonds.

3.2.1 Bond Proceeds for Improvements. Except for the reimbursement to the Master Developer by the Bond Trustee of the Assessed Property portion of the Existing

Development Benefits and Existing Backbone Infrastructure, which shall take place immediately upon receipt of the Bond Proceeds from the Association, the Bond Trustee shall immediately deposit into the Construction Fund the Bond Proceeds in the amount estimated for the remaining cost of the Improvements.

3.2.2 Developer Responsibility for Construction. Developer shall be responsible for bringing about the construction of the Improvements in a timely manner and according to standards required by all applicable governmental authorities. Developer will only be entitled to Bond Proceeds for the estimated cost of those items of the Improvements properly completed upon Declarant's submission of a Requisition in the form and with the information as set forth in Section 3.2.3, below. Notwithstanding the foregoing, to the extent authorized by the Indenture, the Association, Developer and Declarant may determine and elect to allocate the Bond Proceeds and the Construction Fund to alternative infrastructure or improvements in place or instead of the Improvements, so long as such infrastructure or improvements provide a direct and special benefit of substantially comparable similar value to the Assessed Properties and do not materially and adversely impact the timing, access to or availability of the Assessed Properties for residential development. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the estimated costs of the items of the Improvements. Developer agrees that neither Beneficial Owners, Declarant, the Bond Trustee nor any Owners shall be responsible for any liens, damages or injuries arising out of or related to Developer's construction of the Improvements, and Developer covenants to defend and indemnify Beneficial Owners, Declarant, the Bond Trustee or Owners in the event a claim for damages or injuries is brought against them arising out of or related to Developer's construction of the Improvements.

3.2.3 Declarant Requisition. Declarant shall provide a written Requisition to the Bond Trustee in substantially the form as contained in Exhibit "D" of the Indenture, itemizing and substantiating claims for payments of amounts due and owing for construction of the Improvements. The Requisition shall specify the person or entity to whom the payment is owed and the item of Improvement to which it is attributable, and Declarant shall verify that the amount set forth is due and owing and constitutes a cost of acquisition and/or construction of the Improvements that does not exceed the estimated cost for that element of the Improvements identified and itemized on Exhibit "I" of this Declaration. Declarant shall include copies of reports of all required governmental inspections and governmental approvals of the Improvement together with the Requisition (or, in lieu thereof, proof of an improvement bond or other appropriate guaranty for the remaining cost of the item of Improvement posted by Developer with and approved by the applicable governmental authorities).

3.2.4 Bond Trustee Payment. Provided the Association is not in default under the Indenture, monies deposited in the Construction Fund shall be disbursed by the Bond Trustee to pay the costs of the Improvements (up to but not to exceed the amount of the estimated cost of that item of the Improvements set forth on Exhibit "H" of this Declaration, subject to any replacement improvement as described under Section 3.2.2) upon the Bond Trustee's receipt of a Requisition in the form required under Section 3.2.3. Bond Trustee shall disburse the funds within ten (10) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment)

after Bond Trustee's receipt of a Requisition form; provided that Declarant shall have delivered with such Requisition either (a) a certificate of completion from the project engineer certifying that the work has been completed in strict accordance with applicable plans and specifications, or (b) the County, relevant governmental authority or public utility has accepted any public or public utility infrastructure. In making such payments, the Bond Trustee may conclusively rely upon receipt of the Requisition that all conditions precedent to making the requested disbursement have been satisfied and may rely conclusively upon the information submitted by Declarant in the Requisition without making any independent investigation in connection therewith. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee payment to Developer of the estimated costs of the items of the Improvements upon Developer completion or Developer guaranty of completion. Such payments shall be presumed to be made properly and the Bond Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursement are being made from the Construction Fund, except to the extent necessary to confirm the association of the disbursement with the applicable item of the Improvements. Should Developer not need the entire estimated costs of an item of the Improvements, the Developer shall submit a Requisition to the Bond Trustee requesting reallocation of the estimated costs to a different item. Declarant and the Bond Trustee shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

3.2.5 Declarant Certification. Declarant shall deliver to the Bond Trustee within ninety (90) days after the Bond Trustee payment of each Requisition from the Construction Fund stating: (i) that the portion of the Improvements paid for has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, or that the Developer has posted an improvement bond (or other guaranty) therefor in an amount satisfactory to the applicable government entity; and (ii) that the Improvements have been fully paid for or guaranteed and no claim or claims exist against the Developer or against such Improvements out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event that Developer intends to contest such claim or claims, in which event such claim or claims shall be described in a writing submitted to the Bond Trustee. In the event the certificate filed with the Bond Trustee shall state that there is a claim or claims, in controversy which create or might ripen into a lien, Declarant shall file a similar certificate with the Bond Trustee when and as such claim or claims shall have been fully paid or otherwise discharged. The Bond Trustee shall hold any certifications submitted to it hereunder solely as repository for the benefit of the Bondholders and shall not be required to review the same or make any independent investigation in connection therewith.

3.2.6 Unused Bond Proceeds. Pursuant to the Indenture, upon completion of or bonding (or other guaranty) for each item of the Improvements to be financed with the Bond Proceeds and payment of all costs and expenses incident thereto and the filing by Declarant with the Bond Trustee of the required certifications, Declarant may direct that any balance remaining in the Construction Fund for that item not reallocated to another item be deposited in the Bond Fund, to be applied to pay interest next falling due with respect to the Bonds or to redeem Bonds with any remaining funds. Notwithstanding the foregoing, each

Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the obligation of the Bond Trustee to use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default under the Indenture to the extent there are no available funds held under the Indenture.

3.3 ASSESSMENT FUND. Pursuant to the Indenture, upon issuance of the Bonds, Declarant shall create and establish a fund in the name and custody of the Association referred to as the Assessment Fund ("*Assessment Fund*"). The Association shall receive into the Assessment Fund all of Owners' payments of Assessments, including Assessments collected by the Association or Association Trustee from the foreclosure sale of Lots or parcels due to delinquencies of Assessments. The Association shall transfer to Bond Trustee from the Assessment Fund all such deposited amounts within five (5) days after receipt thereof, for Bond Trustee's deposit into the Funds and accounts in the specified order of priority set forth in the Indenture, each priority being fully paid before the balance of said amounts are applied to any lower priority Fund or obligation and no payment being made on any priority if said amounts have been exhausted in the payment of higher priorities. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the delivery of amounts in the Assessments Fund to the Bond Trustee to deposit according to the priorities set forth in the Indenture, as follows:

3.3.1 Annual Installments. First, all Annual Installments (i) in the amount needed to pay the principal of and interest on the Bonds on each Interest Payment Date and at maturity or upon mandatory sinking fund redemption shall be deposited by Bond Trustee in the Bond Fund, with the Annual Installments intended to be used to make the payments on the Bonds on the following Interest Payment Date, (ii) in the amount attributable to the Administrator's fee (as set forth in the Assessment Plan) shall be deposited by the Bond Trustee in the Administrative Costs Account in the Bond Fund and then remitted annually to the Administrator (and to the extent Annual Installments are not sufficient for (i) and (ii) in whole, such amount shall be distributed pro rata.), and (iii) such other reasonable and customary amounts as may be necessary and appropriate to manage and administer the Association and its operations shall be deposited by the Bond Trustee in the Bond Fund and then remitted to the Association therefor.

3.3.2 Prepayments. Second, all prepayments of Annual Installments, including prepayment premiums, if any, shall be deposited by the Bond Trustee first in the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption and second, in the Redemption Account within the Bond Fund to redeem Bonds as provided in the Indenture.

3.3.3 Foreclosure Sale Proceeds. Third, all amounts of Assessments (including Annual Installments, accelerated Bond Obligation and other charges and amounts) received from the foreclosure or Association Trustee sale of Delinquent Property shall be deposited by Bond Trustee first to the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon

mandatory sinking fund redemption and second, an amount sufficient to replenish the Reserve Fund for draws made thereon to pay principal of or interest on Bonds when due or to reimburse the respective account for the Reserve Fund for any moneys used thereunder for foreclosure costs, shall be deposited into the respective accounts of the Reserve Fund; and

3.3.4 **Additional Foreclosure Sale Proceeds.** Fourth, all additional amounts received from the foreclosure or Association Trustee sale of Delinquent Property shall be deposited by Bond Trustee in the Redemption Account within the Bond Fund to redeem Bonds pursuant to the Indenture.

3.4 **RESERVE FUND.** Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Reserve Fund ("**Reserve Fund**"). Pursuant to the Indenture, Bond Trustee will establish within the Reserve Fund a Series 2022 Reserve Account for the Bonds which shall secure only the Bonds.

3.4.1 **Use of Funds.** Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest Bond Trustee use of moneys on deposit in the Reserve Fund to make up any deficiencies in the Bond Fund for the payment of the Bonds when due and to pay any foreclosure costs, as set forth in the Indenture.

3.4.2 **Replenishment of Funds.** Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee's use of amounts recovered by the Association or the Association Trustee in the exercise of any of the remedies provided in the Declaration or otherwise from delinquent Assessments and not needed to pay amounts coming due on the Bonds to replenish amounts drawn from the Accounts within the Reserve Fund up to the respective requirements, as set forth in the Indenture.

3.4.3 **Maintenance of Debt Service Requirement.** Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest maintenance of sufficient funds in the Series 2022 Reserve Account to fund the Debt Service Reserve Requirement, and to the Bond Trustee's transfer of such funds in the Account in excess of that on an annual basis on a date that is not earlier than thirty (30) days prior to the first Interest Payment Date of each year to the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due (and to the pro rata reduction of Annual Installments resulting from any such transfer), as set forth in the Indenture.

3.4.4 **Prepaid Lot Transfer Requirement.** Notwithstanding anything to the contrary contained in the Indenture, pursuant to the Indenture, in the event the Association receives a prepayment in full of the entire Assessment on a Lot, each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to

contest the Bond Trustee's transfer of monies from the Capitalized Interest Account or the Reserve Fund to the Bond Fund Redemption Account in an amount equal to that Lot's pro rata share of the Capitalized Interest Account or Debt Service Reserve Requirement (taking into account any outstanding delinquencies with respect to that Lot), as instructed in writing by Declarant in the amount specified by the Administrator. Those monies, together with the prepayment of Assessments, shall be used to redeem the series of Bonds related to such prepayment, as set forth in the Indenture. The Association shall give written instruction to the Bond Trustee in an amount determined by the Administrator, as to the amounts of Capitalized Interest Account. The new Debt Service Reserve Requirement with respect to the Bonds will then be decreased by the amounts transferred from the Reserve Fund to the Redemption Fund. If following (a) prepayment in full of the Assessment due as to any Prepaid Parcel and the concomitant delivery of funds into the Redemption Account for a partial redemption of the Bonds, and (b) the further redemption of Bonds from the pro rata amounts transferred to the Redemption Account from the Capitalized Interest Account and Reserve Fund (as determined by the Administrator), the amount of the Bonds Outstanding is less than the aggregate of all Assessments allocated to the remaining Assessed Property subject to the Assessment Lien, then the Assessment for each of the remaining Lots or Subdivision Parcels shall be adjusted on a pro rata basis (as determined by the Administrator) in reduction of such excess.

3.4.5 Final Payment of All Bonds. The Association shall instruct, in writing, the Bond Trustee to remit to the Owners, pro rata, any moneys on deposit in the Series 2022 Reserve Account not applied by the Bond Trustee to the final payment of the Bonds.

3.4.6 Deficiency in Reserve Account. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Association's replenishment of the Series 2022 Reserve Account from proceeds received from the sale of delinquent property if at any time the amount on deposit in the Series 2022 Reserve Account is less than the Debt Service Reserve Requirement with respect to the Bonds, upon notice thereof by the Bond Trustee, as set forth in the Indenture. As set forth in the Indenture, the Association shall not be required to replenish the Series 2022 Reserve Account to the Debt Service Reserve Requirement except as funds become available from the Assessments and the enforcement thereof.

3.5 COST OF ISSUANCE FUND. Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Cost of Issuance Fund ("*Cost of Issuance Fund*"). Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee disbursement from the Cost of Issuance Fund the amounts to Persons identified on a Cost of Issuance Disbursement Request executed by Declarant, and to the Bond Trustee's transfer of amounts on deposit in the Cost of Issuance Fund not needed for payment of costs of issuance to the Construction Fund, as set forth in the Indenture.

3.6 BOND FUND. Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the

custody of the Bond Trustee referred to as the Bond Fund ("**Bond Fund**"). Within the Bond Fund, Bond Trustee shall create an Administrative Costs Account ("**Administrative Costs Account**") and a Redemption Account ("**Redemption Account**"). The Bond Trustee shall make deposits to the Bond Fund, as and when received, as follows (i) amounts received from Association from the Assessment Fund as provided for in Section 3.3 above; (ii) moneys transferred from the Reserve Fund as provided for in Section 3.4 above; (iii) all other monies received by Bond Trustee hereunder when accompanied by directions from the Person depositing such monies that such monies are to be paid into the Bond Fund. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest Bond Trustee's withdrawal of sufficient monies from the Bond Fund to pay principal of and interest on the Bonds as the same become due on each Interest Payment Date and at maturity or upon earlier redemption and to make such monies so withdrawn available to the Paying Agent for the purpose of paying such principal and interest.

ARTICLE 4 ASSESSMENTS

4.1 ESTIMATED COSTS OF IMPROVEMENTS. The estimated acquisition, construction and installment costs of the Improvements within the Assessed Property, including capitalized interest costs, overhead costs, administrative costs, costs of funding reserves, underwriter's discount, and debt issuance costs, is \$86,100,000, as more particularly shown in the Indenture and on Exhibit "I" attached hereto. Such amount to be levied as the Bond Obligation is within the appraised value of the Assessed Property and is thus allowed as an encumbrance pursuant to Utah Code Section 16-6a-1201. In the event that the Bond Proceeds are insufficient to complete the Improvements, the Association shall in no event be obligated to fund the completion of any Improvements not funded by the Bond Proceeds, but instead Developer acknowledges and agrees that it shall be obligated to bear the costs of Improvements that exceed the costs estimate or available Bond Proceeds.

4.2 APPROVAL OF ASSESSMENT PLAN. Declarant confirms and adopts the Assessment Plan for the Lot, group of Lots or Subdivision Parcel within the Assessed Property. Declarant determines that the Assessments are levied according to the benefits to be derived by each Lot within the Assessed Property. Regardless of the foregoing Declarant determination, each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest or challenge the methodology used by the Administrator to determine the Assessment Plan and agree that their individual Lot Assessments have been levied according to the direct and special benefits to be derived by each Lot within the Assessed Property.

4.3 LEVY OF ASSESSMENTS. Declarant does hereby create and levy Assessments against the Assessed Property, and each individual Lot therein, in the amounts specified in the Assessment Plan for each Lot Type and Unit Count for each Neighborhood. The amount of Assessments levied upon each Lot of the Assessed Property, and which have been allocated to Subdivision Parcels on the basis of a calculation of LTUC therefor, reflects an equitable and proportional share of the benefits each Lot shares in the Improvements pursuant to

Utah Code Section 57-8a-201. The Assessments are debts of the respective Owners of the Assessed Property and the Lots therein upon the date of creation and levy, which is the Effective Date of this Declaration.

4.4 **AMOUNT OF TOTAL ASSESSMENTS.** The Assessments will not exceed, in the aggregate sum, the following: (a) the estimated contract price or acquisition price of the Improvements; (b) the reasonable cost of (i) utility service, maintenance, and operation to facilitate completion of the Improvements and (ii) labor, materials, or equipment to facilitate completion of the Improvements; (c) reasonable and customary overhead costs; (d) reasonable and customary amounts for contingencies; (e) estimated interest on interim warrants and bond anticipation notes issued to fund the Improvements; and (f) an amount sufficient to fund a reserve fund.

4.5 **METHOD AND RATE.** The Assessment amount to be allocated to each anticipated benefitted Lot within the Property is determined based upon a method of value and calculation utilizing LTUC. The Association has determined that the estimated costs of the Improvements and the Bond Costs shall be allocated among the Assessed Property based on the estimated assessed value at build-out for each Lot Type and Unit Count in each Neighborhood. Declarant provides no assurance that the estimated Unit Count of the particular Lot Types will ultimately be developed by Developer or any Builder within the boundaries of each Subdivision Parcel or Lot constituting a part of the Assessed Property, and Declarant provides no assurance that each Lot assessed will ultimately be developed.

The Assessment rate per Lot to be initially factored into each Subdivision Parcel (utilizing the LTUC metric) is as follows:

<u>Lot Type</u>	<u>Number of Lots Planned for Lot Type</u>	<u>Assessed Value % for the Lot Type</u>	<u>Allocated Principal Per Lot</u>	<u>Lot Installment/ Year</u>
Estate + Lot	10	4.54%	\$390,476	\$41,938
Estate Lot	26	9.83%	\$325,397	\$34,948
Large Lot	70	22.49%	\$276,587	\$29,706
Medium Lot	99	26.19%	\$227,778	\$24,464
Small-Medium Lot	100	22.68%	\$195,238	\$20,969
Small Lot	70	14.29%	\$175,714	\$18,872

4.6 **PAYMENT OF ASSESSMENTS.** Declarant has determined that the Improvements have a useful life of not less than thirty (30) years and has elected to have the Assessments paid over a period of not more than thirty (30) years from the Effective Date. The aggregate annual installment payments of the Assessment (the "*Annual Installments*") shall be in substantially equal amounts, subject, however, to adjustment as described herein. Interest on the unpaid balance of the Assessments shall accrue at the same rate or rates as shall be borne by the Bonds, plus an annual administrative cost incurred by the Association in an amount

reasonably required to administer the Association's obligations hereunder (not to exceed \$100,000 per year, with a 2% escalation each year) and under the Indenture, including without limitation, any direct out-of-pocket costs of the Association related to the administration and collection of the Assessments. The Administrator shall administer reallocation, invoicing and collection of the Assessments for the Association under the direction and supervision of Declarant. The Administrator shall send an invoice to the Owners of each Lot annually by August 1 of each year, commencing August 1, 2024, setting forth the Annual Installment amount due under the applicable Assessment and indicating the remaining balance then due under the Assessment. The Administrator may reduce Annual Installments coming due on the next Annual Installment date pro rata as a result of any transfer from the Series 2022 Reserve Account due to moneys held in excess of the Debt Service Reserve Requirement. The Annual Installment is due and payable on or before October 1, commencing on October 1, 2024, and continuing thereafter annually until the entire Assessment amount for the Lot (or other parcel of the Assessed Property) has been paid in full.

4.7 AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. Declarant imposes on each Owner and each Lot an affirmative covenant and obligation to pay to the Association all Assessments (including each and every Annual Installment thereof) in respect of the Lot. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, acknowledges that the Improvements confer a special benefit on their Lot(s) that exceeds the amount of the Assessments on their Lot(s). Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, shall be obligated and agrees to pay all Assessments applicable to the Lots owned (including all Annual Installments and Mandatory Prepayments when due), regardless of their nature, including but not limited to any then past due installment payments in accordance with the provisions of this Declaration and consents and agrees to the Association Lien rights hereunder against the Lot or Lots owned by the Owner. Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, simultaneously conveys the Lot(s) in trust, with power of sale, to the Association Trustee for the purpose of securing payment of all amounts due under the Declaration. By acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, each Owner (a) ratifies, confirms, accepts, agrees to, and approves the determinations and findings of the Administrator described in the Benefit Apportionment Analysis prepared by DTA and last updated on February 24, 2022 from which the Assessment Plan was derived, including the special benefits and assessment methodology of the Assessment Plan contained therein, and (b) expressly waives the rights to contest, challenge or have a hearing on the methods used to calculate Assessments, the amounts of Assessments, the timing and manner of payments for the Assessments or the use of the Assessments; whether for the identified Improvements or for similar infrastructure or improvements of similar value to the Assessed Properties providing a direct and special benefit to and enabling residential development of the Assessed Properties. Each Owner waives any right or claim to (i) challenge or audit the expenditure or allocation of Bond Proceeds for the Improvements or any such similar infrastructure or improvements, and (ii) contest such expenditure or allocation by any one of the Association, Developer and Declarant. The liability for Assessments is personal to the Owner and may not be avoided by waiver of the use of Improvements or by the abandonment of the Lot

or Lots for which the Assessments are made. Neither the liability for Assessments nor the amount of Assessments shall be reduced or avoided due to the fact that all or any portions of the Improvements are not completed. No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged failure of the Association or the Declarant to take some action or perform some function required to be taken or performed by the Association or Declarant under this Declaration, the Articles or the Bylaws or for inconvenience or discomfort arising from the making of repairs to or maintenance of the Improvements, or from any action taken to comply with any law or with any order or directive of any municipal or other governmental authority.

4.8 ELECTIVE PREPAYMENTS. At any time prior to an Annual Installment due date, the Owner of a Lot, group of Lots or Subdivision Parcel may elect to cause a prepayment, in full, of all unpaid amounts of the Assessments (a "*Prepayment Election*"). The amount payable following a Prepayment Election by such Owner (the "*Elective Prepayment Amount*") shall include, along with the principal amount of the Bond Obligation allocated to said Lot, group of Lots or Subdivision Parcel, (a) amounts necessary to pay the interest which would accrue on the Assessment to the next succeeding date on which interest is payable on the Bonds, plus (b) the allocable amount of any premiums required to redeem the Bonds pursuant to the Indenture, plus (c) such additional amount as reasonably calculated by the Administrator is necessary to assure the availability of money to pay interest on the Bond as interest becomes due and payable. Within ten (10) business days of any Owner's delivery of written request to cause an Elective Prepayment, Administrator shall issue a written statement indicating the required Elective Prepayment Amount for a given date upon a written request by the Owner and payment of a reasonable fee as set forth in the Association Act. Such written statement is conclusive in favor of any Person who relies upon that statement in good faith as of the date of the statement. Following delivery of the Elective Prepayment Amount to the Bond Trustee, as the case may be, the Association and Declarant shall record a notice of release of the Lien and termination of encumbrance acknowledging that the subject Lot is no longer a part of the Assessed Property, and releasing the subject Lot from the encumbrance, Lien, Assessment and charge of this Declaration.

4.9 ALLOCATION OF ASSESSMENTS PRIOR TO SUBDIVISION. The Assessed Property has not yet been subdivided as anticipated for development. The Assessments (and annual installment payments thereof) shall be allocated by the Administrator to the Neighborhoods and Subdivision Parcels in which the Lots are currently anticipated to be located (as identified in the Development Plan and Assessment Plan) and to the Developer or any Builder who obtains title to such Subdivision Parcels, as the Owner. The Subdivision Parcels may hereafter become platted and subdivided, with the consent of Declarant (which consent shall not be unreasonably withheld). In subdividing, a Builder or Declarant may make changes to the Subdivision Parcels including, without limitation, reducing or increasing the size of the Subdivision Parcels and constituent Lots, modifying the boundary description of the Subdivision Parcels, changing the allocation of the Lot Type and number of Lots within, and otherwise making changes necessary or appropriate to plat the Subdivision Parcels with the consent of Declarant; provided that (i) the LTUC of each Subdivision Parcel shall not be reduced and (ii) the fair market value of each Subdivision Parcel after the applicable change is greater than three (3) times the sum of (A) the remaining unpaid Assessment for that Subdivision Parcel, plus (B) any other unpaid assessment liens or property tax liens on such Subdivision Parcel (such fair

market value to be determined by a certified appraiser acceptable to the Administrator), and (iii) the total of all Assessments applicable to such Subdivision Parcel shall be sufficient to satisfy the Bond Obligations as anticipated by the Assessment Plan. In lieu of the above formula, the Builder may simply prepay the Assessment for a Lot that is removed from a pre-existing Neighborhood parcel, in an amount to be determined by the Administrator; provided, however, any increase in the size of a Neighborhood or reallocation of Lots will require an amendment to the Assessment Plan, and if Declarant determines, an amendment to this Declaration. Once a Subdivision Parcel is platted and the Lots within are subdivided, the Assessment lien for the Lots within that Subdivision Parcel will be re-allocated to or released from, as appropriate, any of the Assessed Property located outside the platted portion of that Subdivision Parcel by the Administrator; provided the fair market value of such Subdivision Parcel after release of any Lots from the Subdivision Parcel is greater than three (3) times the sum of (A) the remaining unpaid Assessment for that Subdivision Parcel, plus (B) any other unpaid assessment liens or property tax liens on such Subdivision Parcel (such fair market value to be determined by a certified appraiser acceptable to the Administrator). The final plat for any Subdivision Parcel or subdivided Lot therein recorded after the effective date of this Declaration must either (a) include a plat note that provides the exact allocation of the Assessments among the Subdivision Parcel and the individual Lots therein, or (b) be recorded with a concurrent Supplemental Declaration allocating the Assessments and Bond Obligation among the subject Lots. Neither the filing or recording of a subdivision plat nor recording of a Supplemental Declaration that results in the reallocation of the Bond Obligation or Assessment among the constituent Lots shall adversely affect the priority of the Lien for Assessments established hereunder as against any other lienholders encumbering any Lot.

4.9.1 **Mandatory Prepayments.** Except as otherwise provided herein, the mandatory prepayments required below shall be treated the same as any Assessment that is due and owing under the Declaration, including the same lien priority, prepayment premiums, Special Processing Charges, other charges, interest, procedures, and foreclosure specified hereunder or by the Indenture or the Association.

(a) **Sales of Lots or Assessed Property.** If, at any time prior to an Annual Installment due date, Owner elects to sell or convey any portion of the Assessed Property to a homebuilder, homeowner or any other third-parties that is not the Developer, then Owner shall cause a prepayment to be made sufficient to satisfy Association's obligations to make a Property Seller Redemption in accordance with the terms of the Indenture (a "**Lot Sale Prepayment**"). The amount payable by Owner upon a Lot Sale Prepayment (the "**Lot Sale Prepayment Amount**") shall include the following: (i) amounts necessary to pay the interest that will accrue on the Assessment to the next succeeding date on which interest is payable on the Bonds, plus (ii) an amount equal to one hundred twenty percent (120%) of the outstanding principal amount of the Bond Obligation allocated to the Lot, group of Lots or Subdivision Parcel being conveyed; plus (iii) the allocable amount of any premiums required to redeem the Bonds pursuant to the Indenture, plus (iv) such additional amount as reasonably calculated by the Administrator is necessary to assure the availability of money to pay interest on the Bond as interest becomes due and payable, but taking into account and applying amounts transferred from the Reserve Fund and the Capitalized Interest Account (if any) as required by Sections 5.2(d) and 5.4(c) of the Indenture. With respect to the Lot, group of Lots or Subdivision Parcel intended to be sold or otherwise conveyed, the Owner thereof shall deliver to Association and the

Administrator a Notice of Intent to Sell at least thirty (30) days prior to the close of escrow or other conveyance date therefor (a "**Sale Notice**"). Within ten (10) business days of its receipt of a Sale Notice, Administrator shall issue a written statement indicating (A) the required Lot Sale Prepayment Amount for a given date provided by Owner in the Sale Notice, and (B) an amount payable as a reasonable fee to Association in accordance with the Association Act. Such written statement from Administrator is conclusive in favor of any Person who relies upon that statement in good faith as of the date of the statement. Concurrently with the close of escrow and/or recordation of the deed of conveyance in connection with the Lot Sale, Owner shall deliver the Lot Sale Prepayment Amount to the Bond Trustee, whereupon the Association shall record a notice of release of the Lien and termination of encumbrance acknowledging that the subject Lot, group of Lots or Subdivision Parcel is no longer a part of the Assessed Property, and releasing the subject Lot, group of Lots or Subdivision Parcel from the encumbrance, Lien, Assessment and charge of this Declaration. If payment of the Lot Sale Prepayment Amount(s) in connection with one or more Lot Sales causes the aggregate of the then total Assessment principal allocated to the remaining Lots and Subdivision Parcels of the Assessed Property to exceed the aggregate principal amount of the Bonds Outstanding, Administrator shall adjust the Assessment principal of the remaining Lots and Subdivision Parcels of the Assessed Property accordingly.

(b) **Assessment Excess.** If at any time the Assessment allocated to a Lot under the Assessment Plan exceeds the original assessment calculated for a Lot or Lots as set forth therein as a result of any subdivision resulting in a reallocation of an Assessment authorized by the Administrator (including platting or re-platting initiated by the Owner of that Lot), then, following necessary compliance, such Owner shall pay to the Association (or in accordance with Association's direction) prior to the recordation of the instrument subdividing or re-subdividing the Lot or Lots the amount calculated by the Administrator by which the new Assessment amount for the Lot or Lots exceeds the original Assessment amount allocated thereto.

(c) **Assessment Shortfall.** If at any time the Assessment allocated to a Lot as indicated in the Assessment Plan is less than the original Assessment amount calculated therefor as a result of any reallocation authorized by the Administrator (including platting or re-platting initiated by the Owner of that Lot), then, such Owner shall pay to the Association prior to the recordation of the instrument subdividing or re-subdividing the Lot or Lots, the amount calculated by the Administrator by which the new Assessment for the Lot or Lots is less than the original Assessment amount allocated thereto.

(d) **Transfer of Assessed Property to Exempt Party.** If any Lot or Lots (or portion thereof) is transferred to a party that is exempt from the payment of the Assessment under the Declaration or by operation of applicable law, or if an Owner causes a Lot to become non-benefited property (e.g., non-residential), such Owner shall pay to the Association the full amount of the Assessment, plus all prepayment costs, for such Lot(s) or portion thereof prior to any such transfer or act.

4.10 ALLOCATION OF ASSESSMENTS AFTER SUBDIVISION. Once a Subdivision Parcel is platted with a final plat for subdivision, the Assessments shall be allocated or re-allocated by the Administrator to the platted individual residential Lots in accordance with the total LTUC ascribed to that Subdivision Parcel. As long as the aggregate Assessments tied to

a Subdivision Parcel are allocated in full among Lots, the Owners of a Subdivision Parcel, with the consent of the Administrator and Declarant, may reallocate the Assessments to the Lots based on either (i) a saleable square foot method, (ii) a then-current property fair market value method, or (iii) other industry-standard method, as may be determined by a certified appraiser acceptable to the Administrator, so long as, following a reallocation as described in this paragraph, the then current fair market value of each of the Lots must be greater than or equal to three (3) times the sum of (A) the remaining unpaid Assessment for that Lot, plus (B) any other unpaid assessment liens or property tax liens on such Lot (such fair market value to be determined by a certified appraiser acceptable to the Administrator). The Owners, by granting and accepting portions of the Lots, as re-subdivided, consent to reallocation of Assessments for the Lot by the Administrator in accordance with the provisions of this paragraph. The Administrator shall provide an Annual Administrative Report regarding any reallocation of Assessments. The final plat for any re-subdivided Lot therein recorded after the effective date of this Declaration must include a plat note that provides the exact allocation of the Assessments among the various portions of the re-subdivided Lot. When record title to the subdivided individual Lots improved with a residence are sold, transferred or exchanged to the residential Owners, the Assessments will be allocated to the residential Owners of the Lots. If the intended residential Owner is exempt from the payment of Assessments under applicable law, the entire Assessment must be prepaid prior to conveyance of the Lot to the residential Owner. If any residential Owner of a Lot thereafter seeks to further subdivide its Lot or create one or more Additional Owners of all or a portion of the Lot, such further subdivision shall be subject to the consent of the Declarant, which consent shall not be unreasonably withheld, conditioned or delayed. When a residential Owner of any individual Lot re-subdivides a Lot or creates Additional Owner thereof, the Administrator shall have the right and authority, on behalf of Declarant and the Association, to reallocate the responsibility to pay Assessments tied to that Lot among the Lot subdivisions and individual Owners thereof.

4.11 LIEN OF ASSESSMENT; CROSS-COLLATERALIZATION AFFECTING MULTI-LOT OWNERS. The Assessments and any part of them (including Annual Installments), any interest accruing thereon, and the Special Processing Charges, trustee's fees, attorneys' fees, and other costs of collection therewith shall constitute a lien against the Lot subject to such Assessment as of the effective date of this Declaration ("**Lien**"), including against the entire Assessed Property initially for all of the Lots, against the Subdivision Parcels based upon the LTUC for each, and against the individual Lots upon subdivision platting in compliance with Utah law. Where an Owner holds title Assessed Property to which is allocated multiple Lots of the same Lot Type, then, prior to completion on each such Lot and sale to the home buying public of a residential dwelling, the Lien for all of the Lots of the same Lot Type owned by such Owner shall (a) constitute security for payment of Assessments for each of the other Lots of that Lot Type, and (b) be subject to Lien enforcement in accordance with Section 4.14, below, as if an Assessment Default had occurred for all such Lots. Until released, the Lien shall have priority over any assessment owed to any other association of which the Lot is a part and over any other lien or encumbrance that may be recorded on the affected property, including any trust deed, mortgage, mechanic's, or materialman's lien; provided, however, that the Lien shall not have priority over a lien for general property taxes. The Lien shall apply without interruption, change in priority, or alteration in any manner to any reduced payment obligations, and any interest, Special Processing Charges, and cost on it are paid or released set forth in this Declaration. The Lien for the Assessment, including such fees, charges and costs

imposed by the Declaration or adopted by the Association (“*Special Processing Charges*”) and associated with the Association’s or the Association Trustee’s efforts to collect any late or unpaid installment of the Assessment or with foreclosing upon the Lien, including without limitation, pre-litigation costs, special administrative expenses, court costs and reasonable attorney’s fees, late charges, interest and any other amounts.

4.12 RELEASE OF ASSESSMENT LIEN. A release of the Lien for any affected property will be delivered by Association to the Owner at the time the Assessment balance for such affected property is paid in full, as calculated by the Administrator pursuant to Section 4.8 of this Declaration. Notwithstanding the foregoing, when an Owner (including Developer or a Builder) seeks to prepay the Assessment(s) for a portion of a Subdivision Parcel or only a portion of the Lots owned by that Owner (“*Release Parcel(s)*”) and the release is simply to clear title for the Release Parcels but is not in connection with a pending sale of the Release Parcel(s) to the homebuying public, the release shall be subject to the following conditions: (a) the Owner shall submit the legal description of the Release Parcel(s), and if the Release Parcel(s) have not been subdivided the Administrator shall determine the total LTUC allocated to the Release Parcel(s) based on the percentage of assessed value of the Release Parcel(s) to the percentage of assessed value in the Subdivision Parcel from which the Release Parcel(s) were formed, or any other industry standard methodology for such calculation; (b) the Owner shall prepay all the Assessments applicable to the Release Parcel(s), as calculated by the Administrator pursuant to Section 4.8 herein, less the proportionate share of any previously paid regularly scheduled Annual Installments of the Assessment applicable to the Release Parcel(s) as determined in clause (a); and (c) the release of the Lien as to the Release Parcel(s) upon payment of the amount determined pursuant to clause (b), above, shall not be permitted except as otherwise provided in this clause (c), if the fair market value of the balance of the Subdivision Parcel, after release of the Release Parcel(s), is less than three (3) times the sum of (i) the remaining unpaid Assessment on the balance of the Subdivision Parcel, plus (ii) any other unpaid assessment liens or property tax liens on the balance of the Subdivision Parcel (such fair market value to be determined by a certified appraiser acceptable to the Administrator). If the Administrator determines that the proposed release of the Release Parcel(s) does not comply with the requirements of clause (c), such release may still be permitted if the Owner prepays an additional portion of the Assessment for the remainder of the Subdivision Parcel in order to release the Liens from the Release Parcel(s), such additional amount to be determined by the Administrator as complying with the requirements of clause (c). Prepayments of Assessments shall be applied as provided in the Indenture of Trust under which the Bonds are issued. As prepayments are paid and applied against the payment of the Assessments applicable to the Release Parcel(s), the Release Parcel(s) may be released from the lien of the Assessments levied against the Release Parcel(s) and the Assessments levied against the balance of the Subdivision Parcel owned by the Owner may remain unpaid. Notwithstanding anything to the contrary contained hereinabove, Association shall, upon the written request from Developer, Builder or other Owner and without need for delivery of any prepayment of Assessments or other consideration therefor, release from the lien and encumbrance of this Declaration any portion of the Assessed Property described in Section 1.1.39(c) of this Declaration, upon (i) the dedication or other conveyance of such portion to the City, County, State or other governmental authority, (ii) the conveyance of such portion to a public utility, or (iii) the conveyance thereof to any homeowners association to be held and used as common area. Despite Association’s release of any portion of the Assessed Property from the lien and encumbrances of this Declaration, the Owner that obtains such release (even

following such dedication or conveyance) shall remain obligated with respect to any covenant, duty or obligation for which performance thereof shall thereafter arise until all of the Assessed Property owned by such Owner and described herein is released from the lien and encumbrance of this Declaration.

4.13 DEFAULT IN PAYMENT OF ASSESSMENTS. If a default occurs in the payment of any portion of the Assessment (including any Annual Installment thereon) when due, the Administrator, on behalf of Declarant and the Association, may declare the unpaid amount to be immediately due and payable and subject to collection and Lien foreclosure as provided in the Declaration. In addition, the Administrator, on behalf of the Declarant and the Association, may accelerate payment of the total unpaid balance of the Assessment and declare the whole of the unpaid Assessment principal and interest then due to be immediately due and payable. Interest shall accrue and be paid on all amounts declared to be delinquent or accelerated and immediately due and payable at a rate equal to the lesser or (a) fifteen percent (15%) per annum, or (b) the maximum rate of interest permitted by applicable law (the "*Delinquent Rate*"). Upon any default, the Association shall assign all rights of collection for the delinquent Assessment to the Association Trustee, as the collection agent for the Association. In addition to interest charges at the Delinquent Rate, costs of collection incurred by Association Trustee, including without limitation, attorneys' fees, the Association Trustee's fees, and court costs, incurred by the Association Trustee or required by law shall be charged and paid on all amounts declared to be delinquent or accelerated and immediately due and payable. Until such costs of collection are recovered by the Association Trustee, the Association Trustee may charge such costs as an additional overhead cost against all Assessments, to be paid to the Association Trustee out of the Reserve Fund, with a credit later upon any recovery of such costs.

4.14 DEFAULT NOTICE AND SALE. Upon any default in the payment of Assessments by the Owner of a Lot or Subdivision Parcel (an "*Assessment Default*"), the Association Trustee shall give notice in writing of the default to that Owner, by delivery of written "Notice of Assessment Default" to the address shown by the last available completed real property assessment rolls of the County. The Notice of Assessment Default shall be in the manner and with the language required by the Utah Code (at Section 57-8a-303, or such other applicable, amended or superseded section thereof). In the event that the Owner of a Lot (or land consisting of or allocated more than one Lot) that is subject to an Assessment Default holds title to improved or unimproved Lots (or land consisting of more than one Lot) of the same Lot Type as provided in Section 4.11, above whereby all of the Lots of the same Lot Type owned by such Owner (including those Lots for which no Assessment Default may have occurred) cross-collateralize and secure payment of the Assessment upon each Lot for which the Assessment Default has occurred, then all of such Lots shall be subject to enforcement of that Lien to satisfy the unpaid Assessments of that Owner; and, accordingly, the Association Trustee may designate in the notice of an Assessment Default or foreclosure, each or every Lot of the same Lot Type owned by the Owner as being subject to Lien enforcement. Each notice shall be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the Owner as shown on the last completed real property assessment rolls of the County, or at such other address or manner as shall be required by the Association Act. The notice shall provide for a period of thirty (30) days in which the Owner must pay in full the past-due Assessments in order to avoid acceleration of the Bond Obligation allocated to such Lot and foreclosure of the Lien. After the thirty (30) days have expired, the Association Trustee, on behalf of the Association, may

immediately initiate a sale of the designated Lot as provided in the Association Act either (i) in the manner provided for nonjudicial foreclosure, or (ii) in the manner provided for judicial foreclosure. If, at the sale, no Person bids and pays the full amount due on the Assessments (including, without limitation, the full amount of the accelerated Bond Obligation allocated to such Lot or Lots) plus interest and costs, then the Lot or Lots or Subdivision Parcel may be acquired by the Association by a credit bid for those amounts, whereupon the subject Lot or Lots or Subdivision Parcel shall be conveyed to the Beneficial Owners in accordance with Section 4.17, below; provided, however, that if the Beneficial Owners or Bond Trustee shall, prior to such foreclosure and Association Trustee sale, deliver written notice to the Association of their or its determination to reject a conveyance of that Lot or parcel as provided under Section 4.17, then (a) the Association may forego acquisition of the Delinquent Property by credit bid, and (b) the Beneficial Owners shall be deemed to have elected to accept such lesser amount of sale proceeds as are actually received upon the foreclosure and Association Trustee sale in full satisfaction of the Assessment and Bond Obligation allocated to such Lot or parcel. Should any of the Assessed Property be divided into individual condominium Lots the procedure described above shall also apply to the individual condominium Lots and not to the overall condominium property.

4.15 CURE OF ASSESSMENT DEFAULT. If prior to the final date payment may be legally made under a final sale or foreclosure of a Lot or Lots to collect delinquent Assessments, the Owner pays the full amount of all unpaid Annual Installments which are past due and delinquent, with interest on such Annual Installments at the rate or rates set forth in the Declaration to the payment date, plus all attorneys' fees reasonably incurred, and other costs of collection, the Assessment of such Owner shall be restored and the Assessment Default cured and removed, and thereafter the Owner shall have the right to make Annual Installments as if the Assessment Default had not occurred. Any payments made to cure an Assessment Default shall be applied as follows: first, to the payment of attorneys' fees and other costs of collection reasonably incurred by the Association, the Association Trustee or Administrator as a result of such Assessment Default; second, to interest charged on past due Annual Installments, as set forth above; and, third, to the interest portion of all past due Assessments; and, last, to the payment of outstanding principal.

4.16 REMEDIES CUMULATIVE. The remedies provided for the collection of Assessments and the enforcement of Liens shall be deemed and construed to be cumulative and the use of any one method or means or remedy of collection or enforcement available at law or in equity shall not deprive the Association of the use of any other method or means. Pursuant to Section 57-8a-305 of the Association Act, the One Action Rule does not apply to judicial or nonjudicial foreclosure of a Lot. The amount of accrued interest and all costs of collection, the Association Trustee's fees, attorneys' fees and costs reasonably incurred shall be added to the amount of the Assessment up to, and including, the date of foreclosure sale.

4.17 ASSOCIATION CONVEYANCE OF FORECLOSED LOTS. If the Association acquires a Subdivision Parcel or Lot by credit bid at the foreclosure as provided in Section 4.14, above, then, unless the Beneficial Owners or Bond Trustee shall have previously delivered written notification to the Association of the Beneficial Owners' election to reject any conveyance thereof (as provided in said Section 4.14), the Association shall immediately convey that Subdivision Parcel or Lot to the Bond Trustee (or an entity designee) on behalf of the

Beneficial Owners in accordance with the election made under the Indenture, which conveyance shall occur by delivery of a quitclaim deed to be prepared by the Association Trustee. Association shall have no obligation to pay any Assessment installments for attributable to such Subdivision Parcel or Lot during the temporary period of ownership thereof following foreclosure. The quitclaim deed shall state that the Subdivision Parcel or Lot is conveyed "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind, in full satisfaction of all outstanding Assessment obligations related to such Subdivision Parcel or Lot under the Declaration and Indenture. Upon transfer of the foreclosed Lots to the Bondholders, the Bondholders shall not be entitled to any of the Funds held with respect to such Lots, and the Bond Trustee shall adjust and reallocate any Funds associated therewith, including any pro rata reduction in prospective Bond Obligations that may result therefrom.

4.18 ASSOCIATION FORECLOSURE RESPONSIBILITY. Pursuant to the Indenture, Association shall accept and shall be permitted to rely upon direction from the Bond Trustee on behalf of the Beneficial Owners in (a) pursuing foreclosure proceedings or other remedies under the Indenture or this Declaration in connection with any Assessment to the extent Association is permitted by law to follow such direction, or (b) determining to accept or reject the subject Lot or Subdivision Parcel if the Association shall have the opportunity to acquire the same by credit bid at a foreclosure sale. In the absence of any lawful direction from the Bond Trustee on behalf of Beneficial Owners or upon compliance with such lawful direction, Association shall not be liable for any harm to Beneficial Owners from Association's efforts to complete its duties under the Indenture in a reasonable manner, nor shall the Association be required to spend any of its own funds to complete such duties. Association shall not be responsible to pay for the costs associated with the collection of any Assessment Defaults and the enforcement of the Liens. Such costs shall be paid by and/or reimbursed to the Association Trustee from the Reserve Fund available under the Indenture and this Declaration, and such costs shall be included in amounts required to be collected in connection with the sale of delinquent Lots upon foreclosure. Association shall have no obligation to pay any Annual Installments or other portions of the Assessments in the case of temporary ownership of the designated Lot following foreclosure.

ARTICLE 5 DURATION, AMENDMENT, SUPPLEMENT AND ANNEXATION

5.1 DURATION AND TERMINATION. This Declaration shall continue in full force and effect until the full and final indefeasible payment on the Bonds is received by Bondholders as may be required to cause a full payment of the Bonds at maturity. A declaration of termination satisfying the requirements of an amendment to this Declaration may be recorded against the Assessed Property pursuant to the terms hereof upon full redemption of all of the Bonds and the satisfaction by the full Membership of the Association of all Bond Obligations in accordance with the Indenture.

5.2 DECLARANT AMENDMENTS. During the Declarant Control Period, Declarant may unilaterally amend this Declaration at any time by Recording a written instrument signed by Declarant and such Bond Trustee to (1) conform this Declaration to any laws or regulations or any Governmental Authority, (2) correct typographical or engineering errors or amend, replace or substitute any exhibit to correct typographical or engineering errors,

(3) include any exhibit that was inadvertently omitted from this Declaration at the time of recording, (4) change or update any exhibit or portion of an exhibit to conform to final subdivision plats and as-built conditions of the Assessed Property so long as such change does not materially adversely affect the Assessment obligation or lien rights of the Association or the Beneficial Owners, or (5) for any other purpose in order to effectuate the purposes described herein for the funding of the Improvements for the benefit of the Assessed Property. Notwithstanding the foregoing, no amendment described in clause (5) of this Section 5.2 shall be made by Declarant without the written approval and consent of Beneficial Owners representing at least fifty-one percent (51%) of the outstanding Bonds of the Association, to the extent such amendment could adversely affect (i) the priority of the Assessment Liens or the rights of Association to collect, or enforce the payment of, Assessments from the Owners, or (ii) Association's ability to perform its duties and obligations under the Indenture. Notwithstanding the foregoing, if after written request for approval of a proposed amendment to this Declaration as described in clause (5), above, is made and delivered by the Declarant to the Bond Trustee by nationally reputable overnight courier or by certified or registered mail with a return receipt requested, the proposed amendment shall be deemed to have been approved if neither the Bond Trustee nor Beneficial Owners submits to Declarant a response to the notice within sixty (60) days after the date of the confirmed delivery or mailing receipt thereof.

5.3 OWNER AMENDMENTS. After all of the Bonds are repaid and after the Declarant Control Period has expired, this Declaration may be amended subject to the following approvals and consent:

5.3.1 Member Approval. Following the Declarant Control Period, the "voting power" of each Member shall be determined on the basis of a ratio of the Assessment allocated to such Member's Lot as it bears to the aggregate total of all Assessments of all Members of the Association. Accordingly, Members of the Association holding at least a majority of the voting power of the Association shall have consented to the proposed amendment; except that the following amendments shall require approval by the Members as follows:

(a) any amendment to the manner and methodology for allocating Assessments among the Lots shall require the consent of sixty-five percent (65%) of the voting power of the Association; and

(b) any amendment to the provisions of this Section 5.3.1 shall require the unanimous consent of all Members.

5.3.2 First Mortgagee Approval. In addition to the required notice and consent of Members, the Beneficiaries of fifty-one percent (51%) of the First Mortgages on all the Lots in the Assessed Property who have requested notifications of any such proposed action must approve of any of the following amendments enacted by Members under this Section 5.3:

(a) Any amendment that adversely affects or purports to affect the validity or priority of Mortgages or the rights or protections granted to Beneficiaries hereunder.

(b) Any amendment that would or could result in a Mortgage being canceled by forfeiture.

(c) Any amendment which would subject any Owner to a right of first refusal or other such restriction if such Lot is proposed to be sold or otherwise conveyed.

Each Beneficiary of a First Mortgage on a Lot in the Assessed Property which is sent written notice of a proposed amendment of this Declaration by certified or registered mail with a return receipt requested (or such other form of notice as may be reasonably specified in such Beneficiary's written request for notice) shall be deemed to have approved the amendment or termination if the Beneficiary fails to submit a response to the notice within thirty (30) days after the date of the mailing receipt.

5.3.3 Association Beneficial Owner Approval. In addition to the required notice and consent of Members, the Beneficiaries and First Mortgagees, the approval and consent of Beneficial Owners representing at least fifty-one percent (51%) of the outstanding Bonds of the Association shall be required (by delivery of written notice to Bond Trustee) for any of the following amendments enacted by Members under this Section 5.3:

(a) Any amendment that adversely affects or purports to affect the validity or priority of the Assessment Liens or the rights of Association to enforce the payment of Assessments from the Owners; or

(b) Any amendment that would or could result in the Bonds, and Association's repayment thereof or other performance of duties and obligations under the Indenture, being materially and adversely impacted;

Each of the Bond Trustee and the Beneficial Owner of the Association shall be deemed a third party beneficiary of the protections and restrictions under this Section 5.3.3. Notwithstanding the foregoing, if after written request for approval of a proposed amendment to this Declaration is made and delivered by the Association or its Members to the Bond Trustee by nationally reputable overnight courier or by certified or registered mail with a return receipt requested, the proposed amendment shall be deemed to have been approved if neither the Bond Trustee nor Beneficial Owners submits a response to the notice within sixty (60) days after the date of the confirmed delivery or mailing receipt of such written request for approval.

5.3.4 Certification of Amendments. With respect to any amendment enacted after the Declarant Control Period and requiring the approval of the majority (or greater proportion) of the Membership, a copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment will be effective when a Certificate of Amendment is Recorded. The Certificate, signed and sworn to by at least two (2) officers of the Association that the requisite number of Members have either voted for or consented in writing to any termination or amendment adopted as provided above, when Recorded, is conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for at least four (4) years. The certificate reflecting any termination or amendment which requires the written consent of any of the Beneficiaries of First Mortgages

must include a certification that the requisite approval of such First Mortgagees has been obtained or deemed obtained.

5.4 SUPPLEMENTAL DECLARATIONS. Declarant shall be authorized to execute and record one or more Supplemental Declarations (a) against all of the Assessed Properties in connection with the Declarant's assignment of its rights and obligations as Declarant as may be authorized by the Indenture, for which no signatures of Owners shall be required, and (b) against any portion of the Assessed Property, with the consent of the Owners of all Lots, Subdivision Parcels or other parcel included within such portion of the Assessed Property allocating or re-allocating the Assessments and Bond Obligations among such Lots, Subdivision Parcel or other parcel on the basis of a method and rate that is substantially consistent with the LTUC, concurrently with the subdivision platting of Lots thereon. If there is any conflict between any Supplemental Declaration and this Declaration, then provided that the Supplemental Declaration was approved and recorded in accordance with the terms and intent of this Declaration, the provisions of the Supplemental Declaration shall control with respect to the Lots or other parcel of real property described in such Supplemental Declaration unless otherwise stated therein.

ARTICLE 6 GENERAL PROVISIONS

6.1 MERGERS OR CONSOLIDATIONS. In a merger or consolidation of the Association with another association, the properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the Community, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Community, together with the covenants and restrictions established on any other property, as one (1) plan.

6.2 NO PUBLIC RIGHT OR DEDICATION. Except as expressly provided in this Declaration, nothing in this Declaration is a gift or dedication of all or any part of Benloch Ranch, or any real property interest therein, to the public or for any public use.

6.3 NOTICES. Except as otherwise provided in this Declaration, notice to be given to an Owner must be in writing and may be delivered personally to the Owner. Personal delivery of such notice to one (1) or more co-Owners, or any general partner of a partnership owning a Separate Interest, constitutes delivery to all Owners. Personal delivery of such notice to any officer or agent for the service of process on a corporation or limited liability company constitutes delivery to the corporation or limited liability company. Such notice may also be delivered by regular United States mail, postage prepaid, addressed to the Owner at the most recent address furnished by such Owner to the Association or, if no such address has been furnished, to the street address of such Owner's Separate Interest. Such notice is deemed delivered three (3) business days after the time of such mailing, except for notice of a meeting of Owners or of the Board, in which case the notice provisions of the Bylaws control. Any notice to be given to the Association may be delivered personally to Declarant, any member of the

Board (if formed), or sent by United States mail, postage prepaid, addressed to the Association at such address as may be fixed and circulated to all Owners.

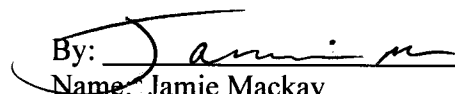
6.4 **CONSTRUCTIVE NOTICE AND ACCEPTANCE.** Every Person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of Benloch Ranch consents and agrees to every limit, restriction, easement, reservation, condition and covenant contained in this Declaration, whether or not any reference to these restrictions is in the instrument by which such Person acquired an interest in such Lot or other real property interest Benloch Ranch.

[SIGNATURES ON NEXT PAGE]

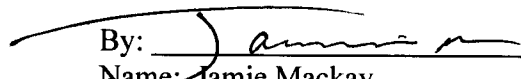
**[SIGNATURE PAGE TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION No. 2]**

This Declaration is dated for identification purposes March 28, 2022

DECLARANT: **BENLOCH RANCH
DEVELOPMENT GROUP II, LLC,**
a Utah limited liability company

By: 
Name: Jamie Mackay
Its: President

DEVELOPER: **BENLOCH RANCH LAND COMPANY II,
LLC,** a Utah limited liability company,

By: 
Name: Jamie Mackay
Its: President

[SIGNATURES OF ASSOCIATION AND BOND TRUSTEE
CONTINUE ON THE NEXT PAGE(S)]

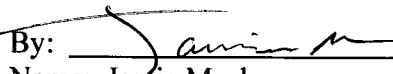
**[SIGNATURE PAGE TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2]**

The Association hereby acknowledges and agrees to the terms and provisions of the Declaration.

ASSOCIATION: **BENLOCH RANCH IMPROVEMENT
ASSOCIATION NO. 2,**
a Utah nonprofit corporation

By: **BENLOCH RANCH DEVELOPMENT
GROUP II, LLC**, a Utah limited liability
company

Its: Declarant

By: 
Name: Jamie Mackay
Its: President

The Bond Trustee, in its capacity as trustee for the Bondholders, hereby acknowledges the terms and provisions of the Declaration, including with respect to its rights and interests hereunder.

BOND TRUSTEE: **UMB BANK, N.A.,**
a national banking association

By: _____
Print Name: _____
Title: _____

**[SIGNATURE PAGE TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2]**

The Association hereby acknowledges and agrees to the terms and provisions of the Declaration.

ASSOCIATION: **BENLOCH RANCH IMPROVEMENT
ASSOCIATION NO. 2,**
a Utah nonprofit corporation

By: **BENLOCH RANCH DEVELOPMENT
GROUP II, LLC,** a Utah limited liability
company

Its: Declarant

By: _____

Name: Jamie Mackay

Its: President

The Bond Trustee, in its capacity as trustee for the Bondholders, hereby acknowledges the terms and provisions of the Declaration, including with respect to its rights and interests hereunder.

BOND TRUSTEE: **UMB BANK, N.A.,**
a national banking association

By:  _____

Print Name: Kenneth Hoffman

Title: Vice President

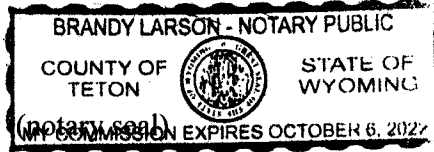
ACKNOWLEDGEMENTS

State of ~~Utah~~ Wyoming)
) §
County of Teton)

On this 22nd day of March, in the year 2022, personally appeared before me Jamie Mackay, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he is the President of Benloch Ranch Development Group II, LLC, a Utah limited liability company and that said document was signed by him in behalf of said Company by Authority of its Operating Agreement, and said President acknowledged to me that said Company executed the same.

Witness my hand and official seal.

Brandy Larson
(notary signature)

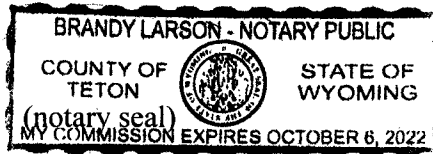


State of ~~Utah~~ Wyoming)
) §
County of Teton)

On this 22nd day of March, in the year 2022, personally appeared before me Jamie Mackay, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he is the President of Benloch Ranch Land Company II, LLC, a Utah limited liability company and that said document was signed by him in behalf of said Company by Authority of its Operating Agreement, and said President acknowledged to me that said Company executed the same.

Witness my hand and official seal.

Brandy Larson
(notary signature)



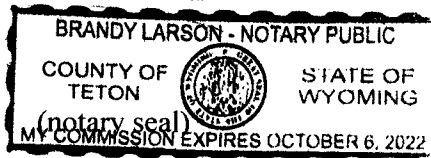
ACKNOWLEDGEMENTS

State of ~~Utah~~ WYOMING)
) §
County of Teton)

On this 22nd day of March, in the year 2022, personally appeared before me Jamie Mackay, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he is the President of Benloch Ranch Development Group II, LLC, a Utah limited liability company, which is the Declarant of BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2, a Utah nonprofit corporation and that said document was signed by him in behalf of said Company by Authority of its Bylaws, and said President acknowledged to me that said Company executed the same.

Witness my hand and official seal.

Brandy Larson
(notary signature)



State of _____)
) §
County of _____)

On this _____ day of _____, in the year 2022, personally appeared before me _____, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the _____ of _____ and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said _____ acknowledged to me that said Corporation executed the same.

Witness my hand and official seal.

(notary signature)

(notary seal)

ACKNOWLEDGEMENTS

State of Utah)
) §
County of _____)

On this ____ day of _____, in the year 2022, personally appeared before me Jamie Mackay, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he is the President of Benloch Ranch Development Group II, LLC, a Utah limited liability company, which is the Declarant of BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2, a Utah nonprofit corporation and that said document was signed by him in behalf of said Company by Authority of its Bylaws, and said President acknowledged to me that said Company executed the same.

Witness my hand and official seal.

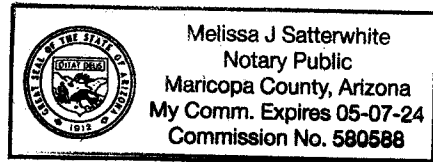
(notary signature) (notary seal)

State of Arizona)
) §
County of Maricopa)

On this 21 day of March, in the year 2022, personally appeared before me _____, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the Kenneth Hoffman of UMB Bank, N.A and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said Vice President acknowledged to me that said Corporation executed the same.

Witness my hand and official seal.

Melissa J Satterwhite
(notary signature) (notary seal)



LIENHOLDER CONSENT AND SUBORDINATION

[See attached.]

LIENHOLDER CONSENT AND SUBORDINATION

The undersigned, Benloch Ranch Master Association (“*Master Association*”), as the association named under that certain Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Benloch Ranch recorded in the Official Records of Wasatch County, State of Utah on June 16, 2021, as Entry No. 502142 (the “*Master Declaration*”) originally by AJ Fireside Park City LLC, a Delaware limited liability company (the “*Master Declarant*”) expressly subordinates said Master Declaration, and all assessment liens or other lien rights thereunder, to the attached Declaration of Covenant, Conditions, Restrictions and Reservation of Easement for Benloch Ranch Improvement Association No. 2 dated as of March 26, 2022 (as supplemented or amended from time to time, the “*Declaration*”) and to the Assessment Lien and all other liens for assessments thereunder and easements conveyed in accordance therewith. By executing this Lienholder Consent and Subordination, the undersigned agrees that should the undersigned acquire title to all or any portion of the real property encumbered by this Declaration by foreclosure of its lien rights (whether judicial or nonjudicial), or by deed-in-lieu of foreclosure or any other remedy in or relating to the Master Declaration, the undersigned will acquire title subject to the terms and conditions of the Declaration, which shall remain in full force and effect, and subject to the Assessment Lien provided therein, as a first priority lien.

Dated: March 26, 2022

BENLOCH RANCH MASTER ASSOCIATION, a Utah nonprofit corporation

By: AJ FIRESIDE PARK CITY LLC, a Utah limited liability company, its Declarant

By: [Signature]
Name: Jamie Mackay
Title: President

State of Utah)
County of Salt Lake)

On this 18th day of March, in the year 2022, personally appeared before me Jamie Mackay, whose identity is personally known to me (or proved on the basis of satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the President of AJ Fireside Park City LLC and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said Jamie Mackay acknowledged to me that said Corporation executed the same.

Witness my hand and official seal.

[Signature]
(notary signature)

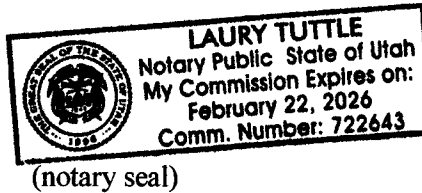


EXHIBIT "A"**LEGAL DESCRIPTION OF THE RANCH PROPERTY**

ALL THAT REAL PROPERTY IN THE COUNTY WASATCH COUNTY, STATE OF UTAH, DESCRIBED ON THE FOLLOWING TWO PAGES OF THIS EXHIBIT A, AS MAY BE RE-SUBDIVIDED BY RECORDED PARCEL MAP, FINAL MAP OR LOT LINE ADJUSTMENT, AND AS DEPICTED ON EXHIBIT B:

PARCEL A

A PARCEL OF LAND LOCATED IN SECTIONS 1, 2, 3, 10, AND 11, TOWNSHIP 3 SOUTH, RANGE 5 EAST, AND SECTIONS 34 AND 35, TOWNSHIP 2 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A PIN FOUND IN A STONE MARKING THE NORTHEAST CORNER OF SAID SECTION 1; THENCE S01°18'39"E 2649.96 FEET TO A FOUND HOLE IN THE ROCK MARKING THE EAST QUARTER CORNER OF SAID SECTION 1; THENCE S01°29'16"E 2544.74 FEET TO A FOUND REBAR AND CAP MARKED RLS 7600; THENCE N89°51'47"W 466.72 FEET TO A FOUND REBAR AND CAP MARKED CORNERSTONE RLS 7600; THENCE S00°36'10"E 466.74 FEET; THENCE N89°51'52"W 2308.93 FEET TO A FOUND STONE MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 1; THENCE N89°51'50"W 2654.37 FEET TO A FOUND 3" PVC PIPE MARKING THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE S00°06'39"E 1650.00 FEET TO A FOUND REBAR WITH NO CAP; THENCE S89°59'33"W 5283.73 FEET TO A FOUND REBAR WITH NO CAP; THENCE S00°10'22"E 976.48 FEET TO A FOUND REBAR AND CAP MARKED ALM ENG MARKING THE EAST QUARTER CORNER OF SAID SECTION 10; THENCE S88°28'47"W 1311.18 FEET TO A FOUND REBAR AND CAP MARKED ALPINE; THENCE S00°13'51"E 2604.55 FEET; THENCE N89°38'31"W 1321.78 FEET TO A FOUND REBAR AND CAP MARKED ALM ENG MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 10; THENCE N00°20'20"W 5249.30 FEET TO A FOUND STONE WITH AN X MARKING THE NORTH QUARTER CORNER OF SAID SECTION 10; THENCE N89°55'58"W 2456.71 FEET TO A FOUND REBAR AND CAP MARKED ALPINE; THENCE N00°03'54"E 2639.68 FEET; THENCE S89°57'09"E 2454.99 FEET; THENCE N00°01'40"E 2712.94 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF STATE ROAD 32; THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE THE FOLLOWING TWENTY SEVEN (27) COURSES: (1) S84°53'22"E 405.57 FEET; (2) S88°39'45"E 207.41 FEET; (3) S88°39'44"E 292.33 FEET TO A FOUND RIGHT OF WAY MONUMENT; (4) N72°15'28"E 209.92 FEET; (5) N76°15'04"E 224.59 FEET; (6) N76°18'19"E 786.00 FEET TO A FOUND RIGHT OF WAY MONUMENT; (7) N77°43'24"E 191.92 FEET; (8) N81°40'37"E 68.28 FEET; (9) N86°02'18"E 192.34 FEET; (10) N88°29'31"E 471.93 FEET; (11) N87°18'03"E 906.83 FEET; (12) N88°51'37"E 208.38 FEET; (13) N78°10'50"E 209.04 FEET TO A FOUND RIGHT OF WAY MONUMENT; (14) S13°38'47"E 251.40 FEET; (15) N41°30'06"E 80.95 FEET; (16) N41°25'16"E 421.18 FEET TO A FOUND RIGHT OF WAY MONUMENT; (17) N69°06'21"E 612.61 FEET; (18) N69°12'39"E 422.32 FEET TO A FOUND RIGHT OF WAY MONUMENT; (19) S88°26'59"E 300.00 FEET; (20) N89°39'42"E 324.08 FEET TO A FOUND RIGHT OF WAY MONUMENT; (21) N82°24'02"E 333.19 FEET TO A FOUND RIGHT OF WAY MONUMENT; (22) N59°39'18"E 336.67 FEET TO A FOUND RIGHT OF WAY MONUMENT; (23) N41°13'03"E 300.01 FEET TO A FOUND RIGHT OF WAY MONUMENT; (24) N71°55'29"E 195.18 FEET TO A FOUND RIGHT OF WAY MONUMENT; (25) N71°56'08"E 237.32 FEET TO A FOUND RIGHT OF WAY MONUMENT; (26) N71°53'17"E 347.09 FEET TO A FOUND RIGHT OF WAY MONUMENT; AND (27) THENCE N72°01'10"E 24.25 FEET; THENCE S00°06'29"E 1344.24 FEET TO A FOUND BRASS CAP MONUMENT BY WASATCH ENGINEERING DATED 1973 MARKING THE SOUTHEAST

CORNER OF SAID SECTION 35; THENCE N89°33'35"E 2668.11 FEET TO A FOUND REBAR AND ALUMINUM CAP MARKED CORNERSTONE LS 7600 MARKING THE NORTH QUARTER CORNER OF SAID SECTION 1; THENCE N89°33'13"E 2667.85 FEET TO THE POINT OF BEGINNING.

INCLUDED THEREIN ALL OF LOTS 1-25, 28-35, 37, 40, 42-58, AND 61-71, TALISMAN PHASE 1, AS DESCRIBED ON THAT TRUSTEE'S DEED UPON SALE AS RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER AS ENTRY NO. 362227 IN BOOK 1020, PAGES 1272-1274.

ALSO INCLUDED THEREIN ALL OF LOTS 26, 27, 36, 38, 39, 41, 59, AND 60 OF TALISMAN PHASE 1, AS DESCRIBED ON THAT TRUSTEE'S DEED UPON SALE AS RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER AS ENTRY NO 382291 IN BOOK 1063, PAGES 1010-1014.

CONTAINING 2349.319 ACRES MORE OR LESS

LESS AND EXCEPTING FROM PARCEL A, PARCELS C AND D AS DESCRIBED BELOW

PARCEL C

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT, SAID POINT BEING 729.94 FEET N0°01'40"E AND 660.99 FEET S89°58'20"E FROM THE CENTER QUARTER CORNER OF SAID SECTION 3 ND RUNNING; THENCE N00°01'19"E 729.37 FEET; THENCE N89°41'47"E 660.93 FEET; THENCE S00°00'57"W 730.99 FEET; THENCE S89°50'13"W 661.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 482616 SQUARE FEET OR 11.079 ACRES MORE OR LESS

PARCEL D

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER QUARTER CORNER OF SAID SECTION 3 AND RUNNING; THENCE S89°58'41"E ALONG THE QUARTER SECTION LINE 661.07 FEET; THENCE S00°01'18"W 659.88 FEET; THENCE N89°59'59"W 661.14 FEET; THENCE N00°01'39"E ALONG THE QUARTER SECTION LINE 660.13 FEET TO THE POINT OF BEGINNING.

CONTAINING 436331 SQUARE FEET OR 10.017 ACRES MORE OR LESS

TOGETHER WITH:

PARCEL B

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 5 EAST, SAID POINT BEING N89°24'50"E ALONG SAID NORTH LINE, 643.93 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 3; THENCE N00°15'47"W 658.00 FEET; THENCE N89°26'54"E 535.03 FEET; THENCE S00°24'58"E 657.65 FEET; THENCE S89°24'41"W 536.79 FEET TO THE POINT OF BEGINNING.

CONTAINING 352,531 SQUARE FEET OR 8.093 ACRES MORE OR LESS

(NET ACREAGE OF PARCEL A LESS AND EXCEPTING PARCELS C AND D AND TOGETHER WITH PARCEL B IS 2336.316 ACRES MORE OR LESS)

EXHIBIT "B"
DEPICTION OF THE RANCH PROPERTY

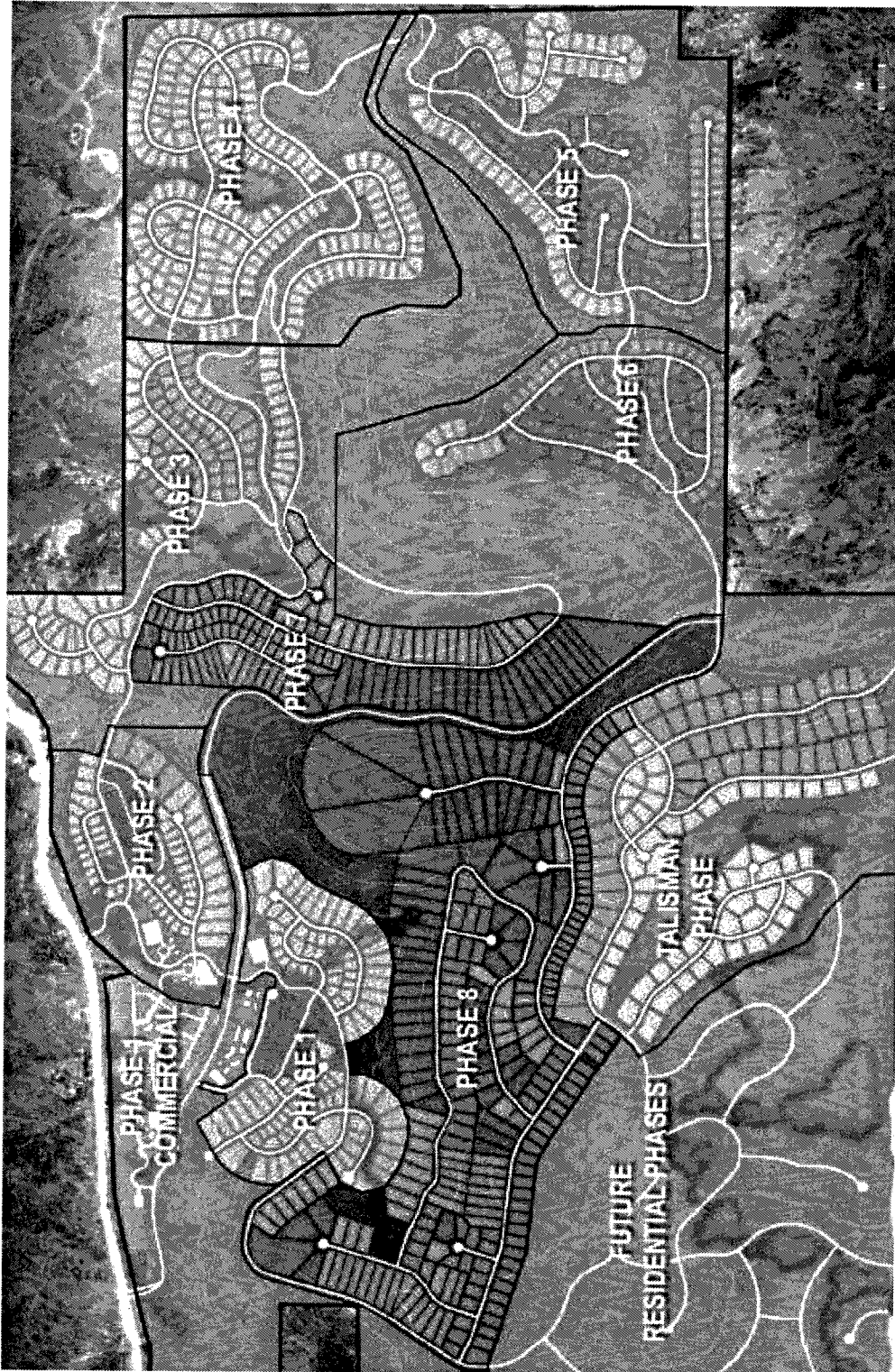


Exhibit B

EXHIBIT "C"**LEGAL DESCRIPTION OF THE ASSESSED PROPERTY**

ALL THAT CERTAIN REAL PROPERTY IN WASATCH COUNTY, STATE OF UTAH, DESCRIBED BELOW AND ON THE ADDITIONAL THREE PAGES OF THIS EXHIBIT C, AS MAY BE RE-SUBDIVIDED BY RECORDED FINAL PLAT, PARCEL MAP OR LOT LINE ADJUSTMENT, AS FOLLOWS:

PARCEL 1 (West Bond Parcel):

A PARCEL OF LAND IN SECTIONS 2 AND 3, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT NORTH 89°51'50" WEST 313.31 FEET AND NORTH 82.84 FEET FROM THE SOUTHEAST CORNER OF SECTION 2, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, AND RUNNING; THENCE SOUTH 89°41'55" WEST 146.10 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE NORTHWESTERLY ALONG THE ARC OF A 275.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 368.77 FEET, CENTER BEARS N00°09'19"W, AND HAVING A CENTRAL ANGLE OF 76°50'01" (CHORD BEARS N51°44'18"W 341.76 FEET); THENCE NORTH 13°19'15" WEST 69.31 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 1025.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 251.52 FEET, HAVING A CENTRAL ANGLE OF 14°03'35" (CHORD BEARS N20° 21' 03"W 250.89 FEET); THENCE NORTH 27°22'49" WEST 330.46 FEET; THENCE NORTH 62°37'11" EAST 5.00 FEET; THENCE NORTH 27°22'49" WEST 50.00 FEET; THENCE SOUTH 62°37'11" WEST 230.00 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 225.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 38.86 FEET, HAVING A CENTRAL ANGLE OF 9°53'40" (CHORD BEARS S57°40'21"W 38.81 FEET); THENCE NORTH 27°47'54" WEST 151.18 FEET; THENCE NORTH 38°55'22" WEST 196.03 FEET; THENCE NORTH 54°45'22" WEST 203.92 FEET; THENCE NORTH 70°07'32" WEST 203.02 FEET; THENCE NORTH 85°20'10" WEST 200.17 FEET; THENCE SOUTH 78°03'25" WEST 339.18 FEET; THENCE SOUTH 86°33'00" WEST 577.78 FEET; THENCE NORTH 63°42'13" WEST 662.23 FEET; THENCE NORTH 79°53'42" WEST 460.52 FEET; THENCE SOUTH 13°58'58" WEST 369.77 FEET; THENCE SOUTH 56°23'10" EAST 111.25 FEET; THENCE SOUTH 33°36'50" WEST 260.0 FEET; THENCE NORTH 56°23'10" WEST 1271.41 FEET; THENCE NORTH 63°40'11" WEST 92.69 FEET; THENCE NORTH 70°38'06" WEST 92.99 FEET; THENCE NORTH 83°34'32" WEST 800.73 FEET; THENCE NORTH 71°44'44" WEST 1138.46 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 770.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 100.85 FEET, CENTER BEARS S82°29'13"E, AND HAVING A CENTRAL ANGLE OF 7°30'16" (CHORD S03° 45' 38"W 100.78 FEET); THENCE NORTH 89°59'30" WEST 60.00 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE NORTHEASTERLY ALONG THE ARC OF A 830.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 482.72 FEET, CENTER BEARS S89°59'30"E, AND HAVING A CENTRAL ANGLE OF 33°19'22" (CHORD N16°40'11"E 475.95 FEET) TO A POINT OF TANGENCY; THENCE NORTH 33°19'52" EAST 585.86 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 36.60 FEET, HAVING A CENTRAL ANGLE OF 7°46'01" (CHORD BEARS N29° 26' 52"E 36.57 FEET); THENCE NORTH 28°26'30" EAST 307.81 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 770.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 184.27 FEET, HAVING A CENTRAL ANGLE OF 13°42'41" (CHORD BEARS N21°35'10"E 183.83 FEET) TO A POINT OF TANGENCY; THENCE NORTH 14°43'50" EAST 442.97 FEET; THENCE NORTH 17°07'14" EAST 333.99 FEET TO A NON-TANGENT CURVE; THENCE NORTHEASTERLY ALONG THE ARC OF A 330.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 481.13 FEET, CENTER BEARS

[Legal Description continues on next page.]

S71°44'07"E, AND HAVING A CENTRAL ANGLE OF 83°32'05" (CHORD BEARS N60°01'55"E 439.63 FEET) TO A POINT OF TANGENCY; THENCE SOUTH 78°12'02" EAST 148.58 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF A 330.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 244.65 FEET, HAVING A CENTRAL ANGLE OF 42°28'40" (CHORD S56°57'42"E 239.09 FEET); THENCE SOUTH 35°43'22" EAST 234.50 FEET; THENCE SOUTH 37°16'02" EAST 487.87 FEET; THENCE SOUTH 53°48'40" WEST 58.57 FEET; THENCE SOUTH 62°51'42" WEST 265.60 FEET; THENCE SOUTH 23°24'22" WEST 224.02 FEET; THENCE SOUTH 12°53'17" EAST 224.48 FEET; THENCE SOUTH 53°32'36" EAST 222.67 FEET; THENCE SOUTH 69°00'37" EAST 137.42 FEET; THENCE SOUTH 78°06'15" EAST 167.29 FEET; THENCE NORTH 86°15'56" EAST 172.83 FEET; THENCE NORTH 67°25'39" EAST 174.12 FEET; THENCE NORTH 48°35'21" EAST 172.83 FEET; THENCE NORTH 29°49'19" EAST 172.83 FEET; THENCE NORTH 17°17'32" EAST 97.61 FEET; THENCE NORTH 113.04 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE NORTHEASTERLY ALONG THE ARC OF A 1117.22 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 246.34 FEET, CENTER BEARS N 01°37'12"W, AND HAVING A CENTRAL ANGLE OF 12°38'00" (CHORD BEARS N82° 03' 48"E 245.84 FEET) TO A POINT OF TANGENCY; THENCE NORTH 75°44'48" EAST 29.13 FEET; THENCE SOUTH 12°34'50" EAST 76.97 FEET; THENCE SOUTH 26°58'51" EAST 76.04 FEET; THENCE SOUTH 36°10'33" EAST 176.90 FEET; THENCE SOUTH 55°36'39" EAST 115.81 FEET; THENCE SOUTH 69°54'02" EAST 98.11 FEET; THENCE SOUTH 79°18'30" EAST 268.60 FEET; THENCE SOUTH 86°55'42" EAST 136.73 FEET; THENCE NORTH 81°18'32" EAST 146.05 FEET; THENCE NORTH 68°58'46" EAST 146.05 FEET; THENCE NORTH 56°38'59" EAST 146.05 FEET; THENCE NORTH 44°19'13" EAST 146.05 FEET; THENCE NORTH 31°59'27" EAST 146.05 FEET; THENCE NORTH 26°59'52" EAST 118.24 FEET; THENCE EAST 1627.12 FEET; THENCE SOUTH 14°22'39" EAST 25.61 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 510.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 239.90 FEET, HAVING A CENTRAL ANGLE OF 26°57'05" (CHORD BEARS S00° 54' 07"E 237.69 FEET) TO A POINT OF TANGENCY; THENCE SOUTH 12°34'26" WEST 171.17 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 620.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 209.61 FEET, HAVING A CENTRAL ANGLE OF 19°22'16" (CHORD S02° 53' 18"W 208.62 FEET) TO A POINT OF TANGENCY; THENCE SOUTH 6°47'49" EAST 169.83 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 510.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 200.45 FEET, HAVING A CENTRAL ANGLE OF 22°31'11" (CHORD BEARS S04° 27' 47"W 199.16 FEET); THENCE SOUTH 15°43'24" WEST 422.48 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 620.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 573.89 FEET, HAVING A CENTRAL ANGLE OF 53°02'05" (CHORD BEARS S10° 47' 38"E 553.62 FEET) TO A POINT OF TANGENCY; THENCE SOUTH 37°18'41" EAST 1338.30 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 545.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 350.64 FEET, HAVING A CENTRAL ANGLE OF 36°51'44" (CHORD BEARS S18°52'49"E 344.62 FEET) TO A POINT OF TANGENCY; THENCE SOUTH 0°26'57" EAST 110.74 FEET TO THE POINT OF BEGINNING.

(CONTAINS 276.38 ACRES)

[Legal Description continues on next page.]

PARCEL 2 (East Bond Parcel):

A PARCEL OF LAND LOCATED IN SECTIONS 1 AND 2, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT ON A CURVE, SAID POINT BEING NORTH 89°51'50" WEST 313.93 FEET AND NORTH 552.26 FEET FROM THE SOUTHEAST CORNER OF SECTION 2, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING; THENCE NORTHWESTERLY ALONG THE ARC OF A 655.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 41.84 FEET, CENTER BEARS SOUTH 56°20'56" WEST AND HAVING A CENTRAL ANGLE OF 3°39'37" (CHORD N35°28'53"W 41.84 FEET); THENCE NORTH 37°18'41" WEST 1338.30 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 510.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 472.07 FEET, HAVING A CENTRAL ANGLE OF 53°02'05" (CHORD N10°47'38"W 455.40 FEET); THENCE NORTH 15°43'24" EAST 422.48 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 620.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 243.69 FEET, HAVING A CENTRAL ANGLE OF 22°31'11" (CHORD N04°27'47"E 242.12 FEET); THENCE NORTH 6°47'49" WEST 169.83 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF A 510.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 172.42 FEET, HAVING A CENTRAL ANGLE OF 19°22'15" (CHORD N02°53'18"E 171.60 FEET); THENCE NORTH 12°34'26" EAST 171.17 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 620.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 291.64 FEET, HAVING A CENTRAL ANGLE OF 26°57'05" (CHORD N00° 54' 07"W 288.96 FEET); THENCE NORTH 14°22'39" WEST 268.15 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 245.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 214.39 FEET, HAVING A CENTRAL ANGLE OF 50°08'15" (CHORD N10°41'26"E 207.62 FEET); THENCE NORTH 35°45'34" EAST 258.56 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 355.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 412.54 FEET, HAVING A CENTRAL ANGLE OF 66°34'57" (CHORD N02° 28' 03"E 389.71 FEET); THENCE NORTH 901.85 FEET TO A POINT ON A CURVE; THENCE NORTHEASTERLY ALONG THE ARC OF A 330.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 134.56 FEET, CENTER BEARS NORTH 8°28'18" EAST, HAVING A CENTRAL ANGLE OF 23°21'43" (CHORD N86°47'19"E 133.63 FEET) TO A POINT OF REVERSE CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 440.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 45.39 FEET, HAVING A CENTRAL ANGLE OF 5°54'40" (CHORD N78°03'48"E 45.37 FEET); THENCE SOUTH 6°22'33" EAST 20.00 FEET; THENCE NORTH 83°37'27" EAST 40.00 FEET; THENCE NORTH 6°22'33" WEST 20.00 FEET TO A POINT ON A CURVE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 440.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 187.68 FEET, CENTER BEARS SOUTH 3°46'14" EAST, HAVING A CENTRAL ANGLE OF 24°26'22" (CHORD S81°33'03"E 186.26 FEET); THENCE SOUTH 69°19'52" EAST 432.73 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 356.42 FEET, HAVING A CENTRAL ANGLE OF 75°38'03" (CHORD S31°30'51"E 331.10 FEET) TO A POINT OF REVERSE CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 500.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 290.07 FEET, HAVING A CENTRAL ANGLE OF 33°14'22" (CHORD S10°19'00"E 286.02 FEET) TO A POINT OF REVERSE CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 440.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 448.73 FEET, HAVING A CENTRAL ANGLE OF 58°25'59" (CHORD S02°16'48"W 429.54 FEET); THENCE SOUTH 31°29'48" WEST 255.07 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG THE ARC OF A 170.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 473.28 FEET, HAVING A CENTRAL ANGLE OF 159°30'44" (CHORD S48°15'35"E 334.58 FEET); THENCE NORTH 51°59'03" EAST 183.86 FEET; THENCE SOUTH 63°00'57" EAST 7.45 FEET TO A POINT OF CURVATURE; THENCE

[Legal Description continues on next page.]

NORTHEASTERLY ALONG THE ARC OF A 180.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 172.65 FEET, HAVING A CENTRAL ANGLE OF 54°57'24" (CHORD N89°30'21"E 166.11 FEET); THENCE NORTH 62°01'39" EAST 66.71 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A 220.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 184.93 FEET, HAVING A CENTRAL ANGLE OF 48°09'46" (CHORD N86°06'32"E 179.53 FEET); THENCE SOUTH 69°48'35" EAST 137.49 FEET; THENCE SOUTH 54°21'57" WEST 686.89 FEET; THENCE NORTH 89°58'21" WEST 535.86 FEET; THENCE SOUTH 15°34'44" WEST 320.49 FEET; THENCE SOUTH 4°43'52" WEST 403.75 FEET; THENCE SOUTH 0°52'42" EAST 550.18 FEET; THENCE SOUTH 12°20'34" EAST 653.73 FEET; THENCE SOUTH 7°07'05" WEST 475.22 FEET; THENCE SOUTH 5°15'38" WEST 701.74 FEET TO THE POINT OF BEGINNING.

(CONTAINS 97.91 ACRES)

[End of Legal Description.]

EXHIBIT "D" DEPICTION OF THE ASSESSED PROPERTY

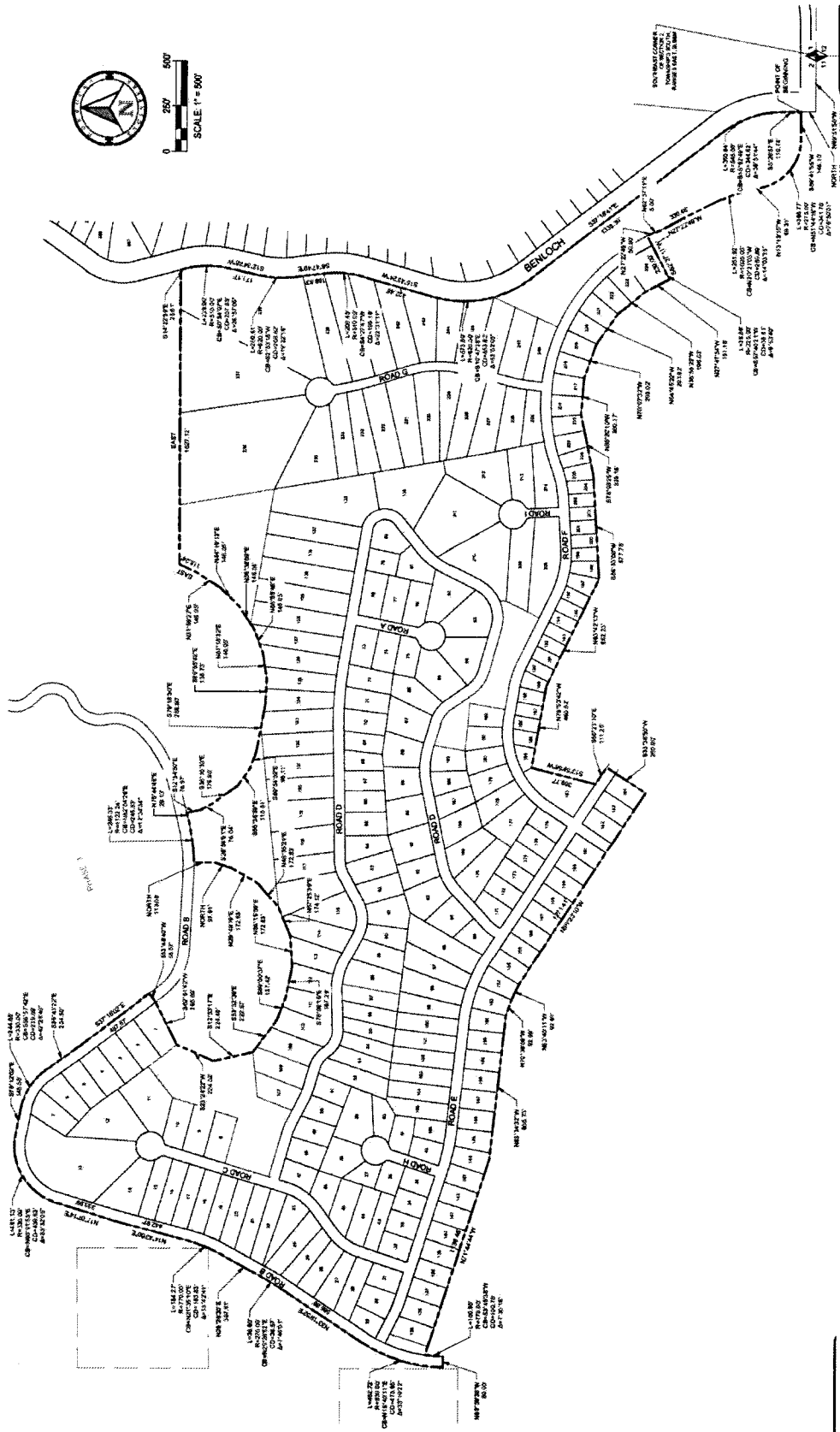


Exhibit D

EXHIBIT "D" DEPICTION OF THE ASSESSED PROPERTY

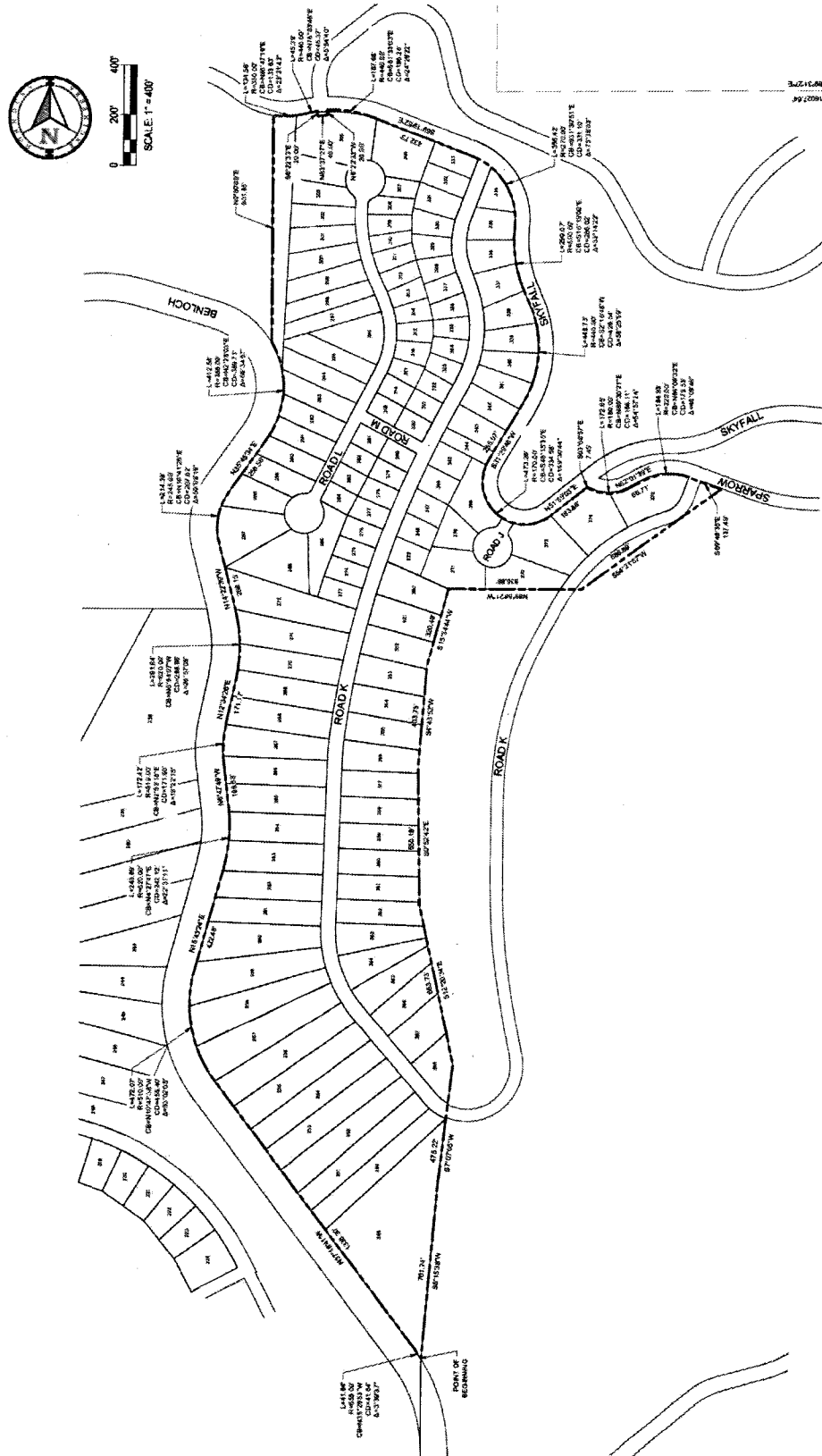


Exhibit D

EXHIBIT "E"**EXISTING DEVELOPMENT BENEFITS****Assessed Property Vested Benefits (Portion applicable Assessed Property)
Vested Utilities, Impact Fee Credits, and Connection Fee Credits**

Description of Benefit	Value
Area C Offsite Water and Sewer Infrastructure and Related Improvements	\$4,742,201
JSSD Sanitary Sewer Impact Fee Credits (\$12,023 per connection)	\$4,508,625
JSSD Water Conveyance and Storage Impact Fee Credits (\$3,224 per connection)	\$1,209,000
Vested Water Rights – 517 Acre Feet (Approx. Value \$11,516 per acre foot)	\$4,114,140
Offsite Natural Gas / Power Lines / Telecommunication Installed on SR-32	\$257,779
Total Value of Vested Utilities, Impact Fee Credits, and Connection Fee Credits – Assessed Property Proportionate Share	\$14,831,745

Exhibit E

EXHIBIT "F"**EXISTING BACKBONE INFRASTRUCTURE****Benloch Ranch Improvement Association No. 2
Estimated Value of Existing Backbone Infrastructure**

Description of Existing Backbone Infrastructure	Value
Preliminary Excavation of Natural Water Sources / Ponds	\$5,787,120
Stockpile Rock / Boulders for Onsite Retaining Walls	\$3,170,864
Screened Topsoil Reserves	\$2,268,465
Roadway Excavation – Benloch Ranch Roadway	\$10,729,638
Site and Arterial Roadway Mass Excavation	\$21,416,773
Pond Construction / Installation of Lining, Bedding and Filtration	\$3,811,460
Purchase and Installation of Trees & Vegetation at Project Entry and Main Roadways	\$4,281,947
SR-32 and Project Entry Utility and Roadway Connections	\$2,907,114
Project Backbone Utility Installation (Water, Sewer, Drainage, Dry Utilities excl. Water Tank)	\$8,270,166
Onsite Water Tank Grading, Installation, Pumps & Connection	\$2,127,565
Total Estimated Value of Existing Backbone Infrastructure	\$64,771,112

Exhibit F

EXHIBIT "G"

DEVELOPMENT PLAN

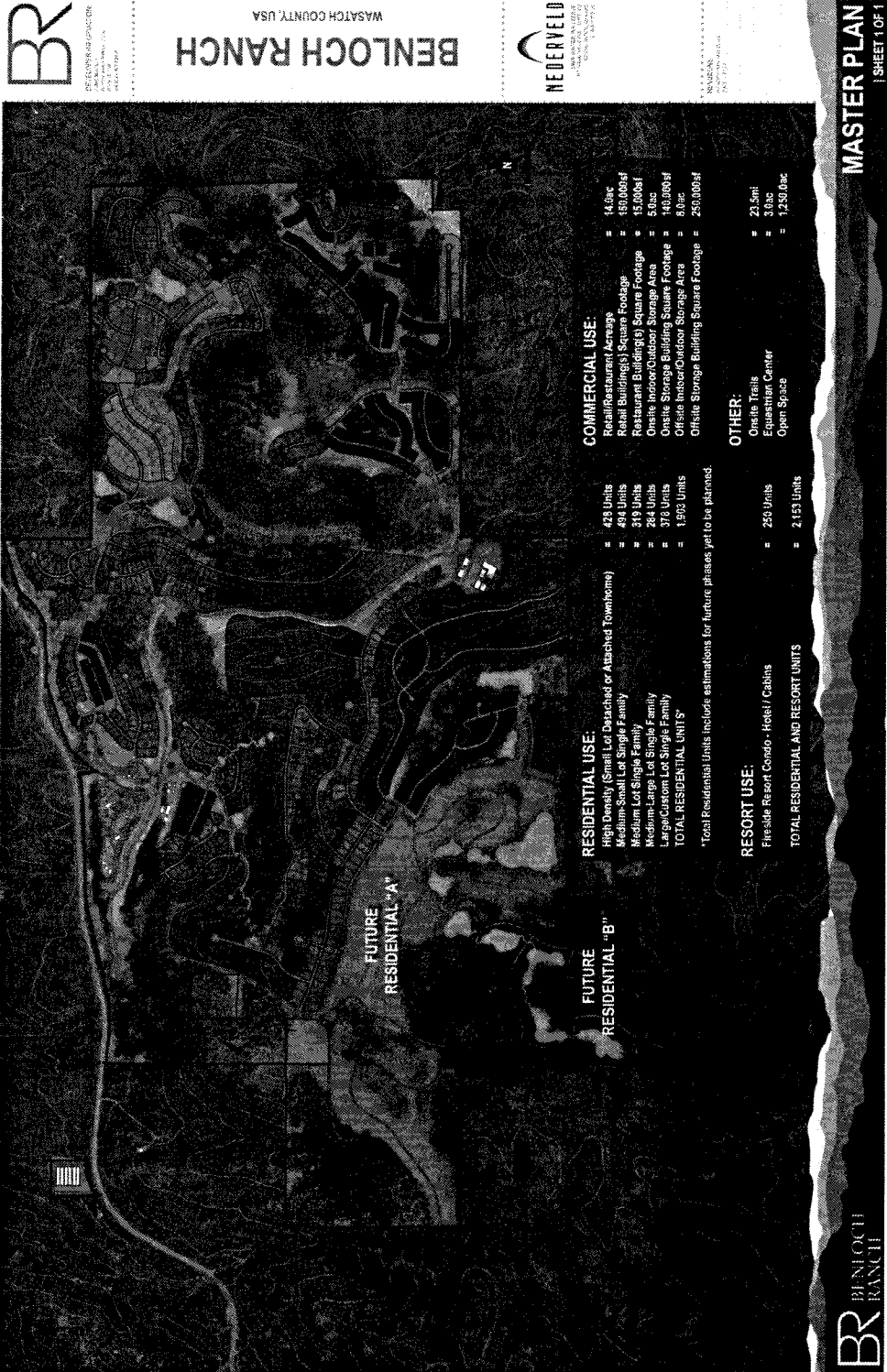


Exhibit G

EXHIBIT "H"
IMPROVEMENTS

IMPROVEMENT	ESTIMATED COST
Roadway Improvements	\$4,582,883
Water Improvements	\$2,720,258
Sanitary Sewer Improvements	\$2,796,650
Storm Drain Improvements	\$1,132,720
Grading And Earthwork Improvements	\$10,491,930
Dry Utilities And Common Costs	\$5,443,942
Backbone Infrastructure	\$16,252,010
Developer Reimbursement For Assignment Of Water Rights, Utility Connections, And Impact Fees	\$14,831,745
Softs Costs And Contingency	\$5,535,000
SPECIFIC IMPROVEMENTS SUBTOTAL:	\$63,787,138
Less: Developer Contribution/Cash	(\$4,787,138)
SPECIFIC IMPROVEMENTS TOTAL:	\$59,000,000

Exhibit H

EXHIBIT "I"
ASSESSMENT PLAN

[See attached.]

Exhibit I



www.FinanceDTA.com

99 Almaden Boulevard, Suite 875
San Jose, CA 95113

Ent 517198 Bk 1403Pg 754

MACKAY DEVELOPMENTS APPORTIONMENT STUDY

**Benloch Ranch Improvement Association No. 2
Special Assessment Bonds
Wasatch County, Utah**

**Prepared for:
Mackay Developments
Attention: Jamie Mackay, CEO**

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APPENDICES

APPENDIX A	ASSESSMENT ROLL
APPENDIX B	BENLOCH RANCH INFRASTRUCTURE COST ESTIMATE
APPENDIX C	BENLOCH RANCH PRELIMINARY TITLE REPORT
APPENDIX D	BENLOCH RANCH LEGAL DESCRIPTIONS



SECTION I
PLAN DESCRIPTION

I PLAN DESCRIPTION

A Introduction

Benloch Ranch is a residential master-planned development located in the shadow of the Wasatch and Uinta Mountains and is 20 minutes from Downtown Park City, Utah. The planned and anticipated development of the approximately 2,336-acre site includes over extensive open space and a vast system of trails. The Benloch Ranch site is also referred to as the "subject site" throughout this Amended Benefit Apportionment Analysis (the "Study").

The Project is in the Wasatch County and Salt Lake City submarkets. Between 2010 and 2022 Wasatch County saw an average population increase of 1,079. The Wasatch submarket is projected to add 609 people annually through 2027. Over the next decade, housing unit demand generated by both seasonal housing and from within the submarkets is projected to see strengthening demand annually. This study specifically addresses the 375 units of detached single family product within Ridgeview East and Ridgeview West Phases of Benloch Ranch.

In addition to strong residential demand in the area, Benloch Ranch will benefit from planned amenities that include a fireside resort (convention center and clubhouse), sledding hill, equestrian center, commercial center (grocery store, restaurants, other retail, and a helipad), indoor/outdoor storage area, lakes, and trails. Benloch Ranch's topography also provides for excellent views of the Jordanelle Reservoir and Wasatch and Uinta Mountains.



SECTION I PLAN DESCRIPTION

B Special Assessment Revenue Bonds

Benloch Ranch Improvement Association No. 2 (the "Association") in unincorporated Wasatch County, Utah will issue its Special Assessment Bonds, Series 2022 (Federally Taxable) (the "Series 2022 Bonds"). The Series 2022 Bonds are being issued to: (i) finance the costs of infrastructure, and other related improvements (the "Improvements") to be constructed within or adjacent to the boundaries of, and necessary to develop, the Assessed Properties (as hereinafter defined), (ii) pay the capitalized interest, fund the capitalized administration, fund the Reserve Fund, and (iv) pay the costs of issuing the Series 2022 Bonds.

The Series 2022 Bonds shall be special limited obligations of the Association and payable solely from monies collected by the Bond Trustee from the Association's levy of assessments (the "Assessments") against the owners (the "Owners") of the developable properties that will benefit from the Improvements (collectively, the "Assessed Property") pursuant to the Declaration of Covenants, Conditions, and Restrictions (the "Declaration") and the Assessment Lien established thereby over the Assessed Property; monies collected by the Association from the enforcement of that lien against the Owner(s) of the Assessed Properties; and other funds as described in the Indenture.

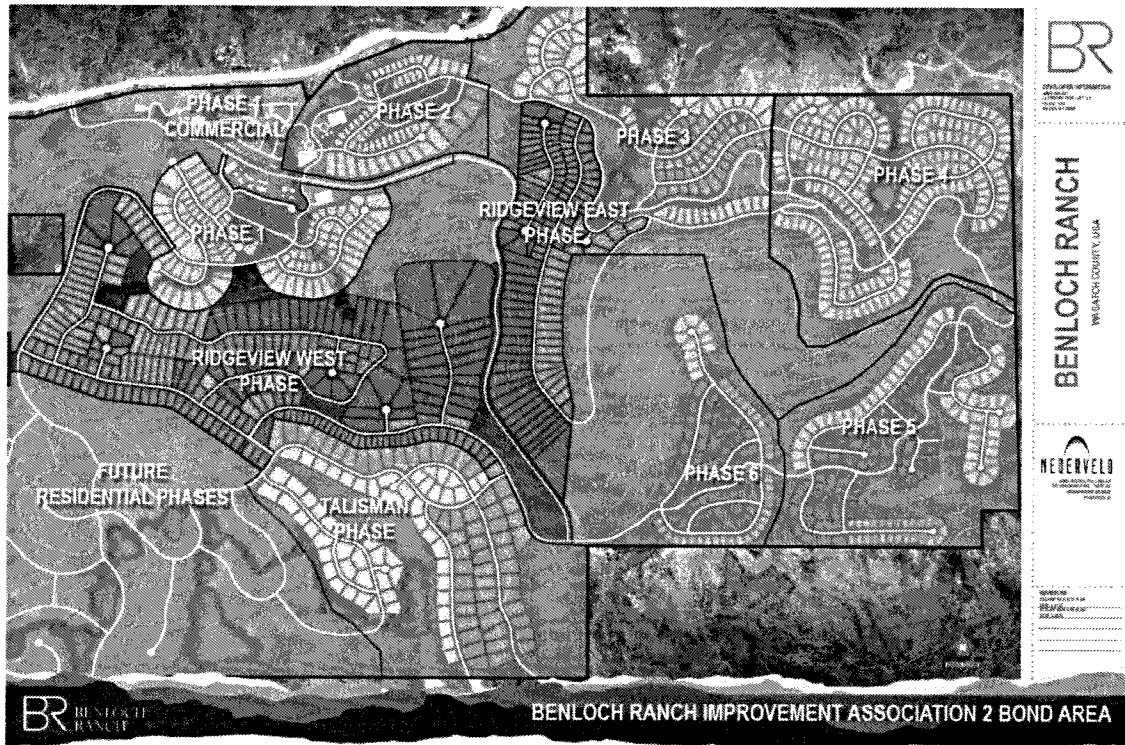
The Assessments are anticipated to be paid annually in substantially equal amounts over a period of 30 years. The Association is not an agency or instrumentality of the State of Utah (the "State") or any political subdivision thereof. Neither the State, nor any political subdivision thereof, shall be liable for the payment of the principal of, redemption price, or interest on the Series 2022 Bonds.

**SECTION III
PROPERTY INCLUDED IN THE
DISTRICT**

II PROPERTY INCLUDED IN THE DISTRICT

Figure 1, 2, 3, and 4 depicts the conceptual maps of the Association Assessed Property. Please see Appendix D for the corresponding legal descriptions, which have been provided by the Developer.

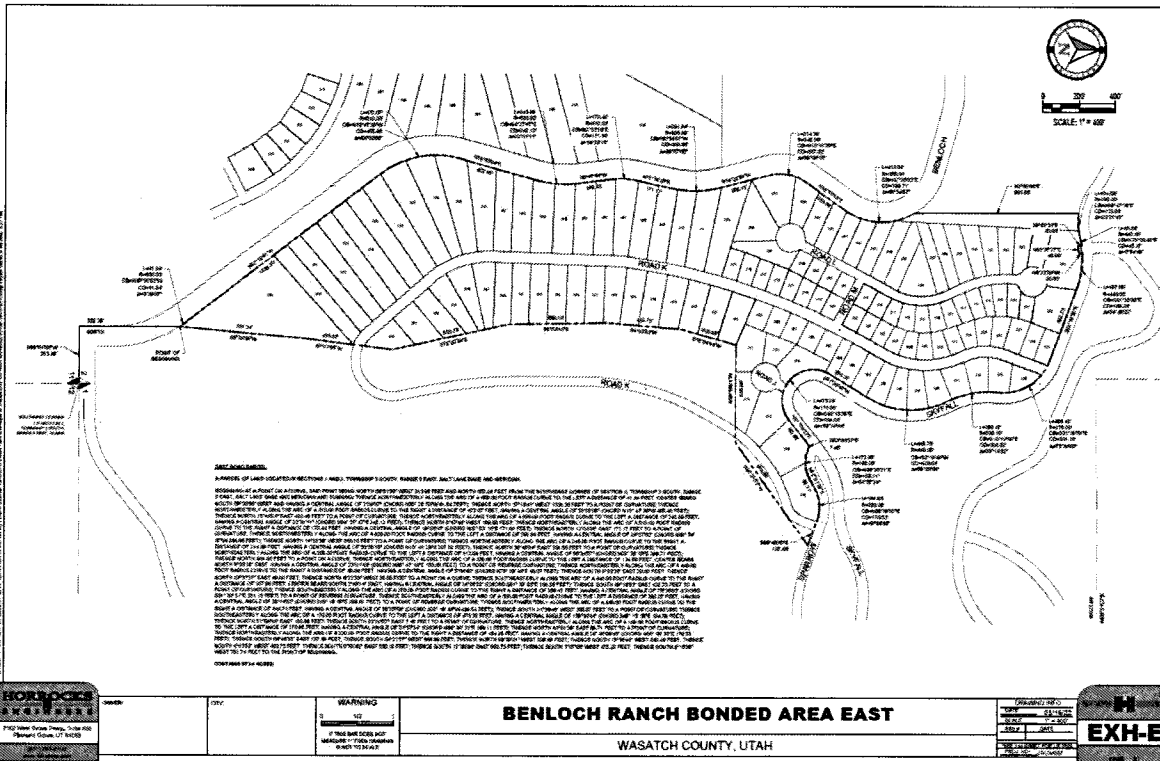
Figure 1: Conceptual Map





SECTION III PROPERTY INCLUDED IN THE DISTRICT

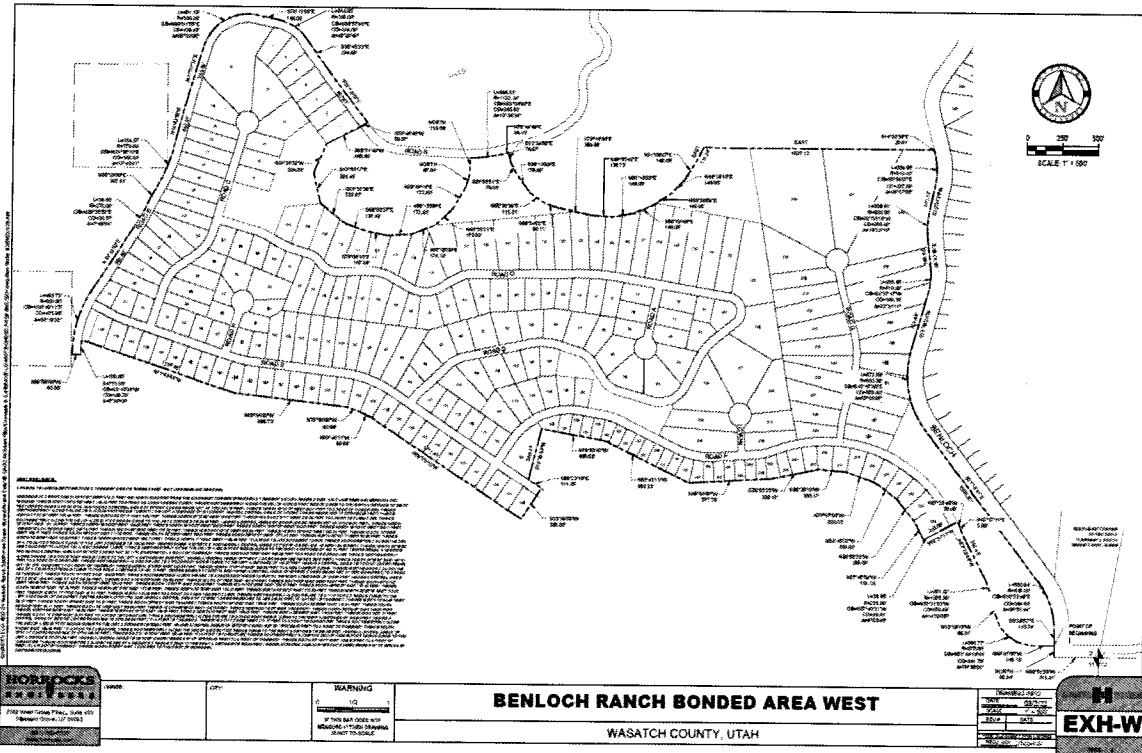
Figure 2: Plat – Ridgerview East Conceptual Map





SECTION III PROPERTY INCLUDED IN THE DISTRICT

Figure 3: Plat – Ridgeview West Conceptual Map





SECTION III DESCRIPTION OF THE IMPROVEMENTS

III DESCRIPTION OF THE IMPROVEMENTS

A Improvement Overview

Article I of the Indenture of Trust and Pledge, dated as of March 1st, 2022, between Association and the Trustee ("the Indenture") of the Series 2022 Bonds defines the authorized Improvements that may be undertaken by the Association through the Indenture. Improvements that may be financed pursuant to the Indenture include, but are not limited to, various quantities of the following types of infrastructure and equipment:

1. Roadway Improvements and Fees – Funding for capital improvements, including local and arterial streets with related grading, installation maintenance, concrete curb, gutter and sidewalk, aggregate base, asphaltic concrete paving, and street lighting improvements necessary to meet the project service demands of the Assessed Property; and
2. Water Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the water system, including the removal and setting up of water mains and appurtenances and installation of fire hydrants, connections, offsite water infrastructure, water rights, a backflow preventer, and irrigation necessary to meet the potable and non-potable water needs of the Assessed Property; and
3. Sanitary Sewer Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the collection of sewage, including manholes, connections and gravity mainline necessary to meet the project service demands of the Assessed Property; and
4. Storm Drain Improvements and Fees – Funding for capital improvements, including facilities for the collection and disposal of storm waters for drainage and flood control purposes, such as mainline and connector pipes, drainage inlets, manholes, a retention basin, bubblers, risers, and outfall pumps necessary to meet the project service demands of the Assessed Property; and
5. Grading, Earthwork, and Land Management Improvements and Fees – Funding for capital improvements to manage growth including the creation of natural water sources and construction of ponds necessary to meet the project service demands of the Assessed Property; and
6. Dry Utilities, Landscape Improvements, and Fees – Funding for capital improvements, including dry utilities, ground cover, irrigation, trees and access features, and erosion control necessary to serve the Assessed Property; and
7. Backbone Improvements and Fees – Funding for the Ridgeview East and Ridgeview West allocable share of Benloch Ranch-wide backbone roadway improvements (including the Benloch Ranch Roadway, Fireside Drive, Talisman Parkway, etc.) necessary to meet the project service demands of the Assessed Property; and
8. Miscellaneous – Funding for incidental costs associated with the Improvements,



SECTION III DESCRIPTION OF THE IMPROVEMENTS

including contingency, design, engineering, and construction management. Also includes a partial reimbursement to the Project Developer for the assignment of water rights, utility connections, and impact fees.

The costs of the Series 2022 Improvements related to the 375 units are shown in Table 1. These costs are estimates and may be revised in Annual Administrative Reports but may not exceed the updated cost of the total authorized Improvements set forth herein. Savings from a line item may be applied to a cost increase in another item, as approved by the Association, and these savings may be applied to increases in the costs of the remaining authorized Improvements permitted by the Indenture and identified within this Study.

Table 1: Series 2022 Improvement Costs

Description	Total*
Roadway Improvements	\$4,582,883
Water Improvements	\$2,720,258
Sanitary Sewer Improvements	\$2,796,650
Storm Drain Improvements	\$1,132,720
Grading And Earthwork Improvements	\$10,491,930
Dry Utilities and Common Costs	\$5,443,942
Backbone Improvements and Fees	\$16,252,010
Developer Reimbursement for Assignment Of Water Rights, Utility Connections, And Impact Fees	\$14,831,745
Softs Costs and Contingency	\$5,535,000
Total Facilities Available to be Financed	\$63,787,138
Less: Developers Contribution/Cash - General	(\$4,787,138)
Total Authorized Improvements	\$59,000,000

*Note: Please see Appendix B for full description of the eligible infrastructure; the table herein has been condensed and is merely illustrative. Costs are provided by the Developer. Estimates, subject to change.



SECTION IV SOURCES AND USES OF FUNDS

IV SOURCES AND USES OF FUNDS

The estimated costs for the Improvements, plus costs related to the issuance of the Series 2022 Bonds and payment of expenses incurred in the establishment, administration, and operation of the Indenture is approximately \$86,100,000 as shown below in Table 2. The developer contribution will be applied proportionally across all phases (375 Lots) based on lot type and lot size.

The sources and uses of funds as presented shall be updated each year in the Annual Administrative Report to reflect any budget revisions and changes to actual costs.

Table 2: Sources and Uses of Funds

Sources and Uses of Funds	Series 2022 Bonds ³
Sources of Funds	
Bond Par Amount	\$86,100,000
Original Issue Discount	(\$2,016,462)
Total Sources of Funds	\$84,083,538
Uses of Funds	
<u>Specific Improvements¹</u>	
Roadway Improvements	\$4,582,883
Water Improvements	\$2,720,258
Sanitary Sewer Improvements	\$2,796,650
Storm Drain Improvements	\$1,132,720
Grading And Earthwork Improvements	\$10,491,930
Dry Utilities And Common Costs	\$5,443,942
Backbone Improvements and Fees	\$16,252,010
Developer Reimbursement For Assignment Of Water Rights, Utility Connections, And Impact Fees	\$14,831,745
Softs Costs And Contingency	\$5,535,000
Subtotal of Eligible Specific Improvements	\$63,787,138
Less: Developers Contribution/Cash - General	(\$4,787,138)
Subtotal Specific Improvements	\$59,000,000
<u>Financing Costs</u>	
Capitalized Interest (2)	\$14,397,833
Bond Reserve Fund	\$8,408,354
Underwriter's Discount	\$1,722,000
Costs of Issuance / Deposit to Administrative Fund	\$555,351
Subtotal Financing Costs	\$25,083,538
Total Uses	\$84,083,538

Notes:

1. See Table 1 for details.
2. Capitalized Interest is approximately 20 months for the Series 2022 Bonds.
3. May not sum due to rounding.



SECTION V ASSESSMENT PLAN

V ASSESSMENT PLAN

A Introduction

The Indenture instructs the Association to apportion the costs of the Improvements on the basis of special benefits conferred upon the Assessed Property as a result of the Improvements. DTA, the Administrator, recommends that the costs of the Improvements be assessed (i) according to the value of the constituent elements of the Assessed Property as determined by the governing body (with or without regard to Improvements on the property), (ii) equally per front foot or square foot, or (iii) in any other manner that results in imposing equal shares of the cost on Assessed Property similarly benefited.

The Indenture and Declaration further provide that the Association, in consultation with the Administrator, may establish by resolution reasonable classifications and formulas for the apportionment of the cost between the Association and area to be assessed and the methods of assessing the special benefits for various classes of Improvements.

The proposed bond issuance program entails a potential series of bond financings that are intended to finance the infrastructure required for the development. This financing may be undertaken in phases to coincide with the private investment and development of the Improvements.

The purpose of the issuance of bonds in phases is to mirror the actual development of the Improvements. Special assessment bonds are most prudently and efficiently utilized when directly coinciding with construction of the infrastructure needed for the private development that is to occur once the infrastructure is completed. It is most effective to issue bonds when the infrastructure is needed, not before.

Additionally, the issuance of Series 2022 Bonds will maintain a prudent Value-to-Lien ("VTL") within the financing program. In order to maintain a prudent VTL, the initial issuance of bonds for a specific portion of Improvements within a phase may not fund all the necessary Improvements because the property value is not high enough to support the entire debt load at the VTL chosen for the development. In that case, the land developer will need to fund the additional infrastructure costs with its own funds and be responsible for any cost overruns that exceed the total budget.

For purposes of this Study, the Association has determined that the costs of the Improvements shall be allocated as described below.

1. The Improvement costs shall be allocated on the basis of the size of the Lots and their estimated value once the Assessed Property is developed, such that the method of allocation will result in the imposition of equivalent shares of the costs of the Improvements to Lots similarly benefited.
2. The Association has concluded that larger, more expensive homes are likely to be built on the larger Lots and that these homes are likely to make greater use of and receive greater benefit from the Improvements. In determining the relative values



SECTION V ASSESSMENT PLAN

of parcels, the Association has taken into consideration the relative residential lot sizes and the size of homes likely to be built on Lots of different sizes, current and projected home prices provided by the Owner, the Improvements to be provided and estimated costs, and ability of different property types to utilize and benefit from the Improvements.

3. The Assessed Property is classified into different lot types as detailed in **Table 3** based on the type and size of proposed development on each Lot.
4. The Improvement costs (which include, at this time, only the Series 2022 Improvements) are allocated to each Lot within the 375-unit development based on the size of the Lot and the estimated assessed value at build-out.

B Special Benefit

Assessed Property must receive a direct and special benefit from the Improvements and this benefit must be equal to or greater than the amount of the Assessments. The Improvements are provided specifically for the benefit of the Assessed Property.

Each Owner of Assessed Property has acknowledged that the Improvements confer a special benefit on the property and consented to the imposition of an Assessment Lien and the levy of Assessments to pay for the actual costs associated therewith. Each of the Owners is acting in his or her best interest in consenting to this apportionment and levying of Assessments because the special benefit conferred upon the Assessed Property by the Improvements exceeds the amount of the Assessments.

The Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Improvements. The Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed development and use of the property.

The Assessments are being levied to provide the authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value." (The Appraisal of Real Estate, Fourteenth Edition). The authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Owner has evaluated the potential use of the Assessed Property and determined that the highest and best use thereof is the use intended and legal use for the Assessed Property for the various residential units as described in this Study. The development and use of the Assessed Property as described herein will require the construction of the Improvements.



SECTION V ASSESSMENT PLAN

Each Owner of Assessed Property will ratify, confirm, accept, agree to, and approve the determinations and findings by the Association as to the special benefits described in this Study, the Declaration, and levy of Assessments on the Assessed Property.

The use of Assessed Property as described in this Study and authorized by the Association requires that Improvements be acquired, constructed, installed, and/or improved. Funding the actual costs of the Improvements through the Indenture has been determined by the Association to be the most beneficial and cost-effective means of doing so. The Assessments result in a special benefit to the Assessed Property and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the Association.

In summary, the Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property, and provide a special benefit to the Assessed Property;
2. The Improvements are required for the highest and best use of the Assessed Property and the highest and best use of the Assessed Property is the construction of residential units; and
3. The special benefits to the Assessed Property from the Improvements will be equal to or greater than the Assessments.

C Assessment Methodology

The estimated costs of the Improvements may be assessed by the Association against the Assessed Property as long as the special benefit conferred upon the Assessed Property by the Improvements equals or exceeds the Assessments. The estimated costs of the Improvements may be assessed using any methodology that results in the imposition of relatively equivalent shares of the costs on Assessed Property similarly benefited.

C.1 Assessment Methodology for Improvements

For purpose of this Study, the Association has determined that the estimated costs of the Improvements shall be allocated to Assessed Property by spreading the entire Assessment across the Assessed Property based on the estimated assessed value at build-out as calculated and shown in **Table 3** using the types and number of Lots anticipated to be developed on the Assessed Property.

The Assessment and annual installments for Assessed Property within the Project are shown on the assessment roll, attached as **Appendix A**, and no Assessment shall be changed except as authorized in accordance with the Declaration.



SECTION V ASSESSMENT PLAN

Table 3: Series 2022 Improvements – Assessment Allocation by Lot Type and Phase ¹

Lot Type	No. of Lots	Estimated Assessed Value Per Home	Estimated Assessed Value at Build-out	Allocation by Lot Value ²
Single-Family Detached (Estate + Lot)	10	\$3,000,000	\$30,000,000	4.54%
Single-Family Detached (Estate Lot)	26	\$2,500,000	\$65,000,000	9.83%
Single-Family Detached (Large Lot)	70	\$2,125,000	\$148,750,000	22.49%
Single-Family Detached (Medium Lot)	99	\$1,750,000	\$173,250,000	26.19%
Single-Family Detached (Small-Medium Lot)	100	\$1,500,000	\$150,000,000	22.68%
Single-Family Detached (Small Lot)	70	\$1,350,000	\$94,500,000	14.29%
Total	375	N/A	\$661,500,000	100.00%

Notes:

1. See **Table 4** for additional details.
2. Numbers may not sum due to rounding.

D Assessment Allocation

The Assessments for the Series 2022 Bonds will be levied by the Association on the Assessed Property according to the assessment roll, attached hereto as **Appendix A**. The annual installments for the Series 2022 Bonds will be collected at the time and in the amounts shown on the assessment roll, subject to any revisions made during the preparation of an Annual Administrative Report. The total Assessments are set forth below in **Table 4**.



SECTION V
ASSESSMENT PLAN

Table 4: Series 2022 Bonds – Estimated Assessment per Lot 1

Lot Type	No. of Lots	Estimated Assessed Value per Home ²	Estimated Assessed Value at Build-out	Series 2022 Assessment Allocation by Lot Type	Total Assessment Principal ³	Total Assessment Principal per Lot	Total Assessment Installments ⁴	Total Assessment Installments per Lot	Annual Assessment per Lot	Assessment Rate Equivalent (per \$100)
Single-Family Detached (Estate + Lot)	10	\$3,000,000	\$30,000,000	4.54%	\$3,904,762	\$390,476	\$11,747,093	\$1,174,709	\$41,938	\$1.40
Single-Family Detached (Estate Lot)	26	\$2,500,000	\$65,000,000	9.83%	\$8,460,317	\$325,597	\$25,452,034	\$978,924	\$34,948	\$1.40
Single-Family Detached (Large Lot)	70	\$2,125,000	\$148,750,000	22.49%	\$19,361,111	\$276,587	\$58,246,001	\$832,086	\$29,706	\$1.40
Single-Family Detached (Medium Lot)	99	\$1,750,000	\$173,250,000	26.19%	\$22,550,000	\$227,778	\$67,839,459	\$685,247	\$24,464	\$1.40
Single-Family Detached (Small-Medium Lot)	100	\$1,500,000	\$150,000,000	22.68%	\$19,523,810	\$195,238	\$58,735,463	\$587,355	\$20,969	\$1.40
Single-Family Detached (Small Lot)	70	\$1,350,000	\$94,500,000	14.29%	\$12,300,000	\$175,714	\$37,003,342	\$528,619	\$18,872	\$1.40
Total	375	\$1,764,000	\$661,500,000	100.00%	\$86,100,000	N/A	\$259,023,391	N/A	N/A	N/A

Notes:

1. Numbers may not sum due to rounding.
2. Estimates based on information available as of March 22, 2022.
3. Assessment installments include the annual principal amount due on the Assessment, annual interest amount due on the Assessments, and administrative expense portion of the Assessment.
4. Average annual Assessment installments reflect principal payment years without capitalized interest. Series 2022 average annual Assessment installments thus reflect the Fiscal Year ending in 2024 through the Fiscal Year ending in 2051.



SECTION VI TERMS OF THE ASSESSMENTS

VI TERMS OF THE ASSESSMENTS

A Amount of Assessment and Annual Installments for Assessed Property

A.1 Assessments

The Assessment and annual installments for Assessed Property are presented in **Appendix A**. No Assessment shall be changed except as authorized in a Study Update or Annual Administrative Report.

The annual installments shall be collected in an amount sufficient to pay the annual principal amount due on the Assessments, annual interest amount due on the Assessments, administrative expense portion of the Assessment, and as payment for any other costs authorized by the Association.

B Reallocation of Assessments for Assessed Property

B.1 Apportionment of Assessments Upon Consolidation Parcels

Upon the consolidation of two or more parcels of the Assessed Property, the Assessment for the consolidated parcels Assessed Property shall be the sum of the Assessments for the parcels prior to consolidation.

B.2 Apportionment of Assessments Upon the Division of Assessed Properties

In general, the sum of the Assessments for all Lots of newly subdivided parcels of the Assessed Property shall equal the Assessment for the subdivision parcel of Assessed Property prior to subdivision. The Assessment initially applicable to each parcel of Assessed Property is equal to the Assessment that corresponds to the lot types and anticipated yield or number of Lots for such subdivision parcel of Assessed Property. If a subdivision parcel of the Assessed Property contains two or more Lots, the Assessment initially applicable is equal to the sum of the Assessments that correspond to the lot types for such Lots. Similarly, if a subdivision parcel of the Assessed Property is subsequently platted, subdivided, re-subdivided, or re-platted, the aggregate Assessment applicable to the resulting Lots shall be equal to the Assessment that corresponds to the lot type for such Lots.

Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in a Study Update or Annual Administrative Report approved by the Association. The reallocation of any Assessments as described herein shall be made by the Administrator but will require Association approval.

B.3 Non-Benefited Property to Assessed Property

In the case it has been determined that a non-benefited portion of the Assessed Property shall be classified as a benefitted portion of the Assessed Property (i.e., it has been determined that the property now receives benefit from the Improvements), an Assessment is hereby levied against such Assessed Property in



SECTION VI TERMS OF THE ASSESSMENTS

accordance with the methodology described in this Study and the assessment roll shall be amended in the next Study Update or Annual Administrative Report.

C Mandatory Prepayment of Assessments

Pursuant to the Declaration, the Mandatory Prepayments required below shall be treated the same as any Assessment that is due and owing under the Indenture, the Declaration, and this Study, including the same lien priority, penalties, procedures, and foreclosure specified by the Association.

C.1 Extraordinary Mandatory Prepayment Redemption

Pursuant to section 2.5(c) of the Indenture, the Bonds are subject to mandatory prepayment redemption, from the Property Seller Redemption on deposit in the Redemption Account on any business day including amounts transferred from the Reserve Fund and the Capitalized Interest Account, at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption. A Property Seller Redemption is the result of a Lot Sale and results in prepayment in the amount of one hundred twenty percent (120%) of the Assessments attributable to the Assessed Property subject to such Lot Sale plus accrued interest to the date of redemption, on the respective redemption date pursuant to Section 2.5(c) of the indenture taking into account amounts transferred from the Reserve Fund and the Capitalized Interest Account (if any) as required by Sections 5.2(d) and 5.4(c) of the indenture.

C.2 Assessment Excess

If at any time the Assessment on a Lot exceeds the original Assessment calculated for the Lot as set forth in the Study as a result of any reallocation of an Assessment authorized by this Study (including platting or re-platting) and initiated by the Owner of the Lot, then, following necessary compliance, pursuant to the Declaration such Owner shall pay to the Association prior to the recordation of the document subdividing or re-subdividing the Lot the amount calculated by the Association by which the new Assessment for the Lot exceeds the original Assessment for the Lot.

C.3 Assessment Shortfall

If at any time the Assessment on a Lot is less than the original Assessment calculated for the Lot as a result of any reallocation of an Assessment authorized by this Study (including platting or re-platting) and initiated by the Owner of the Lot, then, pursuant to the Declaration such Owner shall pay to the Association prior to the recordation of the document subdividing or re-subdividing the Lot the amount calculated by the Association by which the new Assessment for the Lot is less than the original Assessment for the Lot.



SECTION VI TERMS OF THE ASSESSMENTS

D Reduction of Assessments

If, after all Improvements to be funded with a series of Series 2022 Bonds have been completed, and the actual costs for the Improvements are less than the estimated costs used to calculate the Assessments securing such Series 2022 Bonds resulting in excess Assessments, then the Association shall, in accordance with the Indenture related to such series of bonds, reduce the Assessments securing the series of bonds for each applicable Assessed Property pro rata such that the sum of the resulting reduction in such Assessments equals the reduced actual costs. The Assessments shall not be reduced to an amount less than the amount due on the related outstanding Series 2022 Bonds.

Similarly, if any of the Improvements to be funded with a series of Series 2022 Bonds are not undertaken, resulting in excess bond proceeds, then the Association may, in its discretion and in accordance with the applicable Indenture, reduce the Assessment for each Assessed Property securing such Series 2022 Bonds pro rata to reflect only the actual costs that were expended and deposit and apply such excess Series 2022 Bond proceeds as described in the paragraph above or as authorized in the Indenture.

The Assessments shall not be reduced to an amount less than the amount due on the related outstanding series of the Series 2022 Bonds. If all the Improvements are not completed, the Association may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the parcels from the Improvements completed.

If all of the Improvements are not undertaken, resulting in excess bond proceeds, then the Association shall, at its discretion and in accordance with the applicable Indenture, reduce Assessments and annual installments for each applicable Assessed Property on a pro rata basis to reflect only the amounts required to repay the Series 2022 Bonds, including interest on the Bonds, and administrative expenses. Such excess bond proceeds shall be applied to redeem bonds as set forth in the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the amount due on the related outstanding Series 2022 Bonds.

E Payment of Assessments

E.1 Payment in Full

The Assessment for any Assessed Property may be paid in full at any time. Such payment shall include all prepayment costs. If prepayment in full will result in redemption of the Series 2022 Bonds, the payment amount shall be reduced by the amount, if any, of capitalized interest or reserve funds applied to the redemption under the Indenture, net of any other costs applicable to the redemption of Bonds as set forth in the applicable Indenture.

If an annual installment has been billed prior to payment in full of an Assessment, the annual installment shall be due and payable and credited against the payment-



SECTION VI TERMS OF THE ASSESSMENTS

in-full amount.

If an Assessment is paid in full, the Administrator shall cause the Assessment to be reduced to zero and the assessment roll to be revised accordingly. The Administrator shall cause the revised assessment roll to be approved by the Association as part of the next Study Update or Annual Administrative Report, the lien and obligation to pay the Assessment and corresponding annual installments shall terminate, and the Association shall provide the Owner with a recordable notice that the lien on such Assessed Property has been released by the Association. If an annual installment has been billed prior to payment in full of an Assessment, the annual installment shall be due and payable and shall be credited against the payment-in-full amount.

If an Assessment is prepaid in part (if permitted by the Declaration), the Administrator shall cause the Assessment to be reduced by the amount of such partial prepayment in a manner conforming to the provisions of the Indenture and the assessment roll revised accordingly. The Administrator shall cause the revised assessment roll reflecting such partial prepayment to be approved by the Association as part of the next Study, and the obligation to pay the Assessment and corresponding annual installments shall be reduced to the extent the partial payment is made.

E.2 Payment in Annual Installments

The Indenture provides that an Assessment for any Assessed Property may be paid in full at any time. If not paid in full, the Indenture authorizes the Assessment to be paid in installments and additionally allows the Association to collect principal, interest, and administrative expenses in installments. An Assessment for Assessed Property that is not paid in full will be collected in annual installments each year in the amounts shown on the assessment roll, as updated and provided for herein. Payment of the annual installments shall commence with invoices mailed in Fiscal Year 2023-2024.

The assessment roll sets forth for each year the annual installment for each Assessed Property consisting of the annual principal amount due on the Assessments, annual interest amount due on the Assessments, and administrative expense portion of the Assessments. The annual installments may not exceed the amounts shown on the assessment roll in **Appendix A**.

The Association reserves and shall have the right and option to refund Series 2022. In the event of issuance of refunding bonds, the Administrator shall recalculate the annual installments and, if necessary, may adjust or decrease the amount of the annual installment so that total annual installments of Assessments will be produced in annual amounts that are required to pay the debt service on the refunding bonds when due and payable as required by and established in the Declaration and/or the Indenture authorizing and securing the refunding bonds



SECTION VI TERMS OF THE ASSESSMENTS

and such refunding bonds shall constitute "Series 2022 Bonds" for the purposes of this Study.

E.3 Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and submit to the Association for its approval an Annual Administrative Report to allow for the billing and collection of annual installments. Each Annual Administrative Report shall include an updated assessment roll and a calculation of the annual installment for each Assessed Property. Administrative expenses shall be allocated among Assessed Properties in proportion to the amount of the annual installments for the Assessed Property. Each annual installment shall be reduced by any credits applied under the Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available under the applicable Indenture for such purpose, including any existing deposits for a delinquency and prepayment reserve.

Annual installments may be collected by the Association (or such entity to whom the Association directs) on the due date set forth in the Administrator invoice. Annual installments shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as set forth by the Declaration. The Association may provide for other means of collecting the annual installments to the extent permitted. The Assessments shall have lien priority as specified in the Declaration.

Any foreclosure and sale of Assessed Property for nonpayment of the delinquent annual installments shall be subject to the lien established for the remaining unpaid annual installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent annual installments against such Assessed Property as they become due and payable.

Failure of an Owner to receive an invoice for an annual installment shall not relieve the Owner of the responsibility for payment of the Assessment. Assessments, or annual installments thereof, that are delinquent shall incur delinquent collection costs. The Association may provide for other means of collecting the annual installments to the extent permitted.



SECTION VII THE ASSESSMENTS

VII THE ASSESSMENTS

A Series 2022 Assessment

As described by this Study, Assessed Property will be assessed for the special benefits conferred upon the Assessed Property as a result the Series 2022 Improvements. Table 5 summarizes the special benefit received.

Table 5: Special Benefit Summary

Public Improvement	Series 2022 Improvement Costs
Specific Improvements to be Financed	\$63,787,138
Formation/Bond Issuance Costs	
Original Issue Discount	\$2,016,462
Capitalized Interest	\$14,397,833
Bond Reserve Fund	\$8,408,354
Underwriter's Discount	\$1,722,000
Costs of Issuance	\$555,351
Total Series 2022 Formation/Bond Issuance Costs	\$27,100,000
Total Special Benefit	\$90,887,138
Total Assessment	\$86,100,000
Excess Benefit	\$4,787,138

B Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the Association for approval, annual updates to the assessment roll in conjunction with the Annual Administrative Report to reflect the following matters, together with any other changes helpful to the Administrator or the Association and permitted:

- Identification of each parcel and Lot;
- Assessment for each Lot of Assessed Property, including any adjustments authorized by this Study;
- Annual installment for the Assessed Property for the year (if the Assessment is payable in installments); and
- Payments of the Assessment, if any, as provided in Section V of this Study.

The Annual Administrative Report shall reflect the actual interest on the Series 2022 Bonds on which the annual installments shall be paid, any reduction in the Assessments, and any revisions in the actual costs to be funded by the Series 2022 Bonds and Owner's funds.



SECTION VIII MISCELLANEOUS PROVISIONS

VIII MISCELLANEOUS PROVISIONS

A Administrative Review

An Owner of Assessed Property claiming that a calculation error has been made in the assessment roll, including the calculation of the annual installment, shall send a written notice describing the error to the Association not later than 30 days after the date the invoice or other bill for the annual installment is received. If the Owner fails to give such notice, such Owners shall be deemed to have accepted the calculation of the assessment roll (including the annual installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the assessed parcel Owner, consider written and oral evidence regarding the alleged error, and decide whether, in fact, such a calculation error occurred. The Association may elect to designate a third party who is not an officer or employee of the Association to serve as Administrator for purposes of allocating and levying the Assessments.

If the Administrator determines that a calculation error has been made and the assessment roll should be modified or changed in favor of the Assessed Property Owner, such change or modification shall be presented to the Association for approval to the extent permitted. A cash refund may not be made for any amount previously paid by the Assessed Property Owner (except for the final year during which the annual installment shall be collected or if it is determined there are sufficient funds to meet the expenses for the current year), but an adjustment may be made in the amount of the annual installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the assessment roll may be appealed to the Association.

The decision of the Administrator, or if such decision is appealed to the Association, the decision of the Association shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property Owner shall be a condition precedent to any other appeal or legal action by such Owner.

B Termination of Assessments

The Assessment as to each portion of the Assessed Property shall be extinguished on the date the Assessment allocated thereto is paid in full, including unpaid annual installments and delinquent collection costs, if any. After the extinguishment of an Assessment and (collection of any delinquent annual installments and delinquent collection costs), the Association shall provide the Owner of the affected parcel a recordable "Notice of Termination of the Special Assessment, Termination of Association Membership and Release from Encumbrance of Declaration."



SECTION VIII MISCELLANEOUS PROVISIONS

C Amendments

The Association reserves the right to the extent permitted to amend this Study without notice and without notice to property Owners of the Assessed Property to correct mistakes and clerical errors, clarify ambiguities, and provide procedures for the collection and enforcement of Assessments, prepayment costs, delinquent collection costs, and other charges imposed by the Declaration in accordance with the provisions of this Study or the Annual Administrative Report.

D Administration and Interpretation of Provisions

The Association shall administer the Series 2022 Bonds, this Study, and all Annual Administrative Reports and shall make all interpretations and determinations related to the application of this Study unless stated otherwise herein or in the Declaration or Indenture. Such determinations shall be final, binding, and conclusive.

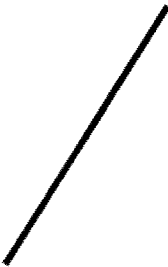
E Severability

If any provision, section, subsection, sentence, clause, or phrase of this Study or the application of same to Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Study or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of Association in adopting this Study that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other part hereof, and all provisions of this Study are declared to be severable for that purpose.

If any provision of this Study is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Study and shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Association.

APPENDIX A

Mackay Developments
Benloch Ranch Improvement Association No. 2
Apportionment Study



ASSESSMENT ROLL

Table A-1: Assessment Roll – Assessment by Parcel ID, Ridgeview East & Ridgeview West

Phase	Parcel ID	Owner	Single-Family Detached (Estate + Lot)	Single-Family Detached (Estate Lot)	Single-Family Detached (Large Lot)	Single-Family Detached (Medium Lot)	Single-Family Attached (Medium-Small Lot)	Single-Family Attached (Small Lot)	Total Lots	Series 2022 Assessment Principal	FY 2022 Assessment Due	
Ridgeview East & Ridgeview West	00-0020-4218	Benloch CPC, LLC										
	00-0007-6872											
	00-0007-6880											
	00-0020-9040		10	26	70	99	100	70	375	\$86,100,000	\$0	
	00-0021-5557											
	00-0021-5558											
	00-0021-5559											
	00-0020-2698											
Totals			10	26	70	99	100	70	375	\$86,100,000	\$0	

Table A-2: Debt Service Schedule (Final)

Fiscal Year End ¹	Principal	Interest	Capitalized Interest	Reserve Fund	Administrative Expenses ²	Annual Installment ³	Assessment Balance ⁴
2022	\$0	\$5,787,833	(\$5,787,833)	\$0	\$50,000	\$50,000	\$86,100,000
2023	\$0	\$8,610,000	(\$8,610,000)	\$0	\$50,500	\$50,500	\$86,100,000
2024	\$579,000	\$8,610,000	\$0	\$0	\$51,005	\$9,240,005	\$85,521,000
2025	\$637,000	\$8,552,100	\$0	\$0	\$51,515	\$9,240,615	\$84,884,000
2026	\$701,000	\$8,488,400	\$0	\$0	\$52,030	\$9,241,430	\$84,183,000
2027	\$771,000	\$8,418,300	\$0	\$0	\$52,551	\$9,241,851	\$83,412,000
2028	\$848,000	\$8,341,200	\$0	\$0	\$53,076	\$9,242,276	\$82,564,000
2029	\$932,000	\$8,256,400	\$0	\$0	\$53,607	\$9,242,007	\$81,632,000
2030	\$1,026,000	\$8,163,200	\$0	\$0	\$54,143	\$9,243,343	\$80,606,000
2031	\$1,128,000	\$8,060,600	\$0	\$0	\$54,684	\$9,243,284	\$79,478,000
2032	\$1,241,000	\$7,947,800	\$0	\$0	\$55,231	\$9,244,031	\$78,237,000
2033	\$1,365,000	\$7,823,700	\$0	\$0	\$55,783	\$9,244,483	\$76,872,000
2034	\$1,502,000	\$7,687,200	\$0	\$0	\$56,341	\$9,245,541	\$75,370,000
2035	\$1,652,000	\$7,537,000	\$0	\$0	\$56,905	\$9,245,905	\$73,718,000
2036	\$1,817,000	\$7,371,800	\$0	\$0	\$57,474	\$9,246,274	\$71,901,000
2037	\$1,998,000	\$7,190,100	\$0	\$0	\$58,048	\$9,246,148	\$69,903,000
2038	\$2,198,000	\$6,990,300	\$0	\$0	\$58,629	\$9,246,929	\$67,705,000
2039	\$2,418,000	\$6,770,500	\$0	\$0	\$59,215	\$9,247,715	\$65,287,000
2040	\$2,660,000	\$6,528,700	\$0	\$0	\$59,807	\$9,248,507	\$62,627,000
2041	\$2,926,000	\$6,262,700	\$0	\$0	\$60,405	\$9,249,105	\$59,701,000
2042	\$3,218,000	\$5,970,100	\$0	\$0	\$61,010	\$9,249,110	\$56,483,000
2043	\$3,540,000	\$5,648,300	\$0	\$0	\$61,620	\$9,249,920	\$52,943,000
2044	\$3,894,000	\$5,294,300	\$0	\$0	\$62,236	\$9,250,536	\$49,049,000
2045	\$4,284,000	\$4,904,900	\$0	\$0	\$62,858	\$9,251,758	\$44,765,000
2046	\$4,712,000	\$4,476,500	\$0	\$0	\$63,487	\$9,251,987	\$40,053,000
2047	\$5,183,000	\$4,005,300	\$0	\$0	\$64,122	\$9,252,422	\$34,870,000
2048	\$5,702,000	\$3,487,000	\$0	\$0	\$64,763	\$9,253,763	\$29,168,000
2049	\$6,272,000	\$2,916,800	\$0	\$0	\$65,410	\$9,254,210	\$22,896,000
2050	\$6,899,000	\$2,289,600	\$0	\$0	\$66,065	\$9,254,665	\$15,997,000
2051	\$15,997,000	\$1,599,700	\$0	(\$8,408,354)	\$66,725	\$9,255,071	\$0
Total	\$86,100,000	\$193,990,333	(\$14,397,833)	(\$8,408,354)	\$1,739,245	\$259,023,391	

Notes:

1. Annual installments will be due by December 1. Administrative Expenses assume a 1% annual increase.
2. Annual installments are calculated based on the true interest rate on the Series 2022 Bonds plus administrative expenses.
3. Assumes the annual installment has not been paid for such Fiscal Year.

EXHIBIT "J"
ARTICLES OF INCORPORATION OF THE ASSOCIATION

[See attached.]

Exhibit J

To: -18015306438

Page: 3 of 8

2022-02-24 22:18:20 GMT

Date: 02/25/2022

From: Tyler LaMar

Receipt Number: 9336956

Amount Paid: \$105.00

EXPEDITE

ARTICLES OF INCORPORATION OF

BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2

A Utah Non-Profit Corporation

(Pursuant to the provisions of Utah Code § 16-6a-202)

RECEIVED

FEB 24 2022

Utah Div. of Corp. & Comm. Code

I, the undersigned natural person, being of the age of eighteen years or more, acting as incorporator under the Utah Revised Non-Profit Corporation Act, Utah Code § 16-6a-101 *et seq.* ("Nonprofit Act"), adopt the following Articles of Incorporation for such Corporation.



ARTICLE I NAME

The name of this Corporation is **Benloch Ranch Improvement Association No. 2** ("Corporation").

ARTICLE II DURATION

The duration of this Corporation shall be perpetual.

ARTICLE III PURPOSE

The Corporation is organized exclusively for non-profit purposes to operate an association of owners within the Ridgeview East and Ridgeview West Phases of the Benloch Ranch development located in Wasatch County, State of Utah ("Ridgeview Project"), for the express purpose of selling and servicing bonds to finance common infrastructure improvements, facilities and reimbursements for the Ridgeview Project. The Corporation is organized to administer, enforce, and carry out the terms, rights, covenants, restrictions, and provisions as set forth in the Declaration of Covenants, Conditions, and Restrictions for the Benloch Ranch Improvement Association No. 2 recorded in the official records of Wasatch County ("Declaration"), including without limitation to: (i) purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located; (ii) provide for the construction, maintenance, preservation, and control of the real property improvements within the Ridgeview Project development; (iii) sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property and assets; (iv) fix, levy, collect and disburse the membership assessments and charges provided for in the Declaration and Bylaws for, among other needs, the servicing and satisfaction of bonds, loans or other indebtedness; (v) purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interest in, or obligations of, any other entity; (vi) make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certified that the foregoing has been filed
and approved on this 24 day of Feb, 2022
in this office of this Division and hereby issued
This Certificate thereof.

JMH

2/23/2022

Examiner

Date



L. Velette
Leigh Velette
Division Director

12724379-0140

Exhibit J

and secure any of its obligations by mortgage or pledge of any of its property, assets, franchises, or income; (vii) issue, sell, guarantee, and service bonds that are issued to finance the costs of the common infrastructure and other costs of the Ridgeview Project development; (viii) administer, enforce, and carry out the terms and the provisions of the Corporation's Bylaws; (ix) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Act may now or hereafter have or exercise. The Corporation shall have all powers necessary and incidental to carrying out the purposes for which the Corporation is formed. The Corporation shall also have the power to participate in mergers and consolidations with other corporations or organizations formed for the same purposes or to annex additional property, streets, roadways, water improvements, sewer improvements, and storm drain improvements.

**ARTICLE IV
MEMBERS & VOTING**

The Corporation shall have non-voting members only. The Corporation will not issue shares evidencing membership. All owners of real property that are subject to the Declaration shall be members of the Corporation. Membership in the Corporation is mandatory, and not optional, and shall be appurtenant to and may not be separated from the ownership of any lot or parcel, and shall begin immediately upon becoming a lot or parcel owner and shall terminate when such ownership ceases. Membership in the Corporation shall be held jointly by all owners of a lot or parcel. No persons or entities other than an owner of a lot or parcel subject to the Declaration may be a Member of the Corporation. The terms and conditions of membership, including membership interests and any potential conversion to voting membership, shall be set forth in the recorded Declaration and Bylaws of the Corporation. Members shall be subject to assessments by the Corporation from time to time in accordance with the provisions of the Declaration and Bylaws.

**ARTICLE V
DIRECTORS**

The affairs of the Corporation shall be managed and governed by a Board of Directors. Pursuant to Utah Code § 16-6a-801(2)(b), Benloch Ranch Development Group II, LLC, the "Declarant" under the Declaration and an affiliate of the master developer of the Benloch Ranch project, is hereby authorized to exercise all of the powers, and perform all the duties of the Board of Directors during the "Declarant Control Period" (as defined and set forth in the Declaration). In lieu of acting as the Board of Directors, the Declarant, in its sole discretion, may also appoint and remove individual Directors and officers of the Corporation during the Declarant Control Period. Declarant may voluntarily surrender its right to appoint and remove Directors and officers prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Corporation or Board, as described in an instrument executed by Declarant, be approved by Declarant before they become effective.

Each Director shall hold office until his/her successor has been duly appointed/elected and qualified, or until a Director is removed or resigns as provided in

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the Bylaws. The Board of Directors shall exercise such powers as are provided by these Articles of Incorporation, the Bylaws, the Declaration, and applicable laws of the State of Utah. The Board of Directors shall exercise all powers on behalf of the Corporation.

**ARTICLE VI
OFFICERS**

The Board of Directors is authorized to elect and appoint officers and agents of the Corporation as shall be necessary and appropriate. Such officers and agents shall hold office until their successors are duly elected or appointed and qualified, or until they are removed or they resign. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the affairs of the Corporation as may be provided in these Articles of Incorporation, the Bylaws, the Declaration, or as may be determined by resolution of the Board of Directors, so long as such resolution is not inconsistent with these Articles of Incorporation, the Bylaws, or the Declaration.

**ARTICLE VII
CORPORATION POWERS**

The Corporation shall have such powers and authority as are provided by the Nonprofit Act and other applicable laws and acts, subject to the terms and conditions of the Declaration. Specifically, the Corporation shall have power and authority to carry out its purposes listed in Article III herein, to sue or be sued and defend the Corporation's name; maintain a corporate seal; receive gifts, devises, or bequests for personal and real property; to purchase or lease personal or real property and to otherwise acquire, hold, improve, use, and possess the same; to convey, mortgage, pledge, lease, exchange, transfer, bargain, or otherwise dispose of any or all of its property and assets; to make contracts and guarantees, incur liabilities, borrow money, issue and sell its notes, bonds, and other obligations and secure any of its obligations by mortgage or pledge of any of its property, assets, franchises, or income; to conduct its normal and ordinary affairs, transact business, and carry on operations with such offices as are necessary; to elect Directors to the Board, and to appoint officers and agents of the Corporation and to define their duties, by bylaw or otherwise; to defend, indemnify, and hold harmless any Director, officer, or agent of the Corporation for expenses actually and necessarily incurred in furthering the activities and operations of the Corporation or in defense of any litigation or action in which any said Director, officer, or agent is made a party; and to exercise all other powers necessary and reasonably convenient to effect any and all of the purposes for which the Corporation is now authorized or hereafter may be authorized by the laws of the United States and the State of Utah.

**ARTICLE VIII
LIMITATIONS ON DISPOSITION OF EARNINGS AND ASSETS**

The Corporation's objectives are not for pecuniary profit and no part of the net earnings of the Corporation, if any, shall inure to the benefit of any Director, officer, or Member of the Corporation or any other individual, and no Director, officer, or Member

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of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution or liquidation of the Corporation. Notwithstanding any other provision of these Articles of Incorporation to the contrary, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income taxes under Section 501(c) of the Internal Revenue Code.

**ARTICLE IX
DECLARATION AND BYLAWS**

Provisions for managing the business and regulating the affairs of the Corporation shall be set forth in the Declaration and Bylaws. The Bylaws and Declaration may be amended from time to time pursuant to the terms therein.

**ARTICLE X
DISSOLUTION**

The Corporation may be dissolved only upon the termination of the Declaration in accordance with the terms thereof and a Declarant proposal to dissolve. If a Member vote is required by law, and the Declarant has not proposed to dissolve, Members holding not less than one-hundred percent (100%) of the voting interests of the corporation must give their assent. Upon dissolution, the assets of the Corporation not dedicated or required to be dedicated to the public shall be divided among all the Members as provided in the Declaration or otherwise required by law. In the event all Memberships in the Corporation are terminated in compliance with the Declaration, then the Declarant may authorize the dissolution of the Corporation pursuant to Utah Code § 16-6a-1401(1)(a) and may wind up and liquidate its affairs pursuant to the terms of the Declaration and Bylaws, and in conformance with the requirements of the Act.

**ARTICLE XI
LIABILITY**

The Board, Directors, officers, employees, and Members of this Corporation shall not be liable, either jointly or severally, for any obligation, indebtedness, or charge against the Corporation to the maximum extent allowed by and consistent with the terms of the Nonprofit Act, specifically § 16-6a-823. This provision shall apply to former Directors, officers, employees, and Members including, without limitation, those appointed by the Declarant during the Declarant Control Period.

**ARTICLE XII
INDEMNITY OF DIRECTORS AND OFFICERS AND COMMITTEE MEMBERS**

The Corporation shall defend, indemnify, and hold harmless any and all of its Directors and officers and committee members, or former Directors and officers and committee members against all expenses, claims, and losses to the maximum extent permitted by law, and shall advance expenses incurred by such Directors, officers, and committee members, as referenced in §16-16a-904 of the Nonprofit Act, as the same may be amended from time to time, to the maximum extent permitted by law. Such

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defense, indemnification, and hold harmless shall not be deemed exclusive of any or all other rights to which those indemnified may be entitled, under the Declaration or Bylaws, or other law, agreement, vote, or otherwise. This provision shall apply to Directors, officers, and committee members both prior to, during, and after the Declarant Control Period.

**ARTICLE XIII
INCORPORATOR**

The name and address of the incorporator is:

BENLOCH RANCH DEVELOPMENT GROUP II, LLC
2780 N. Moose-Wilson Rd.
PO Box 1827
Wilson, Wyoming 83014

**ARTICLE XIV
REGISTERED OFFICE AND AGENT**

The Corporation's Registered Agent and the address of the Corporation's registered office shall be:

Miller Harrison, LLC
5292 S. College Dr. #304
Murray, UT 84123

Such office may be changed at any time by the Board of Directors without amendment to these Articles of Incorporation.

**ARTICLE XV
PRINCIPAL ADDRESS**

The Corporation's principal address shall be:

2780 N. Moose-Wilson Rd.
PO Box 1827
Wilson, Wyoming 83014

**ARTICLE XVI
MISCELLANEOUS**

1. Amendment. During the Period of Declarant Control, these Articles may be amended by Declarant, in its sole discretion. No other amendment shall be valid or enforceable during the Declarant Control Period unless the Declarant has given written consent to such amendment. Following the Period of Declarant Control, no amendment of these Articles shall affect any improvements or facilities that require an investment of infrastructure or capital; any other amendment to these Articles must be authorized and approved by the same voting requirements that are necessary to amend the

Declaration, as may be set forth therein. Any amendment so authorized and approved shall be accomplished in conformity with the Nonprofit Act and other applicable laws.

2. Defined Terms. Capitalized terms used herein, shall have the same meaning and effect as defined and used in the Declaration and Bylaws of the Corporation.

3. Interpretation. The captions preceding the various portions of these Articles are for convenience and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any provision contained in these Articles shall not affect the validity or enforceability of the remainder hereof. These Articles have been prepared in conjunction with the Declaration and should be read in light of that fact and liberally so as to effect the purposes of both instruments. In the event of a conflict between the provisions of these Articles and the provisions of the Declaration, the provisions of the Declaration shall prevail.

**ARTICLE XVII
CERTIFICATION**

In Witness Whereof, Jamie Mackay, as President of Benloch Ranch Development Group II, LLC, have executed these Articles of Incorporation on behalf of the Incorporator this ____ day of February, 2022 and say:

That I am authorized by the Incorporator herein to execute these Articles, which I have read and know of the contents thereof, and that the same are true to the best of my knowledge and belief. Furthermore, these Articles of Incorporation have been duly approved by the Corporation.

BENLOCH RANCH DEVELOPMENT GROUP
II, LLC
a Utah limited liability company

Executed by:
Jamie Mackay

Jamie Mackay, President

9920-1279118807311551363.1

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EXHIBIT "K"
BYLAWS OF THE ASSOCIATION

[See attached.]

BYLAWS OF BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2

These BYLAWS (the "Bylaws") OF BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 2 ("Association") will be effective upon recording of that certain Declaration of Covenants, Conditions and Restrictions for Benloch Ranch Improvement Association No. 2 (the "Declaration") in the Wasatch County Recorder's Office pursuant to the Utah Community Association Act and the Utah Revised Nonprofit Corporation Act (referred collectively herein as the "Acts").

RECITALS

*Association will initially have one member, **Benloch Ranch Land Company II, LLC**, a Utah limited liability company (the "Developer"), as the owner of all of the real property constituting the "Assessed Property" described in the Declaration. Although the Association was incorporated to function as an "association" as described under the Utah Community Association Act, the full breadth of its functions will be more limited than that of a traditional community association. Instead, the Association has the principal purpose of issuing, servicing and repaying certain bonds (the "Bonds") issued by the Association for purposes of funding land purchase, construction and installation of infrastructure improvements for the benefit of the Assessed Properties, and vital to the development and value of the Assessed Properties.*

*An affiliate of the Developer, **Benloch Ranch Development Group II, LLC**, a Utah limited liability company ("Declarant") intends to govern the Association during the period (the "Declarant Control Period") commencing upon the Association's formation and continuing through repayment in full of the Bonds and full satisfaction of the Bond Indenture. During the Declarant Control Period, Declarant shall have all powers and authority normally reserved to a board of directors to establish and execute the policies and functions of the Association, and responsibilities for oversight of the Associations' day-to-day affairs. However, at any time, Declarant may transfer powers to an appointed Board of Directors to manage the Association in its stead to the extent so authorized. The Declarant shall have an exclusive power of appointment of the Board of Directors until the expiration of the Declarant Control Period.*

The Association is organized for all lawful purposes for which a nonprofit corporation may be organized under the Utah Revised Nonprofit Corporation Act, as amended, subject to the terms and conditions contained in the Declaration and in the Association's Articles of Incorporation ("Articles").

These Bylaws are adopted to complement the Declaration, to further define the rights of the Association and the Owners, to provide for the ability to effectively govern and operate the Association and finance the Financed Improvements and other costs for development of the Assessed Property within the development known as Benloch Ranch.

ARTICLE I DEFINITIONS

1.1 Except as otherwise provided herein or as may be required by the context, all capitalized terms used herein shall have the same meaning and effect as used and defined in the Declaration.

ARTICLE II APPLICATION

2.1 All present and future Owners of Assessed Property are subject to these Bylaws, and will be the Members of the Association. The mere acquisition any of the Assessed Property, Neighborhoods or Lots will signify that these Bylaws and the Declaration are accepted, ratified, and will be complied with by the acquiring Owners.

ARTICLE III OWNERS

3.1 **Owner Benefits/Rights.** The Financed Improvements will provide a direct and special benefit for each Lot to provide infrastructure and facilitate development. To ensure repayment of the Bonds, the Association will be controlled, governed and operated by the Declarant, in lieu of a Board of Directors, during the Association's entire existence, subject to Declarant's option to grant the Board of Directors authority to take certain actions. Except as may be required by law, the Declaration or these Bylaws, Owners of Lots will be the only Members of the Association upon acquiring and for as long as they own a Lot within the Assessed Property, but, with the exception of Declarant, Owners will have no voting rights and no other rights to control the Association. As set forth in the Declaration, Owners of Lots will cease being Members of the Association upon payment in full or other complete satisfaction of the Lot's Assessment obligation and Lien. These Bylaws apply only to Owners who are Members as set forth in the Declaration during their period of membership in the Association.

3.2 **Annual Meetings.** Annual Meetings shall not be required during the Declarant Control Period, but the Declarant may hold Annual Meetings at its discretion. If a Board of Directors established by Declarant requires Owner voting for the Board, an Annual Meeting of the Owners may be held each year on a day and time established by the Board of Directors. The purposes of an Annual Meeting may include the election of the Board, the distribution of the Annual Administrative Report, and the transaction of such other business as may come before the meeting. If an election of the Board cannot be held during the Annual Meeting, or at any adjournment thereof, the Board may cause the election to be held either at a Special Meeting of the Owners to be convened as soon thereafter as may be convenient or at the next Annual Meeting. The Board may from time to time by resolution change the month, date, and time for the Annual Meeting.

3.3 **Special Meetings.** During Declarant Control Period, Special Meetings may only be called by the Declarant. If a Board of Directors is established by Declarant which requires Owner voting for the Board, Special Meetings of the Owners may be called by a majority of the Board, the Declarant, the President or upon the written request of Owners holding not less than forty percent (40%) of the voting interests of the Association. Any written request for a Special Meeting presented by the Owners shall be delivered to the President or Declarant and shall include the original signature of each Owner affirmatively supporting such request along with a complete statement of the purpose of the meeting on

each page containing signatures. The President shall then call, provide notice of, and conduct a Special Meeting within 45 days of receipt of the Owner request.

3.4 **Place of Meetings.** The Declarant or Board may designate any place in Wasatch County that is reasonably convenient for the Owners as the place of meeting for any Owner meeting. In addition, the Association may hold and conduct Owner meetings through any type of electronic means that allows Owners to communicate orally in real time including telephone and video conferencing.

3.5 **Notice of Meetings.** If a Board of Directors is established by Declarant which requires Owner voting for the Board, the Board shall cause written or printed notice of the date, time, and location (and in the case of a Special Meeting, the purpose or purposes) for all Owner meetings. Such written or printed notice shall be delivered to each Owner of record entitled to vote at such meeting not more than sixty (60) nor less than ten (10) days prior to the meeting. Such notice may be sent via email, text, hand-delivery, or regular mail. If sent by email or text, such notice shall be deemed delivered and effective on the date transmitted to the Owner's email address or telephone number registered with the Association. If mailed, such notice shall be deemed to be delivered and effective on the date deposited in the U.S. mail if addressed to the Owner's address registered with the Association. Each Owner shall register with the Association such Owner's current email address, phone number, and mailing address for purposes of notice hereunder. Such registered email, phone number, and mailing address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, an Owner's Residence shall be deemed to be the Owner's registered address and notice to the Residence address may be made by first-class mail or by posting the meeting notice on the front door. An Owner may opt out of receiving notices from the Association via email or text by giving written notice to the Board stating that the Owner will not accept notices by way of email or text.

3.6 **Qualified Voters.** An Owner who has a right to vote on any matter pursuant to law or the Governing Documents shall be deemed to be in "good standing" and "entitled to vote" at any meeting if he or she is current in the payment of his or her Assessment account (together with any interest and/or late fees) at least 48 hours prior to the commencement of the meeting and is not in violation of any provision of the Governing Documents.

3.7 **Record Date for Notice Purposes.** The Board may designate a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the meeting, for the purpose of determining Owners entitled to notice of any meeting of the Owners. If no record date is designated, the last date on which a notice of the meeting is mailed or delivered shall be deemed to be the record date for determining Owners entitled to notice. The persons or entities appearing in the records of the Association on such record date as the Owner(s) of record of Lots in the Project shall be deemed to be the Owners of record entitled to notice of the Owner meeting.

3.8 **Quorum.** Any number of Owners present in person or by proxy at any meeting duly called and held in compliance with the requirements of these Bylaws, shall constitute a quorum for the transaction of business and adoption of decisions.

3.9 **Proxies.** Owners who have a right to vote on any matter pursuant to law or the Governing Documents shall be entitled to vote in person or by proxy at each meeting provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been signed by the Owner or by the Owner's attorney. A proxy may be written on paper or received via email, facsimile, text, or any other electronic or physical means. A signature as required herein shall mean any indication that

the document is from and consented to by the person who is purported to have sent it. If a Lot is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Lot or the Owner's attorney when duly authorized in writing. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated, and signed by such Owner. Such instrument may allow the proxy to vote on any issue arising at any particular meeting or meetings, or may set forth the specific matters or issues upon which the proxy is authorized to act. Proxies shall be filed with the Secretary (or with such other officer or person who may be acting as Secretary of the meeting) before the meeting is called to order. The Secretary, or the Declarant shall record all proxies in the meeting minutes.

3.10 **Votes**. Owners who have a right to vote on any matter pursuant to law or the Governing Documents shall be entitled to vote on each matter submitted to an Owner vote, in person or by proxy, the number of votes appertaining to the Lot of such Owner, as set forth in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by Owners, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, or the Declaration. When a Lot is jointly owned, any Owner may exercise the vote for such Lot on behalf of all Co-Owners of the Lot. In the event of two (2) conflicting votes by Co-Owners of a Lot, no vote shall be counted for that Lot. In no event shall fractional or cumulative votes be exercised with respect to any Lot. Only those Owners whose accounts with the Association are not delinquent and are paid in full at least 48 hours prior to commencement of the meeting shall be entitled to vote.

3.11 **Waiver of Irregularities**. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, in the form of proxies and the method of ascertaining Owners present, and in the decision and votes of the Board or of the Owners shall be deemed waived by those Members in attendance if no objection is made at the meeting. For those Members who are not in attendance at the meeting, the right to challenge inaccuracies and irregularities in calls, notices, voting, and decisions shall be waived if no objection is made within thirty (30) days of the date of the meeting.

3.12 **Action Taken Without a Meeting**. Owners have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of Owners through ballot, written consent, or otherwise. The Association may also use any method permitted for actions without a meeting in accordance with the requirements of Utah Code § 16-6a-707 or § 16-6a-709 and any other applicable section of the Acts. Any action so approved shall have the same effect as though taken at an Owner meeting. Ballots or written consents may be obtained via any electronic or physical means including but not limited to email, facsimile, text, or paper document.

3.13 **Minutes of Meetings**. The Secretary, or the Declarant, shall take minutes of all Owner meetings. The minutes shall include, at a minimum, (1) the identification of the Persons present in person and by proxy, (2) the meeting date, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against any issue decided upon, and (5) the exact wording of any resolution passed at the meeting. The failure to take appropriate minutes or otherwise comply with this section does not invalidate any action taken at a meeting. Draft meeting minutes for each Owner meeting shall be made available to requesting Owners within sixty (60) days of the meeting.

ARTICLE IV

DECLARANT GOVERNANCE; BOARD OF DIRECTORS

4.1 **Declarant Governance**. The business and affairs of the Association shall be governed and managed by the Declarant, in lieu of a Board of Directors, and the Declarant may exercise all powers of a Board as permitted by law. The Declarant shall at all times act by and through its Manager or through such other officers or authorized parties as the Declarant shall appoint. Declarant may, in its sole discretion, grant powers to the Board of Directors. Sections 4.3 through 4.20, below, shall be effective ONLY upon the granting of powers or duties to a Board of Directors by the Declarant.

4.2 **Powers**. The Declarant may exercise business judgment and all of the powers of the Association, whether derived from the Declaration, these Bylaws, the Articles, or the Acts except such powers that the Declaration, these Bylaws, the Articles, or the Acts vest solely in the Owners.

4.3 **Number and Qualifications**. Any Board of Directors required to be elected shall be composed of three (3) persons. Board members must be a natural person at least 18 years. If a Board member ceases to meet any required qualifications during the Board member's term, such person's membership on the Board shall automatically terminate.

4.4 **Election**. The Board shall initially be appointed by Declarant and the Declarant's appointment power shall extend throughout the Declarant Control Period. Should an election be required for the Board at any time, the election shall be made by the Owners. At such election, the Owners or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The Association may accept written ballots for Board election voting purposes from those Owners unable to attend a meeting in which an election is held. The Persons receiving the largest number of votes shall be elected. The election of the Board may be conducted through open voting or by secret ballot. Cumulative voting is not permitted.

4.5 **Term of Office**. Board member terms during the Declarant Control Period shall be exclusively determined by Declarant. Following the Declarant Control Period, the Owners shall elect Board members for two (2) year terms. However, at the first election of the Board, those members receiving the highest votes will serve two (2) year terms and the remaining member will serve a one (1) year term to establish staggered terms. The terms shall overlap so that elections for Board member positions are held each year. Board members may serve consecutive terms if elected.

4.6 **Regular Meetings**. Board Meetings shall be held at the discretion of the Declarant so long as at least one Board Meeting is held each year and a Board Meeting is held at the time of the Annual Administrative Report. The Board shall hold meetings at least annually or more often at the discretion of the Board.

4.7 **Special Meetings**. Special meetings may be called by any of Declarant, the President or a majority of Board members on at least two (2) business days' prior notice to each Board Member and those Owners who have requested notice.

4.8 **Meeting Notice**. Notice shall be given to Board members and Owners who have requested notice personally, by email, or by telephone, including text message at least two (2) business days' in advance of the meeting. By unanimous consent of the Board, Board meetings may be held without call or notice to the Board members, but notice shall always be provided to those Owners who have requested notice of Board meetings.

4.9 **Quorum and Manner of Action.** A majority of Board members shall constitute a quorum for the transaction of business. The act of a majority of the Board members present at any meeting at which a quorum is present, and for which proper notice was provided, shall be the act of the Board. Board members shall act only as the Board of Directors, and individual Board members shall have no powers as such.

4.10 **Owner Attendance.** Any Owner may request notice of Board meetings by requesting such notice from a Board member and providing a valid email address at which the Owner will receive notice. Owners who have requested notice of Board meetings shall be given notice along with the Board members and shall be provided any call-in number or other means of attendance by electronic communication that is provided to Board members. If Owners attend a Board meeting, the Board may select a specific period of time during the meeting and limit Owner comments to such time period. The Board in its sole discretion may set a reasonable length of time that each Owner may speak.

4.11 **Open Meetings.** During the period that Declarant continues to hold the power of appointment of the Board's membership, Board meetings may be closed to Owners, unless the Board, in its sole discretion and without obligation, determines to open the meeting (or a portion thereof) to the Owners. Notwithstanding the foregoing, the Board meetings required under Utah Code § 57-8a-226(6)(b) shall be open to all Owners. Except as provided in (a) through (f), but not during the Declarant Control Period, Board meetings shall be open to Owners. The Board may hold a closed executive session during a meeting of the Board if the purpose of the closed executive session is to:

- (a) Consult with legal counsel to obtain legal advice and discuss legal matters;
- (b) Discuss existing or potential litigation, mediation, arbitration, or an administrative proceeding;
- (c) Discuss a labor or personnel matter;
- (d) Discuss a matter relating to contract negotiations, including the review of a bid or proposal;
- (e) Discuss a matter involving a Person, if the Board determines that public knowledge of the matter would violate the Person's privacy; or
- (f) Discuss a delinquent assessment.

4.12 **Board Meetings Generally.** The Board may designate any place in Utah County as the place of meeting for any regular or special Board meeting. The Board may allow attendance and participation at any Board meeting by telephone or any other electronic means that allows for Board members to communicate orally in real time. Following the Declarant Control Period, if a Board meeting is held by telephone, the Association shall provide the call-in information such that Owners may call-in to access the meeting.

4.13 **Board Action.** Notwithstanding noncompliance with any provision within these Bylaws, Board action is binding and valid unless set aside by a court of law. A person challenging the validity of a Board action for failure to comply with these Bylaws or Declaration may not bring the challenge more than sixty (60) days after the Board has taken the action in dispute.

4.14 **Compensation.** No Board member shall receive compensation for any services that such member may render to the Association as a Board member; provided, however, that a Board member may be reimbursed for expenses incurred in performance of such duties as a Board member to the extent such expenses are approved by a majority of the other Board members. Nothing herein contained shall be construed to preclude any

Board member from serving the Declarant in any other capacity and receiving compensation therefore, so long as approved in advance by a majority of disinterested Board members.

4.15 **Resignation and Removal.** Any Board member who is appointed by the Declarant may only be removed by the Declarant. The Declarant may remove a Board member it appoints at any time. A Board member may resign at any time by delivering a written resignation to another Board member. Unless otherwise specified therein, such resignation shall take effect upon delivery. A Board member required to be elected by the Owners may be removed at any time, with or without cause, at a Special Meeting of the Owners duly called for such purpose upon the affirmative vote of more than fifty percent (50%) of the entire voting interests of the Association. At such a meeting, the Owners shall vote for a new Board member to fill the remaining term of the removed Board member. Board members may also be removed by a majority vote of the other active Board members upon the occurrence of any of the following: failure to attend three (3) consecutive Board meetings, failure to remain current on Assessments, or a violation of the Governing Documents. If removal occurs based on the preceding sentence, then the remaining Board members may appoint a replacement to serve the remaining term of the removed Board member.

4.16 **Vacancies.** The Declarant shall appoint Board members to fill any vacancies that may occur during the Declarant Control Period. If Board members are required to be elected, if vacancies occur for any reason (including death, resignation, or disqualification) except removal by the Owners, the Board members then in office shall continue to act, and such vacancies shall be filled by a majority vote of the Board members then in office, though less than a quorum. Vacancies occurring by reason of removal by the Owners may be filled by election of the Owners at the meeting at which such Board member is removed. Board Members elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor. Except by reason of death, resignation, disqualification, or removal, Board members shall continue to serve until their successors are elected.

4.17 **Action Without a Meeting.** Board members have the right to take any action in the absence of a meeting which they could take at a Board meeting if a majority of the Board Members consent to the action in writing. The term "in writing" shall specifically include email and text messaging. Board members may also take action without a meeting if the Board complies with any applicable provisions of the Acts. Any action so approved shall have the same effect as though taken at a Board meeting.

4.18 **Waiver of Notice.** Before or at any Board meeting, any Board member or Owner may waive notice of such meeting and such waiver shall be deemed the equivalent of proper notice. Attendance by a Board member or Owner at any Board meeting shall be a waiver of notice by that Board member or Owner of the time, place, and purpose thereof.

4.19 **Adjournment.** The Board may adjourn any meeting from day to day for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

4.20 **Meeting.** A Board meeting does not include a gathering of Board members at which the Board does not conduct and vote on Association business.

ARTICLE V OFFICERS

5.1 **Officers.** Except for the Administrator identified in the Declaration, Officers shall not be required during the Declarant Control Period. Notwithstanding the foregoing, the Declarant (or the Board following the Declarant Control Period) may establish officers of the

Association, which may include a President, Secretary, Treasurer, and such other officers as may be appointed by Declarant or the Board.

5.2 **Administrator.** The Administrator shall work under the Direction of the Declarant (or Board if constituted) as an Authorized Representative of the Association to: (i) track and allocate Assessments among the various Lots held by the Owners, including Developer, Declarant, Builders and Owners, and reallocate the Assessments as the Lots are platted, reconfigured and sold for residential use, (ii) administer the invoicing and monitoring payment of the Assessments by Owners to Bond Trustee, as set forth herein, and (iii) administer the release of Lots from the Declaration and from the Lien of Assessment as the Assessments are satisfied for the Lots, including providing timely responses to Owner requests for Prepayment Amounts following a Prepayment Election by the Owner. The Administrator shall work with the Bond Trustee to track the payment of Assessments and the balances of Association Funds and Accounts established pursuant to the Indenture and Declaration. The Administrator shall prepare an Annual Administrative Report for review and approval by the Declarant (or Board if constituted) and such other activities as may be necessary to carry out its duties under the direction of the Declarant or Board.

5.3 **Election, Tenure, and Qualifications.** If officers are established, the officers shall be elected by the Board at the first Board meeting following each Annual Meeting of the Owners. Each officer shall hold such office until the next ensuing meeting of the Board following the Annual Meeting of the Owners and until a successor has been elected and qualified, or until such officer's death, resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any person may hold any two (2) or more of such offices, except that the President may not also be the Secretary. No person holding two (2) or more offices shall act in or execute any instrument in the capacity of more than one (1) office.

5.4 **Subordinate Officers.** The Board may appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

5.5 **Resignation and Removal.** Officers may resign at any time by delivering a written resignation to any Board member. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced upon the affirmative vote of a majority of the Board members at any time, with or without cause.

5.6 **Vacancies.** If a vacancy occurs in an office for any reason, or if a new office is created, such vacancies or newly created offices may be filled by majority vote of the Board at any regular or special Board meeting.

5.7 **President.** The President shall be the chief executive of the Association. The President shall preside at meetings of the Board of Directors and at meetings of the Owners. At the meetings, the President shall have all authority typically granted to the person presiding over the meeting including but not limited to: (1) the right to control the order of the meeting, (2) the right to arrange for the removal of any disruptive Owner or person, (3) the right to impose and enforce reasonable rules and procedures related to the meeting such as those found in "Robert's Rules of Order" or "The Modern Rules of Order." The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things as required by the Board.

5.8 **Secretary.** The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, Rules, or any resolution

the Board may require. The Secretary shall also act in the place of the President in the event of the President's absence or inability or refusal to act.

5.9 **Compensation.** Except for the Administrator as set forth in the Assessment Plan, no officer shall receive compensation for any services rendered to the Association as an officer, provided, however, that an officer may be reimbursed for expenses incurred in performance of such duties as an officer to the extent such expenses are approved by the Declarant or Board.

ARTICLE VI INDEMNIFICATION

6.1 **Indemnification.** Neither Declarant, any Board member or any officer shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct said Declarant, Board member or officer performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each Person who shall serve at any time as a Declarant, Board member or officer of the Association, as well as such Person's heirs and administrators, from and against any and all claims, judgments and liabilities to which such Persons shall become subject, by reason of that Person having heretofore or hereafter been a Declarant, Board member or officer of the Association or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by such Person as a Declarant, Board member or officer and shall reimburse any such Person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that no such Person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such Person's willful or intentional misconduct. The rights accruing to any Person under the foregoing provisions of this Section shall not exclude any other right to which such Person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to defend, indemnify, or reimburse such Person in any proper case, even though not specifically provided for herein or otherwise permitted. The Association, its Declarant, Board members, officers, committee members, employees, and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

6.2 **Other Indemnification.** The defense and indemnification provided herein shall not be deemed exclusive of any other right to defense and indemnification to which any person seeking indemnification may be entitled under the Acts or under any agreement, vote of disinterested Board members or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. It is the intent that all of Declarant, Board members and officers be and hereby are defended and indemnified to the fullest extent permitted by the laws of the State of Utah and these Bylaws. The defense and indemnification herein provided shall continue as to any Person who has ceased to be a Declarant, Board member or officer, or any of their employees, and shall inure to the benefit of the heirs, executors and administrators of any such Person.

6.3 **Insurance.** The Declarant (or, if authorized, the Board) in its discretion, may direct that the Association purchase and maintain Directors and Officers insurance on behalf of any Person who is or was a Declarant, Board member, officer, or any of their employees against any liability asserted against, and incurred by, such Person in any such capacity or arising out of such Person's status as such, whether or not the Association would have the power to defend or indemnify such person against liability under the provisions of this Article.

6.4 **Settlement by Association.** The right of any Person to be defended and/or indemnified shall be subject always to the right of the Association through the Declarant or Board, in lieu of such defense and/or indemnity, to settle any such claim, action, suit or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

**ARTICLE VII
AMENDMENTS**

7.1 **Amendments by Declarant.** The Declarant acting alone may amend the Bylaws for any reason during the Declarant Control Period, without Owner approval. Declarant's unilateral amendment right as designated herein may continue even if a Board of Directors is established that requires election by Owners. Any amendment by Declarant shall be executed by Declarant on behalf of the Association and shall become effective upon recordation with the Utah County Recorder.

7.2 **Amendments by Owners.** Upon the termination of the Declarant Control Period, the Bylaws may be amended by the Owners upon the affirmative vote of more than sixty-seven percent (67%) of the voting interest of the Association. Any amendment(s) shall be effective upon recordation in the office of the Utah County Recorder. In such instrument a Board member shall execute the amendment and certify that the vote required by this Section has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section. No amendment shall restrict, limit, or impair any Declarant rights without the express written consent of the Declarant.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

10.1 **Waiver.** No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of a failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

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

10.3 **Conflicts.** These Bylaws are intended to comply with the Declaration. In case of any irreconcilable conflict, the Declaration shall control over these Bylaws.

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