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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

January 9, 2022

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OQUIRRH MOUNTAIN RANCH is made and entered into is this 29 day of November 2022, by LGI Homes – Utah, LLC, a Utah limited liability company (“**Declarant**”).

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property situated in the City of Eagle Mountain (“**City**”), County of Utah (“**County**”), State of Utah, which is described on **Exhibit A** attached hereto and incorporated herein by this reference; and

WHEREAS, Declarant desires to subject and place upon the real property described on the attached **Exhibit A** certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other charges set forth herein for the purpose of protecting the value and desirability of said real property and for the purpose of furthering a plan for the improvement, sale and ownership of said real property, to the end that a harmonious and attractive development of said real property may be accomplished and the health, comfort, safety, convenience and general welfare of owners in said real property, or any portion thereof, may be promoted and safeguarded; and

WHEREAS, the Community shall be known as Oquirrh Mountain Ranch Subdivision. It is anticipated that the Community will consist of a residential planned community consisting of approximately two hundred six (206) Lots; and

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

WHEREAS, Declarant has dedicated to the City certain portions of the Community for the creation of (i) a wildlife preserve and (ii) a trail system as set forth in the final Plats of the Community.

NOW, THEREFORE, Declarant hereby declares that all of the real property described on the attached **Exhibit A** shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, rights-of-way, obligations, liabilities, charges and other provisions set forth herein, which are for the purpose of protecting the value and desirability of, and which shall run with, the above-described real property and be binding on all parties having any right, title, or interest in the above-described real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

1. “**Act**” means the Utah Community Association Act, Utah Code Ann. §§ 57-8a-101 to 802, inclusive, as amended from time to time.
2. “**Agencies**” collectively means the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.
3. “**Allocated Interests**” means the Common Expense Liability and votes in the Association allocated to each Lot. The Allocated Interest in the votes for each Lot shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots within the Community from time to time. The Allocated Interest in the Common Expense Liability for each Lot shall be calculated as provided in ARTICLE IV, Section 3.
4. “**Annual Assessment**” is defined in ARTICLE IV, Section 3(a).
5. “**Architectural Review Committee**” or “**Committee**” means the committee appointed by the Declarant or by the Association to review and approve or disapprove plans for Improvements, as more fully provided in this Declaration.
6. “**Association**” means the OQUIRRH MOUNTAIN RANCH OWNERS ASSOCIATION, a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in dissolution of the Association. The Association may renew its corporate status, reinstate its corporate status, or incorporate without Owner approval. As long as the Association obtains the proper vote, any actions taken during any period of un-incorporation shall be binding.
7. “**Board of Directors**” or “**Board**” means the body, regardless of name, designated in this Declaration and the Bylaws of the Association to act on behalf of the Association.
8. “**Budget**” is defined in ARTICLE III, Section 6.
9. “**Builder**” means any Person who acquires from Declarant one or more Lots for the purpose of constructing thereon a residential dwelling and selling such dwelling unit, together with the Lot upon which it is situated, to any member of the general public.
10. “**Common Areas**” means any real property (which may include, without limitation, platted lots and platted tracts) owned or leased by the Association, other than a Lot (as defined below) and any easements for access to, ingress and egress to and from, and the installation of utilities within the Community which are held by or assigned to the Association. The Common Areas at the time of recordation of this Declaration, or which must become Common Areas, are described on **Exhibit B** attached hereto and incorporated herein by this

reference. The Limited Common Areas, if any, within the real property at the time of recordation of this Declaration are also described on **Exhibit B** attached hereto.

11. “**Common Expense Liability**” means the liability for Common Expenses allocated to each Lot. The Common Expense Liability for each Lot shall be equal to the Allocated Interest of such Lot.

12. “**Common Expenses**” means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

13. “**Community or Project**” means real property described in **Exhibit A**, as supplemented and amended from time to time, with respect to which a Person, by virtue of such Person’s ownership of a Lot, is obligated to pay for real property taxes, insurance premiums, maintenance or improvement of other real property described in this Declaration. The name of the Community is “Oquirrh Mountain Ranch.” The Community includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. Declarant also hereby reserves the option, in its sole and absolute discretion, to expand the Community and subject additional land to this Declaration by recording a supplement to this Declaration with the Utah County Recorder’s Office. The Community is not a cooperative.

14. “**Declarant**” means LGI Homes – Utah, LLC, a Utah limited liability company, and any other Person(s) acting in concert, to whom the Declarant, by recorded document, expressly assigns one or more of the Declarant’s rights under this Declaration (which shall be the extent of the Declarant’s rights to which such assignee succeeds), and who:

(a) As part of a common promotional plan, offers to dispose of to a purchaser such Declarant’s interest in a Lot not previously disposed of to a purchaser; or

(b) Reserves or succeeds to any Special Declarant Right.

15. “**Declaration**” means this Declaration of Covenants, Conditions and Restrictions for Oquirrh Mountain Ranch and any other recorded instruments, however denominated, that create this Community, including any supplements and amendments to those instruments and also including, but not limited to, plats and maps.

16. “**Development Rights**” means any right or combination of rights reserved by a Declarant in this Declaration to:

(a) create Lots or Common Areas within this Community, and subdivide Lots or convert Lots into Common Areas; and

(b) withdraw real property from this Community and thereby decrease the number of Lots and/or Common Areas.

17. “**Dwelling**” is defined in ARTICLE IV, Section 3(d).

18. “**First Security Interest**” means a Security Interest (as hereinafter defined) that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

19. “**General Common Areas**” means all of the Common Areas except the Limited Common Areas.

20. “**Improvements**” means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including, but not limited to, buildings, outbuildings, swimming pools, tennis courts, patios, patio covers, awnings, solar collectors, satellite dishes, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, basketball hoops, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment.

21. “**Limited Common Areas**” means those parts of the Common Areas which are either limited to and reserved for the exclusive use of the Owner(s) of a particular Lot or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Lots. The Limited Common Areas, if any, at the time of recordation of this Declaration are designated by the Act and/or described herein or on **Exhibit B** attached hereto. Limited Common Areas may be allocated to Lots in accordance with this Declaration and may be reallocated between or among Lots in accordance with the Act.

22. “**Lot**” means each platted lot that has been included in the Community and which is shown upon the recorded subdivision Plat (as hereinafter defined) or other subdivision map of the real property, as the same may be amended from time to time, that is subject to this Declaration as well as each platted lot shown upon any recorded Plat or map of any other real property as may hereafter be brought within the jurisdiction of the Association, with the exception of the Common Areas and any publicly dedicated real property. Without limiting the generality of the foregoing, if any platted Lot(s) is designated as Common Areas in this Declaration or any amendment thereto, then such Lot(s) shall constitute Common Areas, as defined above, rather than a Lot (as defined herein).

23. “**Member**” means each Owner; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot.

24. “**Owner**” means the Declarant, a Builder or other Person who owns a Lot, but does not include a Person having an interest in a Lot solely as security for an obligation.

25. “**Period of Declarant Control**” means a length of time expiring thirty (30) years after initial recording of this Declaration in Utah County, Utah; provided, that the Period of Declarant Control shall terminate no later than the first to occur of the following: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created under the Declaration to Owners other than a Declarant; (ii) seven (7) years after the last conveyance of a Lot by the Declarant in the ordinary course of business; or (iii) when the Declarant, in its sole

discretion, after giving written notice to the Lot Owners, records an instrument voluntarily surrendering all rights to control activities of the Association.

26. “**Person**” means a natural person, a corporation, a partnership, an association, a trust, a limited liability company, a joint venture, or any other entity recognized under the laws of the State of Utah or any combination thereof.

27. “**Plat**” means, individually or collectively, the plat of Oquirrh Mountain Ranch Phase B-1 Subdivision recorded on November 10, 2022 as Entry No. 117112:2022 in the Office of the Utah County Recorder, as the same may be amended or supplemented from time to time, and the plat of Oquirrh Mountain Ranch Phase B-2 subdivision recorded on TBD as Entry No. TBD in the office of the Utah County Recorder, as the same may be amended or supplemented from time to time.

28. “**Security Interest**” means an interest in real property or personal property in the Community, or any portion thereof, created by contract or conveyance which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation. For purposes of ARTICLE IV, Section 10 hereof, and, with respect to notice of cancellation or substantial modification of certain insurance policies, ARTICLE VI, Section 2 hereof, “Security Interest” shall also mean and refer to any executory land sales contract wherein the administrator of Veterans Affairs, an Officer of the United States of America, is the seller, whether such contract is recorded or not, and whether such contract is owned by the said administrator or has been assigned by the administrator and is owned by the administrator’s assignee, or a remote assignee, and the land records in the Office of the Recorder of the County in which the Community is located, show the administrator as having the record title to the Lot.

29. “**Security Interest Holder**” means any Person named as a mortgagee or beneficiary, or in a similar capacity, under any Security Interest (including, for purposes of ARTICLE IV, Section 10 hereof, and, with respect to notice of cancellation or substantial modification of certain insurance policies, ARTICLE VI, Section 2 hereof, the administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said administrator is identified as the seller, whether such contract is recorded or not and the land records of the Recorder of the County in which the Community is located, show the said administrator as having the record title to the Lot), or any successor to the interest of any such Person under such Security Interest.

30. “**Special Declarant Rights**” means those rights granted to or reserved by Declarant as set forth in this Declaration for the benefit of a Declarant, including, but not limited to, the rights hereby reserved for the benefit of a Declarant to perform the following acts: to build and complete Improvements in the Community; to exercise any Development Right; to maintain sales offices, construction offices, management offices, and signs advertising the Community and sale of Lots; to use easements through the Common Areas for the purpose of making Improvements within the Community or within real property which may be added to the Community; and to grant or create easements for access, utilities, drainage, water and other

purposes incidental to development and sale of the Community located in or across Lots owned by Declarant or Common Areas, provided that such easements do not create a permanent, unreasonable interference with the rights of any Owners at the time such easement is created; to make the Community subject to a master association; to merge or consolidate a common interest community of the same form of ownership; to appoint or remove any officer of the Association or any member of the Board of Directors during any Period of Declarant Control; to appoint and remove members of the Architectural Review Committee; to allocate any of the Common Areas or portions thereof as Limited Common Areas and to allocate such Limited Common Areas among particular Lots; to further subdivide property in the Community to create and designate additional Lots and Common Areas; or to perform any other right of the Declarant set forth in this Declaration. Declarant also reserves the right to convert any Lot or other portion of the property in the Community which is owned by Declarant into Common Areas. All of the Special Declarant Rights may be exercised by the Declarant with respect to any portion of the property now or hereafter within the Community. Declarant may exercise any or all of these Special Declarant Rights at any time and from time to time. The Special Declarant Rights, including without limitation the Development Rights, shall not terminate until the earlier of: (a) thirty (30) years from the date of recordation of this Declaration, or (b) the Declarant's recording of a written statement that Declarant has surrendered such Special Declarant Rights; except that such rights with respect to the appointment of officers and directors may be exercised and will terminate in accordance with ARTICLE III hereof, and except that such rights with respect to the continuing rights described in ARTICLE III hereof shall terminate as provided in said Section.

ARTICLE II ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

1. Association. The has been or will be formed as a Utah nonprofit corporation under the Utah Revised Nonprofit Corporation Act. The Association shall have the duties, powers and rights set forth in this Declaration, and in its Articles of Incorporation ("**Articles of Incorporation**") and Bylaws ("**Bylaws**"). The Association shall have a Board of Directors to manage the affairs of the Association, as more fully provided in this Declaration, and in the Association's Articles of Incorporation and Bylaws. The Bylaws are attached hereto as **Exhibit D**.

2. Membership. The membership of the Association at all times shall consist exclusively of all Owners or, following termination of the Community, of all former Owners entitled to distributions of proceeds under the Act or their heirs, personal representatives, successors or assigns. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

3. One Class of Membership. The Association shall have one class of voting membership. Each Owner shall be entitled to one (1) vote for each Lot owned in accordance with the Allocated Interest attributable to each Lot, except that no votes allocated to a Lot owned by the Association may be cast. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Lots then existing within the Association. Except as otherwise provided in ARTICLE III of this Declaration, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and members of the Board of Directors, and may remove all officers and members of the Board of

Directors which have been appointed by the Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control; but, in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

4. Management Agreements and Other Contracts. It is Declarant's current intent that the Association be managed by professional management and shall not be self-managed. Any agreement for professional management of the Association's business or other contract providing for services of the Declarant shall have a maximum term of three (3) years and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon not more than ninety (90) days' prior written notice; provided, however, that any such management agreement(s) entered into by the Association with a manager or managing agent prior to termination of the Period of Declarant Control shall be subject to review and approval by HUD or VA to the extent approval is required by HUD or VA if, at the time such agreement is entered into, HUD has insurance or VA has a guarantee(s) on one or more Security Interests.

5. Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of Common Areas and the use of any other property within the Community, including Lots. Any such rules and regulations shall be reasonable and uniformly applied and consistent with the requirements of this Declaration. Such rules and regulations shall be effective only upon adoption by resolution of the Board of Directors. Copies of the currently effective rules and regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such rules and regulations and shall see that Persons claiming through such Owner comply with such rules and regulations. The Board of Directors may establish and enforce penalties for the infraction thereof, including, without limitation, the levying and collecting of fines for the violation of any of such rules and regulations. Such rules and regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of a conflict between the rules and regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

ARTICLE III BOARD OF DIRECTORS, MEMBERS AND OFFICERS

1. Authority of Board of Directors. The affairs of the Association shall be managed by a Board of Directors. Except as provided in this Declaration or the Association Bylaws, the Board of Directors may act in all instances on behalf of the Association.

2. Intentionally Omitted.

3. Authority of Declarant During Period of Declarant Control. Except as otherwise provided in this Article, during the Period of Declarant Control, the Declarant or Persons

appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Board of Directors appointed by it.

4. Termination of Period of Declarant Control. Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of Directors (with the exact number of members of the Board of Directors to be set forth in the Bylaws of the Association), at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board of Directors shall elect the officers. Such Board of Directors members and officers shall take office upon election.

5. Delivery of Documents by Declarant. After the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, if and to the extent required by the Act.

6. Budget. The Board of Directors shall prepare and adopt a budget for the Community no less frequently than annually (the "**Budget**"). Within thirty (30) days after adoption of any proposed Budget for the Community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Association Budget to all the Owners and shall set a date for a meeting of the Owners to consider the Budget not less than ten (10) days nor more than fifty (50) days after mailing or other delivery of the summary. The proposed Budget does not require approval from the Owners and will be deemed approved by the Owners in the absence of a veto at the noticed meeting by the Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, whether or not a quorum is present. In the event that the proposed Budget is vetoed, the Budget last proposed by the Board and not vetoed by the Owners must be continued until a subsequent Budget proposed by the Board is not vetoed by the Owners.

7. Cooperation with Other Associations. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with other community association(s) and/or any special district(s), to share facilities, to share the costs and/or responsibility for any operation, maintenance, repair, replacement or other matters, to perform maintenance, repair or replacement for any person(s) in consideration of payment or reimbursement therefor, to utilize the same contractors, subcontractors, managers or others who may perform services for the Association, any other community association(s) and/or any district(s), or to otherwise cooperate with any other community association(s) and/or any district(s) in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Association and/or any other community associations and/or any districts, as the Board of Directors may determine in its discretion from time to time. Additionally, the Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any other community associations and/or any districts to collect assessments, other charges or other amounts which may be due to such entity and to permit any such entity to collect assessments, other charges or other amounts which may be due to the Association; in any such instance, the Association shall provide for remittance to such entity of

any amounts collected by the Association or to the Association of any amounts collected by such entity.

8. Power to Exchange Services with Special Districts. The Association may use and/or exchange services with any special or public district in the furtherance of their respective obligations and may cooperate with any special or public district to enable the Association and any special or public districts to provide their respective services to Owners most efficiently and economically. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any special or public district, to have such district furnish covenant enforcement and other services within the Community, and for the Association to furnish administrative and management services and/or covenant enforcement of district covenants within the Community as appropriate.

9. Notice and Comment. Whenever the provisions of this Declaration or of the other governing documents of the Association or the Act require that an action be taken after “Notice and Comment” or “Notice and Hearing,” and at any other time the Board determines, the affected Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice shall be given to each affected Owner in writing delivered personally, by electronic mail, or by regular mail to all affected Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Owners. The notice shall be given not less than three (3) days before proposed action is to be taken. The notice shall invite comment (orally or in writing) to the Board before or at the scheduled time of any meeting or hearing.

10. Charges for Facilities and Services. The Association shall have the power to establish reasonable and uniformly applied charges for the special or extraordinary use of facilities and services, including recreational facilities which are located on a portion or portions of the Common Areas and which are for the use of the Owners of Lots and provide for active and/or passive recreational activities. The charges may include reasonable admission or other fees for any special or extraordinary use of property, facilities or services of the Association, such as special recreational facilities, conference rooms, instruction, day care or childcare services or similar uses beyond the ordinary and customary use of the Common Areas, including recreational facilities. Such charges or fees shall be set forth in a schedule of charges or fees adopted from time to time by the Board of Directors.

11. Continuing Rights of Declarant. Until the termination of the Special Declarant Rights (“**Continuing Rights Period**”), Declarant reserves the right, without obligation, to enforce the Declaration, and the Association’s Articles of Incorporation, Bylaws and rules and regulations (including, without limitation, the Association’s duties of maintenance and repair, and reserve study and reserve fund obligations). Until the expiration of the Continuing Rights Period, the Board shall deliver to Declarant notices and minutes of all Board meetings and Membership meetings, and Declarant shall have the right, without obligation, to attend such meetings. Declarant shall also receive notice of, and have the right, without obligation, to attend, all inspections of the Properties or any portion(s) thereof. The Board shall also, until the expiration of the Continuing Rights Period, deliver to Declarant (without any express or implied obligation or duty on Declarant’s part to review or to do anything) all notices and correspondences to Owners, all inspection reports, any reserve studies prepared, maintenance

reports prepared pursuant to the Association's governing documents, and audited or reviewed annual reports. Such notices and information shall be delivered to Declarant at its most recently designated address.

12. Authenticated Electronic Representation. To the extent not prohibited by applicable law, the Association may use technology or electronic representation in completing its duties and responsibilities. In this regard, any reference in any of such documents to action, attendance, representation, notice, quorum, voting or acknowledgement, as well as any and all other matters, may be conducted by authenticated electronic activity and, to the extent not prohibited by applicable law, the provisions of all of such documents shall be deemed to include provisions which permit such authenticated electronic activity.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot that has been included into the Community, whether or not it has been expressed in a deed to the Lot, covenants and agrees and shall be personally obligated to pay to the Association: Annual Assessments, special assessments, and other charges, fines, fees, interest, late charges, and other amounts, all as provided in this Declaration; with such assessments and other amounts to be established and collected as hereinafter provided. The Annual Assessments and special assessments and other charges, fees and fines, together with interest, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The obligation for such payments by each Owner to the Association is an independent covenant with all amounts due, from time to time, payable in full when due without notice or demand (except as otherwise expressly provided in this Declaration), and without set-off or deduction. All Owners of each Lot shall be jointly and severally liable to the Association for the payment of all assessments, fees, charges and other amounts attributable to their Lot during their ownership of such Lot. Each assessment, charge, fee, and all other amounts under this Declaration, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment became due. In addition to the foregoing assessments, charges and fees, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by Utah governmental subdivisions against his/her Lot, as well as all charges for separately metered utilities servicing the Owner's Lot. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. The Association's lien on a Lot for assessments and other amounts shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Utah or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said lien.

2. Purpose of Assessments. The assessments levied by the Association shall be used to pay the Common Expenses, and for maintenance, repair and replacement of the Common Areas, as provided in this Declaration, to promote the recreation, health, safety and welfare of the residents of the Lots, and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this

Declaration or the Articles of Incorporation or Bylaws of the Association, or by law, including without limitation, maintenance, operation, repair and replacement of drainage facilities, publicly dedicated property and easements; and the payment of any costs or tariffs relating to street lighting in the Community; provided, however, that such assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital Improvements. The Annual Assessments shall include an amount for reserves for the maintenance, repair and replacement of those items that must be maintained, repaired or replaced on a periodic basis (including without limitation any drainage facilities owned or maintained by the Association), and for the payment of insurance deductibles.

3. Rate of Annual and Special Assessments.

(a) The term “**Annual Assessment**” means the amount of assessments levied against a Lot annually as calculated in this Section 3. The amount of the Annual Assessment for each Lot which is improved with a Dwelling shall be the product of the amount of the Base Assessment multiplied by the Assessment Ratio for the Lot. The amount of the Annual Assessment for each Lot which is not improved with a Dwelling shall be one-fourth (1/4) of the product of the amount of the Base Assessment multiplied by the Assessment Ratio for the Lot.

- (i) The “**Assessment Ratio**” for each Lot shall be 100%.
- (ii) As used herein, “**Base Assessment**” means the total amount of the Budget, divided by the sum of the following:
 - (A) The total number of Lots which are improved with Dwellings, multiplied by the Assessment Ratio; and
 - (B) The total number of Lots which are not improved with Dwellings, multiplied by one-fourth (1/4) of the Assessment Ratio.
- (iii) In the event that the number of Lots improved with Dwellings increases or decreases during any calendar quarter, the amount of the Annual Assessment for each Lot shall be recalculated commencing on the first day of the next calendar quarter as follows: The Base Assessment shall be recalculated as provided herein using the balance of the Budget that has not previously been allocated to Annual Assessments that are already due and payable.

(b) Each Lot shall be assessed a portion of the Budget as calculated in Section 3(a) based upon whether or not the Lot has a Dwelling thereon when the Annual Assessment is made.

(c) Each Lot which is improved with a Dwelling shall be assessed annual and special assessments which shall be fixed at a rate for all Lots sufficient to meet the expected needs of the Association. All Annual Assessments and special assessments shall be assessed against all the Lots in accordance with the Allocated Interests set forth in this Declaration, as

may be adjusted as provided in Section 3(a) of this ARTICLE IV and except as specifically provided elsewhere in this Declaration. If the Common Expense Liability is reallocated, Annual Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liability.

(d) For purposes of Assessments, there shall be two (2) classes of Lots: Lots which have been improved with Dwellings and Lots which are not improved with Dwellings. "Dwellings" shall mean all Lots on which a single-family detached residential dwelling unit has been constructed and which is occupied or for which a certificate of occupancy has been issued, except any Lot on which the Dwellings have become uninhabitable on a temporary or permanent basis because of casualty (such as fire, flood, or earthquake) and are not inhabited or on which the Dwellings have been totally demolished, during the period starting with the occurrence of such casualty or demolition and ending when repairs or reconstruction have rendered a Dwelling on such Lot habitable. Lots which are not improved with Dwellings shall mean all Lots on which Dwellings have not been constructed or, if constructed, for which no Certificate of Occupancy has yet to be issued and any Lot on which the Dwellings have become uninhabitable on a temporary or permanent basis because of casualty (such as fire, flood, or earthquake) and are not inhabited or on which the Dwellings have been totally demolished, during the period starting with the occurrence of such casualty or demolition and ending when repairs or reconstruction have rendered the Dwelling on such Lot habitable.

(e) If any Common Expense or portion thereof benefits fewer than all of the Lots, or if any Common Expense disproportionately benefits any Owner or group of Owners, then the Board may, by approval of a majority of the voting Directors, assess the Common Expense or portion thereof exclusively against the Lots benefited or adjust the assessment for such Common Expense in such proportion and may be equitable and appropriate.

(f) At the election of the Board of Directors, the cost of utility services for the Common Areas and/or for commonly metered or bulk utility services provided to Lots which constitute Common Expenses (such as water, sewer, gas and electric services) and which are billed to the Association by any utility service provider, may, in turn, be allocated and billed each month (or other periodic basis) by the Association as a separately billed utility assessment against those Lots receiving the benefit of such utility services. Each Lot's allocated share of the any such utility assessment shall be equal to the Allocated Interest of the Lot, as may be adjusted as provided in Section 3(a) of this ARTICLE IV. Each Lot Owner covenants and agrees and shall be obligated to pay to the Association the utility assessment billed to the Owner's Lot.

4. Date of Commencement of Annual Assessments. Common assessments shall commence as to all Lots that have been included within the Community and made subject to the Declaration on the date that Declarant conveys the first Lot to a purchaser. Until the Association makes an Annual Assessment, the Declarant shall pay all Common Expenses. After Annual Assessments have commenced, Annual Assessments shall be based on a Budget adopted by the Association, as provided in this Declaration. A Budget shall be so adopted by the Association no less frequently than annually. The Annual Assessments shall be due and payable in monthly installments, in advance, provided that the first Annual Assessment shall be adjusted to reflect the time remaining in the first Association fiscal year. Any Owner purchasing a Lot between installment due dates shall pay a pro rata share of the last payment due.

5. Special Assessments. In addition to the Annual Assessments authorized in this Article, the Board of Directors may levy in any fiscal year a special assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital Improvement upon the Common Areas or any portion of real property for which the Association has repair and/or reconstruction obligations, including fixtures and personal property related thereto, or for repair or reconstruction of any Improvements located on said real property that are damaged or destroyed by casualty, or for the funding of any operating deficit incurred by the Association. Any such special assessment shall be set against each Lot in accordance with the Allocated Interests set forth in this Declaration. A meeting of the Members called for the purpose of considering the establishment of a special assessment shall be held in conformance with Section 6 of this ARTICLE IV. Special assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital Improvements.

6. Notice and Quorum for Any Special Assessments. Within thirty (30) days after adoption of any proposed special assessment for the Community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the special assessment to all the Owners and shall set a date for a meeting of the Owners to consider the special assessment not less than ten (10) days nor more than fifty (50) days after mailing or other delivery of the summary. The special assessment proposed by the Board does not require approval from the Owners and will be deemed approved by the Owners in the absence of a veto at the noticed meeting by Owners of Lots voting in person or by proxy to which at least sixty-seven percent (67%) of the votes in the Association are allocated, whether or not a quorum is present.

7. Charges for Services to Less than All of the Lots. The Association may, at any time from time to time, provide services (not otherwise required or authorized under this Declaration to be provided by the Association) to less than all of the Lots, and the Owners of such Lots shall pay the Association for such services as, when and in such manner as may be determined by the Board of Directors in its discretion from time to time, which amounts shall be in addition to the annual and special assessments, and which amounts shall include overhead expenses of the Association. If such services are not funded by the Annual Assessment or special assessments, then any such services shall be provided, if at all, pursuant to an agreement in writing between the Association and the Owners of the Lots for which such service is to be provided, with such agreement to include a statement of the costs, fees and expenses reasonably expected to initially be incurred by the Association in providing such service(s). Services which may be provided by the Association pursuant to this Section include, without limitation, (a) the construction, care, operation, management, maintenance, upkeep, repair, replacement and renovation of Improvements or property owned by such Owner(s); (b) the provision of any services or functions to such area(s) or Lot(s); (c) the payment of taxes or other amounts for Owners with funds provided by such Owners; and (d) the procurement of insurance for Owners. The Association may, at its election, at any time from time to time, collect the aforesaid costs, fees, expenses and other charges from Owners to whom such services are provided, in advance or arrears, in monthly or other installments, or in addition to and on the same date for payment of, the assessments.

8. Lien for Assessments.

(a) The Association has a statutory lien on a Lot for any assessment levied against that Lot or fines imposed against its Owner. Fees, charges, late charges, attorney fees, fines and interest charged pursuant to this Declaration or the Act are enforceable as assessments under this Article. The amount of the lien shall include all those items set forth in this Section from the time such items become due. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required. However, the Board of Directors or managing agent of the Association may prepare, and record in the county in which the applicable Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. If a lien is filed, the costs and expenses thereof shall be added to the assessment for the Lot against which it is filed and collected as part and parcel thereof. Without waiving its right to personally pursue an Owner for unpaid assessments, the Association may foreclose its lien in the same manner as deeds of trust, mortgages, or any other manner permitted by Utah law. The Owners and Declarant hereby convey and warrant pursuant to Utah Code Sections 57-1-20 and 57-8a-302 to a member of the Utah State Bar, with power of sale, the Lots and all improvements on the Lots for the purpose of securing payment of assessments under the terms of the Declaration.

(c) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of assessments becomes due.

(d) If two (2) or more associations have liens for assessments created at any time on the same property, those liens shall have equal priority.

9. Priority of Association Lien.

(a) A lien under this ARTICLE IV is prior to all other liens and encumbrances on a Lot except:

- (i) Liens and encumbrances recorded before the recordation of the Declaration;
- (ii) A First Security Interest on the Lot, which was recorded or perfected before the date on which the assessment sought to be enforced became delinquent; and
- (iii) Liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) A lien under this Section is also prior to the First Security Interests described in the preceding subsection (a)(ii) to the extent, if any, provided in the Act. With regard to liens in excess of assessments of six (6) months, a Security Interest Holder of a First

Security Interest when obtaining a Lot in foreclosure or deed in lieu thereof shall not be liable for any amount of the lien in excess of assessments of six (6) months immediately preceding the institution of foreclosure.

(c) This Section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association. A lien under this Article is not subject to the provisions of U.C.A. § 78B-5-503, as amended, or to the provisions of U.C.A. § 75-2-201 through 214, inclusive, as amended.

10. Receiver. In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's assessments.

11. Certificate of Status of Assessments. Subject to and in accordance with applicable law, the Association shall furnish to an Owner or such Owner's designee or to a Security Interest Holder or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association, the Board of Directors, and every Owner. A status certificate may be delivered by electronic mail or other means, but if no statement is furnished to the Owner or Security Interest Holder or their designee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request. The Association shall have the right to charge a reasonable fee for the issuance of such certificates.

12. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date thereof may bear interest from the due date at the rate of eighteen percent (18%) per annum, or at such other lawful rate as may be set from time to time by the Board of Directors, and the Board of Directors may charge a late charge in an amount the Board determines from time to time to be sufficient to cover the extra costs and expenses involved in handling such delinquent payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot. If a judgment or decree is obtained, including without limitation in a foreclosure action, such judgment or decree shall include a reasonable attorney's fee to be fixed by the court, together with the costs of the action, and may include interest and late charges as above provided. No Owner may be exempt from liability for payment of assessments by waiver of the use or enjoyment of any of the Common Areas or by abandonment of the Lot against which the assessments are made. This Article does not prohibit actions or suits to recover sums for which this Declaration creates a lien, nor does this Article prohibit the Association from taking a deed in lieu of foreclosure.

13. Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves shall be

retained by the Association as reserves or in other such funds as the Board may direct and need not be paid to the Owners in proportion to their Common Expense Liability or credited to them to reduce their future assessments.

14. Assessments for Misconduct. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that Common Expense exclusively against such Owner and the Owner's Lot.

15. Other Charges. The Association may levy and assess charges, costs and fees for the following matters, among others, in such reasonable amount(s) as the Board of Directors may determine in its discretion at any time from time to time, including charges to the Association by its managing agent or other Person: copying of Association or other documents; return check charges; charges for telefaxes; long distance telephone calls; transfer charges or fees upon transfer of ownership of a Lot; charges for notices and demand letters; and other charges incurred by the Association for or on behalf of any Owner(s). All such charges, costs and fees shall be in addition to the assessments levied by the Association, but shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments.

16. Exemptions from Assessments. The following portions of the Community shall be exempt from the Assessments, charges, and liens created under this Declaration: any property owned by a public body; any Common Area; all utility lines and easements; any Lot owned by the Association.

17. Declarant's Assessments. The Declarant shall have the right to set all assessments, regular and special, prior to the expiration of the Period of Declarant Control. Notwithstanding the assessment of other Lots, no Lots owned by Declarant shall pay Assessments until such time as the Declarant elects to pay Assessments, and only for so long as Declarant elects to pay Assessments. Declarant shall not be subject to assessments until such time as the Declarant elects to pay assessments, and only for so long as Declarant elects to pay assessments; however, Declarant shall contribute such amounts to the Association as are necessary for the Association to meet its obligations under the Budget after collecting Assessments from any Lots owned by third parties.

18. Reserve Account. After the expiration of the Period of Declarant Control, the Association shall establish a reserve account to fund long-term capital expenditures, maintenance, and replacement items related to the Common Areas in accordance with the Act. The Board shall use reasonable efforts under the circumstances at any given time, subject to the Owners' rights under the Act, to fund the reserve account. "Reasonable efforts under the circumstances" shall be determined by the Board and does not require fully funding the reserve account. The Board shall not be personally liable for failure to fund the reserve except in the event of gross negligence or intentional misconduct of the Board members is proven in a court of law.

19. Reinvestment Fee Covenant. Upon the occurrence of a Transfer, as defined below, the Transferee under such Transfer shall pay to the Association for the benefit of the Association a reinvestment fee (the "**Reinvestment Fee**") equal to the Fair Market Value, as defined below, of the Lot subject to a Transfer, multiplied by the Reinvestment Fee assessment

rate established by the Board, which rate shall not exceed 0.5%. Each Member shall be obligated to pay and shall pay to the Association the Reinvestment Fee levied with respect to such owner's Lot and each Member shall comply with any determinations made by the Board with respect to such fees. Proceeds of the Reinvestment Fees shall be segregated in a fund to be known as the "Sinking Fund," as described below in Section 19(d) of this Article.

The Board shall have the right (but shall not be required) to establish a Reinvestment Fee assessment in accordance with this Section and Utah Code § 57-1-46. If established, the following terms shall govern Reinvestment Fees:

(a) Definitions. As used in this Section 19 of Article IV, the following terms shall have following meanings:

"Transfer" means, whether in one transaction or in a series of related transactions, any conveyance, assignment, lease, or other transfer of beneficial ownership of any Lot, including but not limited to (1) the conveyance of fee simple title to any Lot, (2) the transfer of more than fifty percent (50%) of the outstanding shares of the voting stock of a corporation which, directly or indirectly, owns one or more Lot, and (3) the transfer of more than fifty percent (50%) of the interest in net profits or net losses of any partnership, joint venture, limited liability company, or other entity which, directly or indirectly, owns one or more Lot, but "Transfer" shall not mean or include the Transfers excluded below under Section 19(b) of this Article.

"Transferee" means all parties to whom any interest passes by a Transfer, and each party included in the term "Transferee" shall have joint and several liability for all obligations of the Transferee under this section.

"Fair Market Value" of a Lot subjected to Transfer means, in the case of a Transfer that is in all respects a bona fide sale, the consideration, as such term is defined below, given for the Transfer. In case of a Transfer that is a lease or is otherwise not in all respects a bona fide sale, Fair Market Value of the Lot subjected to Transfer shall be determined by the Association. A Transferee may make written objection to the Association's determination within fifteen (15) days after the Association has given notice of such determination, in which event the Association shall obtain an appraisal, at the Transferee's sole expense, from a MAI real estate appraiser of good reputation, who is qualified to perform appraisals in Utah, who is familiar with Utah County and Eagle Mountain area real estate values, and who shall be selected by the Association. The appraisal so obtained shall be binding on both the Association and the Transferee. Notwithstanding above provisions to the contrary, where a Transferee does not object within fifteen (15) days after the time required by this section for objecting, the Transferee shall be deemed to have waived all right of objection concerning Fair Market Value, and the Association's determination of such value shall be binding.

"Consideration" means the total of money paid and the Fair Market Value of any property delivered, or contracted to be paid or delivered, in return for the Transfer of any Lot, and includes the amount of any note, contract indebtedness, or rental payment reserved in connection with such Transfer, whether or not secured by any lien, deed of

trust, or other encumbrance, given to secure the transfer price, or any part thereof, or remaining unpaid on the property at the time of Transfer, whether or not assumed by the Transferee. The term "Consideration" does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvements, in favor of the United States, the State of Utah, or a municipal or quasi-municipal governmental corporation or district.

(b) Exclusions. The Reinvestment Fee shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the Reinvestment Fee:

- (i) Any Transfer prior to and including the Transfer to the first purchaser of a Lot upon which the construction of improvements is complete, as evidenced by a certificate of occupancy or similar instrument which allows the Lot to be used as a residence or for its intended purposes.
- (ii) Any involuntary Transfer.
- (iii) Any Transfer that results from a court order.
- (iv) A bona fide Transfer to a Transferee that is a family member of the transferor within three degrees of consanguinity who, before the Transfer, provides adequate proof of consanguinity.
- (v) A Transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution.
- (vi) Any Transfer of burdened property by a financial institution.
- (vii) Any Transfer to secure a debt or other obligation or to release property that is security for a debt or other obligation, including transfers in connection with foreclosure or a deed of trust or mortgage or transfers in connection with a deed given in lieu of foreclosure.
- (viii) Any Transfer to the Association.
- (ix) Any Transfer to the United States, or any agency or instrumentality thereof, the State of Utah, any county, city, municipality, district, or other political subdivision of the State of Utah.
- (x) Any Transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership or in connection with a divorce, except to the extent that additional consideration is paid in connection therewith.

- (xi) Any lease of any Lot (or assignment or transfer of any interest in any such lease) for a period of less than 25 years (including renewal options).
- (xii) The Transfer of a Lot to an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended, provided that the Association specifically approves such exemption in each particular case.
- (xiii) Any Transfer to an affiliate party, where “affiliate party” means an entity that controls, is controlled by, or is under common control with another person or entity, including control through voting interests, management agreements, or other arrangements resulting in effective control over the management of the affairs of such entity.
- (xiv) The Association shall not levy or collect a Reinvestment Fee for any Transfer exempted by Utah Code § 57-1-46.

(c) All Reinvestment Fees to be levied shall be levied at the time of a Transfer and shall be payable within thirty (30) days after being levied, and each Reinvestment Fee not paid within thirty (30) days of the levy date (the “**Levy Date**”), which is the date of mailing of notice of the Reinvestment Fee, shall accrue interest until fully paid at the rate equal to the greater of twelve percent (12%) per annum, the then prevailing interest rate on loans insured by FHA or VA, or such rate as is determined from time to time by the Board; such interest shall be payable on demand computed monthly, and if unpaid, compounded monthly, not in advance, at the rate so calculated as of thirty (30) days after the Levy Date, and all accruing interest shall become a part of the assessment due and owing to the Association.

(d) There shall be a fund known as a “**Sinking Fund**” into which all proceeds from the Reinvestment Fees shall be deposited. The Association shall use the Sinking Fund for the benefit of the Community and any additional land added thereto, and all improvements related to the Common Areas, including, without limitation, payment for (i) common planning, facilities, and infrastructure; (ii) community programming; (iii) resort facilities; (iv) open space; (v) recreation amenities; and (vi) Common Expenses. The priorities of the Sinking Fund shall be in the following order: (x) amenities required by a development agreement, if any, to be provided by the Association on a timely basis; and (z) all other Capital Projects that may be required by a development agreement or which is dedicated to benefitting the Community. “**Capital Projects**” include without limitation any of the following: to acquire, own, lease, operate, build, manage, maintain, rent, sell, develop, encumber, hold, and otherwise deal in and with any Common Area; buildings and other structures; employee housing; daycare facilities; teen centers; roads, walkways, streets, and pedestrian paths; parks, playgrounds, open spaces, gardens, fountains, common areas and public areas; an amphitheater, a forum, or other public entertainment or gathering areas; utility lines and systems; outdoor lighting systems; waterways; landscaping, including without limitation plants, trees, shrubs, and grass; pedestrian, hiking, equestrian, and biking trails; equestrian facilities; ice rinks; swimming pools, saunas, steam baths, and spas; tennis courts and other game courts, game areas, and recreational amenities; and such uses as

may be appropriate for use in connection with the operation and maintenance of the Community, in the reasonable discretion of the Association; and all costs imposed upon the Association by, associated with, or incurred as a result of a development agreement or other federal, state, or local governmental laws, rules, or regulations, including without limitation costs of benchmarking, studies, consultants fees and costs, and performance costs.

(e) Upon the occurrence of any sale, transfer, or conveyance of any Lot as reflected in the office of the Utah County Recorder, regardless of whether it is pursuant to the a sale of the Lot or not (as applicable, a “**Transfer**”), the party receiving title to the Lot (the “**Transferee**”) shall pay to the Association a Reinvestment Fee in an amount to be established by the Board in the rules and regulations of the Association, provided that in no event shall the Reinvestment Fee exceed the maximum rate permitted by law.

ARTICLE V ARCHITECTURAL REVIEW

1. Composition of Committee. The Board of Directors may, in its discretion, establish an Architectural Review Committee. In such event, the Architectural Review Committee shall consist of three (3) or more persons appointed by the Board of Directors; provided, however, that until all of the Lots have been conveyed to the first Owner thereof (other than Declarant or a Builder), Declarant may appoint the Architectural Review Committee. The power to “appoint,” as provided herein, shall include without limitation the power to: constitute the initial membership of the Architectural Review Committee; appoint member(s) to the Architectural Review Committee on the occurrence of any vacancy therein, for whatever reason; and remove any member of the Architectural Review Committee, with or without cause, at any time, and appoint the successor thereof. Each such appointment may be made for such term(s) of office, subject to the aforesaid power of removal, as may be set from time to time in the discretion of the appointer.

2. Review by Committee; Requirement for Approval by Governmental Entities.

(a) General. No Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot unless plans and specifications therefor (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Committee), shall have been first submitted to and approved in writing by the Architectural Review Committee; provided, however, that the Declarant and Builders whose plans and specifications have received Declarant's prior written approval shall be exempt from seeking or obtaining Architectural Review Committee approval during Declarant's or such Builder's development of, construction on, or sales of any Lot or residences on any Lot. The Architectural Review Committee shall exercise its reasonable judgment to the end that all Improvements comply with any architectural standards promulgated for the Community and conform to and harmonize with the existing surroundings, residences, landscaping and structures. The Architectural Review Committee may require that the applicant(s) of each submission pay a fee(s) to the Association for the review and approval process, with such fee(s) to be in such amount(s) as may be set by the Committee in its discretion from time to time; provided that such fee(s) shall be uniform for submissions of a similar nature or cost. Such amounts, if any, shall be levied in addition to the assessments against the Lot for which the request for Architectural Review Committee approval was made, but shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection of such assessments, as more fully provided in this Declaration.

(b) Government Approval. In addition to the required approvals by the Architectural Review Committee, as provided in this Article, the construction, erection, addition, deletion, change or installation of any Improvements on any Lot shall also require the applicant to obtain any necessary or required approval of all governmental entities with jurisdiction thereover, and issuance of all required permits, licenses and approvals by all such entities.

3. Procedures. The Architectural Review Committee shall approve or disapprove all requests for approval within forty-five (45) days after the complete submission of the plans, specifications and other materials and information which the Committee may require in conjunction therewith. If the Architectural Review Committee fails to approve or disapprove any request within forty-five (45) days after the complete submission to the Committee of the plans, specifications, materials and other information with respect thereto, and if the applicant can prove that the complete submission was received by the Committee (with such proof to be in the form of a signed receipt or a signed return receipt from a registered or certified mail), approval shall not be required and this Article shall be deemed to have been fully complied with.

4. Vote and Appeal. A majority vote of the Architectural Review Committee is required to approve a request for approval, unless the Committee has appointed a representative to act for it, in which case the decision of such representative will control. If a representative acting on behalf of the Committee approves or denies a request for architectural approval, any Owner is entitled to appeal of that decision to the full Committee, upon written request submitted to the Committee within thirty (30) days after the date of the decision by the Committee's representative. If the Architectural Review Committee approves or denies a request for architectural approval (whether by original decision or an appeal), then any Owner is entitled to

appeal that decision to the Board of Directors, upon written request submitted to the Board of Directors within thirty (30) days after the date of the decision by the Architectural Review Committee.

5. Architectural Standards. The Architectural Review Committee, with the advice of the Board of Directors, may, at any time from time to time, enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce architectural standards and design guidelines for the Community, or other standards, to interpret and implement the provisions of this Article and the Declaration, including, without limitation, those relating to procedures, materials to be submitted, specifications of items, types or kinds of Improvements, designs and other matters. The architectural standards and design guidelines may specify acceptable Improvements that may be installed or constructed without prior approval of the Architectural Review Committee. Any standards so adopted by the Committee shall be consistent, and not in conflict, with this Article and the Declaration.

6. Records. The Architectural Review Committee shall maintain written records of all applications submitted to it and all actions taken by it on applications, and make the records available to Members for inspection at reasonable hours of the business day.

7. Liability. Neither the Board of Directors, nor the Architectural Review Committee, nor any representative of the Committee appointed to act on its behalf, shall be liable in damages to any Person, or to any Owner, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its jurisdiction hereunder.

8. Variance. The Architectural Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or ARTICLE IX hereof, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or Improvements in the Community and shall not militate against the general intent and purpose of this Declaration.

9. Waivers; No Precedent. The approval or consent of the Architectural Review Committee or any representative thereof, or of the Board of Directors, to any application for architectural approval does not constitute a waiver of any right to withhold or deny approval or consent by the Committee or any representative thereof, or by the Board of Directors, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

ARTICLE VI
INSURANCE

1. Insurance. The Association shall maintain insurance as required by the Act and other applicable law, including the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such

insurance, and the cost of said coverage shall be paid by the Association as Common Expenses. In addition, the Association may maintain such insurance on such other property as the Board of Directors may determine in its discretion from time to time, or as may be hereinafter required. Notwithstanding any of the specific insurance requirements specified in this Article, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of the Agencies with respect to their insurance, guaranty, or purchase of Security Interests.

(a) Property insurance on the Common Areas for broad form covered causes of loss; except that the total amount of insurance must not be less than the full insurable replacement costs of all the insured property less applicable deductibles at the time the insurance is purchased and at such renewal date, exclusive of land, foundations, excavations and other items normally excluded from property policies.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Areas and the performance of its maintenance obligations, insuring the Association in a commercially reasonable amount per occurrence, insuring the Board of Directors, the Association, any managing agent, and their respective employees, agents and all Persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as an Owner and member of the Board of Directors. The Owners shall also be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Areas. The insurance shall cover claims of one or more insured parties against other insured parties.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and/or any independent contractor employed by the Association for the purpose of managing the Community and/or any Owner who disburses funds of the Association, in an amount at least equal to the estimated maximum of funds, including maintenance reserves, in the custody of the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than two (2) months aggregate assessments on the Lots, plus such reserve funds as calculated from the current Budget of the Association. The Association may carry fidelity insurance in amounts greater than required hereinabove and may require any independent contractor employed for the purposes of managing the Community to carry more fidelity insurance coverage than required hereinabove. In the event the Association has delegated some or all of its responsibility for the handling of funds to a managing agent, the Association may require the managing agent to purchase, at its own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subsection (c).

(d) If any Common Areas are located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on such parcels has been made available under the National Flood Insurance Program, then such a policy of flood insurance on such parcels in an amount at least equal to the lesser of:

- (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
- (ii) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including, but not limited to, personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association.

2. General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory Security Interest Holder's clause in favor of each Security Interest Holder. Unless otherwise provided by statute, and to the extent available, the policy will include a provision that the insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or nonrenewal have been mailed to the Association and each Lot Owner and each Security Interest Holder to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including Security Interest Holders, upon request. Any such Owner's policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

3. Deductibles. The Association may adopt and establish written non-discriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

(a) To the extent the Association settles claims for damages to real property, it shall have the authority but not the obligation to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event that more than any one (1) Lot is damaged by a loss, the Association, in its reasonable discretion, may assess each Owner a pro rata share of any deductible paid by the Association.

(b) Any determination by the Association that a loss either in the form of a deductible to be paid by the Association or an uninsured loss resulted from the act or negligence of an Owner, his tenants, family members, guests or invitees, may be made only after notice and hearing to the Owner in question. Upon said determination by the Association, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as any assessment.

4. Payment of Insurance Proceeds. Any loss covered by an insurance policy described in Section 1 of this Article must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any Security Interest Holder. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Association, Owners and Security Interest Holders as their interests may appear. Subject to the provisions of Section 1 of ARTICLE VII of this Declaration, the proceeds must be disbursed first for the repair or restoration of the damaged property; and the Association, Owners and Security Interest Holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Community is terminated.

5. Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner, and the Association may collect the amount from said Owner in the same manner as any assessment. Any such Owner's policy shall also contain waivers of subrogation.

6. Acceptable Insurance Companies. Each insurance policy purchased by the Association must be written by a hazard insurance carrier which is authorized by law to do business in the State of Utah. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

7. Insurance to be Maintained by Owners. An insurance policy issued to the Association does not obviate the need for Owners to obtain insurance for their own benefit. Insurance coverage on each Lot and the Improvements thereon, including, but not limited to, flood insurance, and the furnishings and other items of personal property belonging to an Owner, and public liability insurance coverage on each Lot, is the responsibility of the Owner of such Lot.

8. Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors to ascertain that the coverage provided by such policies adequately covers those risks intended to be insured by the Association. In making the aforesaid determination, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or seek other advice or assistance. Any Security Interest Holder shall be furnished with a copy of such appraisal upon request.

9. Notice of Cancellation. If the insurance described in Sections 1(a) and 1(b) of this Article is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid by United States Mail, to all Owners. If the insurance described in Sections 1(a) and 1(b) of this Article is not reasonably available, the Association may carry any other insurance it considers appropriate.

ARTICLE VII
DAMAGE OR DESTRUCTION

1. Damage or Destruction.

(a) Any portion of the Community which is covered by a policy of insurance which is required to be carried by the Association under this Declaration and which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (i) The Community is terminated;
- (ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (iii) Sixty-seven percent (67%) of the Owners, including every Owner of a Lot that will not be rebuilt, vote not to rebuild; or
- (iv) Prior to the conveyance of any Lot to a Person other than the Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

(b) The cost of repair or replacement that is covered by insurance carried by the Association, but which is in excess of insurance proceeds and reserves, is a Common Expense. If the entire Community is not repaired or replaced, the insurance proceeds attributable thereto must be used to restore the damaged area to a condition compatible with the remainder of the Community and, except to the extent that other Persons will be distributees, the remainder of the proceeds must be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the Common Expense Liability of all the Lots. If the Owners vote not to rebuild any Lot, that Lot's Allocated Interests are automatically reallocated upon the vote as if the Lot had been condemned as provided in ARTICLE XI, Section 5 hereof, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting such reallocations.

2. Lots. Any damage to or destruction of any structure located on a Lot shall, except as hereafter provided, be promptly repaired and reconstructed by the Owner thereof using insurance proceeds and personal funds of such Owner. "**Repaired and reconstructed**," as used in this Section 2, shall mean restoring the structure to substantially the same condition in which it existed immediately prior to such damage or destruction, including having the same boundaries as before. However, if a structure located on a Lot shall be destroyed or so damaged that the

structure is no longer habitable, then the Owner of such Lot shall, within a reasonable time not to exceed one hundred twenty (120) days after the event resulting in such damage or destruction, either commence and diligently pursue repair or reconstruction of the residence or demolish the same. Demolition of a structure shall include removal of any foundation slab, basement walls and floors, regrading of the Lot to a level condition, and the installation of such landscaping as may be required by the Architectural Review Committee, if applicable, pursuant to a plan submitted to said Committee by the Owner of said Lot. If the Owner of a Lot does not either commence repair, reconstruction or demolition activities within a reasonable time, as provided above, and diligently pursue the same in conformance with the plans approved by the Architectural Review Committee, if applicable, then the Association may, in its reasonable discretion, after providing the notice required in Section 2 of ARTICLE VIII hereof, enter upon the Lot for the purpose of demolishing the residence and then landscape the Lot. The cost related to such demolition and landscaping shall be the personal obligation of the Owner of the Lot on which such work is performed and shall be subject to all the terms and provisions applicable to assessments as provided in ARTICLE IV hereof, including without limitation, interest, late charges and lien rights.

ARTICLE VIII
EXTERIOR MAINTENANCE

1. General.

(a) The Association shall maintain, repair and replace the following: (i) all General Common Areas and Improvements located thereon; and (ii) any easements, drainage structure or facilities, public Improvements or publicly dedicated property that a local governmental entity has required the Association to maintain as a condition of development of the Community or any part thereof. The Association shall be responsible for the maintenance, repair and replacement of the property and Improvements identified in the preceding sentence, unless: (i) the property or Improvement has been dedicated to and accepted by the local governmental entity for the purpose of maintenance, repair and replacement; or (ii) the maintenance, repair or replacement has been authorized by law to be performed and has been accepted by a special district or other municipal or quasi-municipal entity. To the extent that an underdrain system is installed to serve all or some of the Lots within the Community, the Association shall maintain (including periodic clean-out and Inspection), repair and replace as necessary and proper all components of the underdrain system which serve more than one Lot and the Owner of a Lot shall maintain (including periodic clean-out and Inspection), repair and replace as necessary and proper those components of the underdrain system which exclusively serve that Owner's Lot. The Association is authorized, but not obligated, to provide for snow removal services for common walks, drives, and private roadways within the Community. The Association shall have the sole right to determine the times, frequency and extent of performing its landscaping maintenance, repair and/or replacement work, including without limitation watering and mowing. Notwithstanding any limitation in this Declaration, the Association may, in its sole discretion, elect not to replace certain landscape materials or elect to replace certain landscape materials with different types or kinds of landscape materials if the Board determines that the appearance of the Community will not be adversely and materially affected, or to otherwise comply with local regulation or governmental restrictions. Further, the Association

may provide such other maintenance, repair and replacement as the Board of Directors deems appropriate from time to time, including without limitation publicly-dedicated property and any Improvements located thereon, except as prohibited in Section 1(c) below. The costs, expenses, fees and other amounts to be expended for the maintenance and repair provided for in this subsection (a) shall, subject to Section 4 of this Article, be collected by the Association as assessments pursuant to ARTICLE IV hereof.

(b) The maintenance, repair and replacement of each Lot, including, but not limited to, the interior and exterior of the residence and other Improvements constructed thereon, and any Limited Common Area allocated to a Lot, shall be the sole responsibility of the Owner of such Lot. Each Owner, and its agents and contractors, are hereby granted an easement as necessarily required for the purpose of maintenance and repair of the Owner's Lot on, over, across, under and through any adjacent Lot upon reasonable notice to the Owner thereof. Any damage occurring to such adjacent Lot or the Improvements thereon in performing such repairs or maintenance shall be the responsibility of the party performing or authorizing such repairs or maintenance.

Furthermore, the first Owner (other than Declarant or Builder) of any Lot who purchases that Lot from Declarant or a Builder shall install rear yard landscaping in compliance with any applicable laws, codes, or ordinances and any architectural standards promulgated by the Architectural Review Committee for the Community within one (1) year after closing on its purchase of the Lot. If the first Owner (other than Declarant or Builder) of any Lot who purchases that Lot from Declarant or a Builder fails to satisfy the requirement to install rear yard landscaping as set forth in the preceding sentence, the Association shall have the right, but not the obligation, to complete said rear yard landscaping in accordance with any applicable laws, codes, or ordinances and any architectural standards promulgated for the Community at the sole cost of the Owner of the Lot and assess the Owner for any and all costs incurred therefrom pursuant to Section 7 of Article IV.

(c) Except as provided in Section 2 below, the Association is prohibited from performing any maintenance, repair or replacement of any Lot (including, but not limited to, the interior and exterior of the residence and other Improvements constructed thereon, and any Limited Common Area allocated to a Lot). Any amendment of this provision pursuant to Section 6, ARTICLE XI, where the community is no longer a Declarant-controlled community, or where the Declarant does not retain Development Rights, shall also require Declarant's express written approval.

(d) Commencing upon the termination of the Period of Declarant Control, the Board shall develop and observe a regular, periodic maintenance schedule for all aspects of the Common Areas, and shall no less than annually make available to the Members a report summarizing the regular maintenance conducted on the Common Areas in the previous year or such other period since the last report was submitted to the Members. Upon request, the Declarant shall be entitled to receive a copy of the annual maintenance report.

2. Association's Right to Repair, Maintain, Restore and Demolish. In the event any Owner fails to perform its maintenance, repair, reconstruction and/or demolition obligations in a manner satisfactory to the Board of Directors, the Association may, if said failure continues for a

thirty (30) day period after written notice to said Owners by the Board, enter upon said Lot subsequent to the expiration of said thirty (30) day time period to perform any or all of such maintenance, repair or restoration or, pursuant to Section 2 of ARTICLE VI hereof, to demolish a structure. The cost of such maintenance, repair, reconstruction and/or demolition is the personal obligation of the Owner of the Lot on which such work is performed, and is subject to all of the terms and provisions applicable to assessments as provided in ARTICLE IV hereof including, without limitation, interest, late charges and lien rights.

3. Access Easement. Each Owner shall afford to the Association and the other Owners, and to their agents or employees, access through such Owner's Lot as is reasonably necessary for maintenance, repair and replacement of any Common Areas and any other property or Improvements maintained, repaired or replaced by the Association. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Areas, any other property, or any Lot, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair. Further, each Lot is subject to an easement in favor of the Association (including its agents, employees and contractors) for performing maintenance, repair and/or reconstruction as provided in this Article during reasonable hours after reasonable notice to the Owners or occupants of any affected Lot, except that no such notice is required in connection with any exterior, non-intrusive maintenance, and except that in emergency situations entry upon a Lot may be made at any time provided that the Owner or occupants of each affected Lot are notified of impending emergency entry as early as is reasonably possible. The interior of any residence is not subject to the easements provided for in this Section 3.

4. Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of or within any property for which the Association has an obligation to maintain, repair or reconstruct, any Lot, or any Improvements located thereon, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any member of such Owner's family or by a guest or invitee of such Owner, the cost of such repair, maintenance, reconstruction or expense to avoid such damage shall be the personal obligation of such Owner to the extent that the Association determines that said Owner would be liable for the acts of such Persons under the laws of the State of Utah; and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to the assessment to which such Owner's Lot is subject and shall be subject to all of the terms and provisions of ARTICLE IV of this Declaration. If the Board elects to pursue a determination of the negligence or willful act or omission of any Owner, or any member of an Owner's family or a guest or invitee of any Owner, and the amount of the Owner's liability therefor, then such determination shall be made by the Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section may be appealed by said Owner to a court of law.

ARTICLE IX
RESTRICTIONS

1. General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Lots, all in order to enhance the value, desirability, and attractiveness of the Lots and promote the sale thereof.

2. Restrictions Imposed. This Community is subject to the recorded easements, licenses and other matters listed on Exhibit C attached hereto and incorporated herein by this reference. All of the Lots shall be held and shall be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration.

3. Residential Use. Subject to Section 4 of this Article, Lots may be used for residential use only, including uses which are customarily incident thereto, and may not be used at any time for business, commercial or professional purposes; provided, however, that an Owner may use his Lot for professional or home occupation(s) so long as the applicable zoning permits such use, there is no external evidence thereof, and no unreasonable inconvenience to other residents of the Lots is created thereby. Timeshares and time-sharing of Dwellings within the Project is prohibited, and under no circumstances shall any Lot be owned or used for time sharing, including but not limited to a "Timeshare Interest" as that term is defined in Utah Code Ann. § 57-19-2(27), as amended.

4. Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it is permissible and proper for Declarant and Builders, and their employees, agents and contractors, to perform such reasonable activities, and to maintain upon portions of the Lots and Common Areas such facilities as they deem reasonably necessary or incidental to the development, construction and sale of Lots, and development and construction of Improvements, specifically including, without limiting the generality of the foregoing, maintaining management offices, signs, model units, construction offices, trailers and sales offices, in such numbers, of such sizes, and at such locations (including, but not limited to, Lots owned by Declarant, any passive or active recreational amenity constructed by Declarant as a Common Area and other locations) as they determine in their reasonable discretion from time to time. Nothing in this Declaration limits the rights of the Declarant to conduct all construction, sales and marketing activities as the Declarant deems necessary or desirable in its sole discretion and to use the easements provided in this Declaration or otherwise of record for those and other purposes. Further, nothing in this Declaration limits the right of the Declarant or requires the Declarant (or Builders who have obtained the Declarant's written approval) to obtain approvals: (a) to excavate, cut, fill or grade any property owned by the Declarant (or a Builder) or to construct, alter, demolish or replace any Improvements; (b) to use any structure on the Common Areas or on any property owned by Declarant (or a Builder) as a construction, management, model home or sales or leasing office in connection with the development, construction or sale of any property; and/or (c) to require Declarant (or a Builder) to seek or obtain the approval of the Architectural Review Committee or of the Association for any activity or Improvement. Notwithstanding the foregoing, the Declarant and Builders shall not perform any activity or maintain any facility on any portion of the Lots in such a way as to unreasonably interfere with

or disturb any Owner, or to unreasonably interfere with the use, enjoyment or access of such Owner, his family members, guests or invitees, of and to the Owner's Lot and to a public right-of-way.

5. Household Pets. No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Lots; provided, however, that the Owners of each Lot may keep a reasonable number of dogs, cats or other domestic animals which are bona fide household pets, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Lots. In no event shall the number of pets exceed the number permitted by the ordinances of the governmental entity having jurisdiction over the Community. The Association shall have, and is hereby given, the right and authority to determine, that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that an Owner is otherwise in violation of the provisions of this Section, and to take such action(s) as it may deem appropriate to correct the same. No household pet or animal shall be allowed outside a Dwelling Unit, including the Common Areas, at any time, without close supervision by an Owner. An Owner's right to keep household pets is coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments as provided in ARTICLE IV hereof.

6. Temporary Structures; Unsightly Conditions. No structure of a temporary character, including, but not limited to, a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected upon any Lot; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures for storage of materials may be erected and maintained by a Person doing such work. Further, no unsightly conditions, structures, facilities, equipment or objects shall be so located on any Lot as to be visible from a street or from any other Lot.

7. Miscellaneous Improvements.

(a) No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot except for the following: (i) a name plate of the occupant and a street number; (ii) a "For Sale," "Open House" or "For Rent" sign; (iii) security system signs no larger than one hundred (100) square inches each; (iv) and "political signs" as defined in the Act which are displayed on an Owner's Lot; (v) signs permitted by the rules and regulations of the Association; and (vii) signs approved by the Board or the Committee. Notwithstanding the foregoing, signs, advertising, or billboards used by the Declarant or a Builder in connection with the sale or rental of the Lots, or otherwise in connection with development of the Community or construction on the Lots, are permissible.

(b) No service yards, wood piles or outdoor storage areas shall be so located on any Lot as to be visible from a street or from the ground level of any other Lot, except to the extent otherwise provided in rules or regulations adopted by the Association.

(c) The Board may adopt reasonable, non-discriminatory rules and regulations, consistent with applicable state or federal laws and regulations, regarding the installation of satellite dishes, exterior aerials, and antennas of any kind.

(d) No fences shall be permitted except with the prior approval of the Architectural Review Committee, if applicable, and in conformance with any guidelines, rules or regulations adopted by the Board regarding the permitted types, colors, locations, materials, and other matters having to do with fences.

(e) No wind generators of any kind shall be constructed, installed, erected or maintained on a Lot except for a wind-electric generator that meets the interconnection standards established in rules promulgated by the Public Service Commission of the State of Utah.

(f) Any exterior lighting installed or maintained on the Lots shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of adjacent or nearby property.

(g) Notwithstanding any provision in the Association Documents to the contrary, the Association may not effectively prohibit renewable energy generation devices or the installation or use of any energy efficient measures, provided that the Association may adopt reasonable aesthetic rules and regulations concerning dimensions, placement or external appearance of such devices or measures to the extent such rules and regulations do not conflict with or violate applicable laws.

(h) Portable basketball hoops shall not be placed or kept on any street right-of-way.

8. Vehicular Parking, Storage and Repairs.

(a) No house trailer, camping trailer, boat trailer, hauling trailer, boat, or accessories thereto, truck (rated larger than one [1] ton), self-contained motorized recreational vehicle, or other type of recreational vehicle or equipment, may be parked or stored in the Community, unless such parking or storage is within a garage or is suitably screened from view in accordance with the rules and regulations of the Association, except that any such vehicle may be otherwise parked as a temporary expedient for loading, delivery or emergency. This restriction, however, shall not restrict (i) trucks or other commercial vehicles which are necessary for construction or for the maintenance of any portion of the Community or any Improvements located thereon or (ii) police, sheriff, fire protection, ambulance, and other similar emergency service vehicles.

Notwithstanding the foregoing paragraph, or any other provision to the contrary herein, self-contained motorized recreational vehicles or trailered boats may be parked in the side yard of a Lot if parked behind a fence gate, whether or not such vehicle or trailered boat is otherwise suitably screened from view.

(b) Except as hereinabove provided, no abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked in the Community in such a manner as to be

visible from any portion of the Community. The Board is authorized to adopt rules and regulations defining an “abandoned or inoperable vehicle” and setting forth additional regulations and restrictions applicable to abandoned or inoperable vehicles.

(c) In the event the Association determines that a vehicle is parked or stored in violation of subsections (a) or (b) of this Section, then a written notice describing said vehicle shall be delivered personally or by certified mail to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the Association in its discretion from time to time, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

(d) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Community unless (i) it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property, or (ii) permitted by the rules and regulations of the Association, or with prior Board approval. The foregoing restriction shall not be deemed to prevent, on a Lot, washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle, together with those activities normally incident and necessary to such washing and polishing.

9. Nuisances. No nuisance shall be permitted in the Community or any portion thereof, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of the Community or any portion thereof. As used herein, the term “nuisance” shall not include any activities of Declarant or a Builder which are reasonably necessary to the development and construction of, and sales activities in, the Community; provided, however, that such activities of the Declarant shall not unreasonably interfere with any Owner’s use and enjoyment of his Lot, or with any Owner’s ingress and egress to or from his Lot and a public way.

10. No Hazardous Activities; No Hazardous Materials or Chemicals. No activities shall be conducted on any Lot or within Improvements constructed on any Lot which are unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit while attended and in use for cooking purposes or within an interior fireplace. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in household products normally kept at homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

11. No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others. Lot Owners shall not install exterior Christmas lighting and decorations before November 15 and shall remove such lighting and decorations by January 31. Other exterior holiday decorations displayed by Lot Owners shall be removed not later than one (1) week after the date of the holiday.

12. Restrictions on Trash and Materials; Trash Collection.

(a) No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage, trash or recycling pickup. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner and may be placed for pick-up no earlier than the night before the day of trash collection and returned not later than the end of the day of collection.

(b) The Association, acting through its Board of Directors, is authorized to contract for trash and recycling service for all or portions of the Community and determine that the cost of such trash collection shall be paid by the Association as part of the Common Expenses, or that the cost of trash collection shall be paid by each Owner directly to the trash collection company and the Association shall not have any duty to pay the costs of trash collection or to assess the costs thereof to the Owners as assessments.

13. Minor Violations of Setback Restrictions. If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Lot immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section shall prevent the prosecution of a suit for any other violation of the restrictions, covenants, or other provisions contained in this Declaration. A “**minor violation**,” for the purpose of this Section, is a violation of not more than one foot (1’) beyond the required setback lines. This provision shall apply only to the original structures and their repair and replacement in their original location, and shall not be applicable to any alterations or repairs to, or replacements of, any of such structures that create a new infringement of the setback.

14. Rules and Regulations. Rules and regulations concerning and governing the Lots, Common Areas, and/or this Community may be adopted, amended or repealed from time to time by the Board of Directors, as set forth in Section 5 of ARTICLE II hereof. Pursuant to Utah Code 57-8a-218(15), the requirements of Utah Code 57-8a-218 are hereby modified to not apply to the Association.

15. Lots to be Maintained. The exterior grounds of each Lot, including the landscaping thereon, shall at all times be well kept in a clean and sightly condition. Owners and occupants shall not permit any trash, litter, junk, boxes, containers, bottles, cans, implements or machinery to remain upon their Lot except as necessary during the period of construction or as provided in Section 12 of this Article.

16. Leases. The term “**lease**,” as used herein, shall include any agreement for the leasing or rental of a Lot, or any portion thereof, and shall specifically include, without limitation, month-to-month rentals and subleases. Any Owner shall have the right to lease his Lot, but all leases shall have a lease term of at least thirty (30) days, shall be in writing and, shall provide that the terms of the lease and lessee’s occupancy of the leased premises shall be subject

in all respects to the provisions of this Declaration, the Articles of Incorporation, Bylaws and rules and regulations of the Association.

17. Maintenance of Grade and Drainage. Each Owner shall maintain the grading upon such Owner's Lot, and the Association shall maintain the grading upon the Common Areas, at the slope and pitch fixed by the final grading thereof, including landscaping and maintenance of the slopes. Each Owner and the Association agree, for themselves and their successors and assigns, that they will not in any way interfere with the established drainage pattern over any real property which they have a duty to maintain, from adjoining or other real property. In the event that it is necessary or desirable to change the established drainage over any Lot or Common Areas which an Owner or the Association has a duty to maintain, then the party responsible for the maintenance of such real property shall submit a plan to the Architectural Review Committee, if applicable, for its review and approval, in accordance with the provisions of ARTICLE V of this Declaration. For purposes of this Section, "**established drainage**" is defined as the drainage which exists at the time final grading of a Lot is completed.

18. Subdivision of Lots or Lot Line Adjustments. The Declarant reserves as a Special Declarant Right, the right to subdivide or replat any Lot(s) or other property owned by Declarant. The Declarant hereby reserves, as a Special Declarant Right in order to build and complete Improvements in the Community, the right to move any Lot line(s) with the consent of the Owner(s) of each Lot whose Lot line is being moved. Such Lot line adjustments may be done by the Declarant, if at all, for the purpose of accommodating Improvements which are constructed or are to be constructed, and shall not change the number of Lots in the Community at the time such Lot line adjustment is approved by the applicable governmental entity.

19. Use of Common Areas. An easement is hereby granted to the Declarant through the Common Areas as may be reasonably necessary for the purpose of discharging any of Declarant's obligations or exercising any Special Declarant Rights. Subject to the immediately preceding sentence:

(a) No use shall be made of the Common Areas which will in any manner violate the statutes, rules, or regulations of any governmental authority having jurisdiction over the Common Areas.

(b) No Owner shall engage in any activity which will temporarily or permanently deny free access to any part of the General Common Areas to all Members, nor shall any Owner place any structure whatsoever upon the General Common Areas.

(c) The use of the Common Areas shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors.

(d) No use shall ever be made of the General Common Areas which will deny ingress and egress to those Owners having access to their Lots only over Common Areas, and the right of ingress and egress to said Lots is hereby expressly granted.

20. Association Easement. Easements to perform its maintenance and enforcement duties and as necessary to exercise its powers pursuant to this Declaration are hereby granted by

Declarant to the Association, its officers, agents, employees and assigns, upon, across, over, in and under the Community together with the right to make such use of the Community as may be necessary and appropriate in carrying out such maintenance and enforcement duties. All conveyances of Lots hereafter made, whether by Declarant or other Person, shall be construed to grant and reserve the easements contained in this Declaration, whether or not specific reference to such easements or to the Declaration appears in the instrument of such conveyance.

21. Easement for Encroachments. To the extent that any Lot or Common Area or improvements thereon encroaches on any other Lot or Common Area, a valid easement for the encroachment exists; to the extent any utility service extension line providing service to an individual Lot encroaches on any other Lot or Common Area, a valid easement for the encroachment exists.

22. Easements for Drainage and Utilities. Easements and right-of-way for the installation and maintenance of utilities, drainage facilities, public or private improvements and access thereto are reserved as shown on the recorded Plats affecting the Lots and any amendments to such plats or as established by any other instrument of record. Declarant creates and reserves to itself until the expiration of the period of Special Declarant Rights, and thereafter to the Association, a blanket non-exclusive easement upon, over and across the Common Areas for the construction, operation, maintenance, repair and replacement of utilities, drainage and facilities therefor and other appurtenances thereto.

23. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all driveways and Common Areas of the Community in the proper performance of their duties.

24. Sidewalks. Sidewalks may be constructed throughout the Community along and adjacent to or connecting the Common Areas and streets within the Community for the purpose of access in and through the Community. To the extent sidewalks are constructed upon any Lot along and adjacent to or connecting the Common Areas and the streets, there is hereby established a right of access, ingress and egress in and through the Community over and across that portion of the Lot adjacent to the Common Areas including any common access drive which is occupied and used for the sidewalk as such sidewalk is initially constructed by the Declarant, together with the right to inspect, maintain, repair, and replace such sidewalks.

25. Sheds. An Owner may construct a shed or outbuilding upon the Owner's Lot after first obtaining the Architectural Review Committee's written approval of the plans and specifications for such shed or outbuilding pursuant to Article V of this Declaration.

ARTICLE X
PROPERTY RIGHTS IN THE COMMON ELEMENTS

1. Owners' Easements. Subject to Sections 2 and 3 of this Article, every Owner and the Association shall have a non-exclusive right and perpetual easement for the purpose of pedestrian and vehicular access to their Lots and the Common Areas, and for use for all other purposes, in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

2. Extent of Owners' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations contained in this Declaration; and

(b) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and to mortgage said property as security for any such loan; and

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure; and

(d) The right of the Association to promulgate, amend, repeal, re-enact and publish rules and regulations with which each Member shall strictly comply, including, but not limited to, the right of the Association to regulate and/or restrict vehicular parking and Improvements; and

(e) The right of the Association to suspend the voting rights of a Member for any period during which any assessment against his Lot or any other amount due from such Member to the Association remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of the Bylaws of the Association or the Association rules and regulations; and

(f) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless first approved by the Members entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Lots not owned by the Declarant, and unless written notice of the proposed agreement and the proposed dedication or transfer is sent to every Member at least thirty (30) days in advance of any action taken. Notwithstanding the foregoing, the granting of permits, licenses and easements for public utilities, roads or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Community shall not be deemed a transfer within the meaning of this subsection (f); and

(g) The right of the Association, through its Board of Directors, to enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of real property or Improvements by Owners, other persons, their family

members, guests and invitees, for any purpose(s) the Board of Directors may deem to be useful, beneficial or otherwise appropriate; and

(h) The right of the Association to close or limit the use of the Common Areas while maintaining, repairing and making replacements in the Common Areas.

3. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Areas to the members of the Owner's family, or the Owner's tenants, or contract purchasers who reside on the Owner's Lot.

4. Limited Common Areas. (a) Subject to the terms and provisions of this Declaration, every Owner or group of Owners shall have the right to use and enjoy the Limited Common Areas appurtenant to such Owner's Lot, and such right shall be exclusive except as to those other Owners with a right to use such Limited Common Areas; and (b) Declarant hereby reserves to itself the right to assign or convey as Limited Common Areas appurtenant to a particular Lot, with or without consideration, the exclusive right to use any area of the General Common Areas. Upon such disposition, the area shall be appurtenant to the Lot and shall pass with title thereto, regardless of whether or not specifically referenced in the deed or other instrument of conveyance of a Lot.

5. Conveyance or Encumbrance of Common Areas. Portions of the Common Areas may be conveyed or subjected to a Security Interest by the Association only in accordance with the Act and this Declaration if Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Lots not owned by a Declarant, agree to that action.

6. Payment of Taxes or Insurance by Security Interest Holders. Security Interest Holders shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may or have become a lien against the Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Areas, and any Security Interest Holders making any such payments shall be owed immediate reimbursement therefor from the Association.

7. Transfer of Common Areas to the Association. Declarant shall, from time to time, convey to the Association fee simple title to the Common Areas or portions thereof. In any event, Declarant shall convey all Common Areas to the Association not later than upon the issuance of a certificate of occupancy for Dwelling the last Lot to be constructed by Declarant. The Association shall accept title to the Common Areas and agrees to own and maintain any property, including all Improvements located thereon, and personal property relating thereto, transferred to the Association by Declarant as Common Areas. Any property or interest in property transferred to the Association by Declarant shall be transferred to the Association free of liens and encumbrances, but subject to the covenants, easements, rights-of-way, reservations, restrictions and other title burdens of record. The Association shall manage, operate, care for, insure, maintain, repair, reconstruct, modify and improve all of the Common Areas and the Improvements located thereon and keep the same in an attractive and desirable condition for the use and enjoyment of all of the Owners.

ARTICLE XI
GENERAL PROVISIONS

1. Enforcement; Rights of the Association.

(a) Enforcement. Subject to the provisions of this Section set forth below, enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association, as supplemented and amended, may be by any proceeding at law or in equity against any Person(s) (including, without limitation, the Association) violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and in accordance with the notice and hearing procedures set forth in this Declaration and/or the Bylaws, the Association shall further have the right to levy and collect fines for the violation of any provision of any of the aforesaid documents. In addition, the Association, through the Board, may exercise self-help to cure violations and may suspend any services it provides to any Owner who is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association. Except as provided below in regard to the mediation and arbitration under ARTICLE XII, in any action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure by the Association or any Owner to enforce any covenant, restriction or other provision herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

(b) The Association, acting through the Board, shall have the power and the duty to reasonably defend the Association (and, in connection therewith, to raise counterclaims) in any pending or potential lawsuit, arbitration, mediation or governmental proceeding (collectively hereinafter referred to as a "Proceeding"). The Association, acting through the Board, shall have the power, but not the duty, to reasonably institute, prosecute, maintain and/or intervene in a Proceeding, in its own name, as to which the Association is a proper party in interest.

2. Severability. All provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association are severable. Invalidation of any of the provisions of any such documents, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect.

3. Conflict of Provisions. In case of any conflict between this Declaration and the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

4. Conflict with Act. In the event that any of the terms or provisions of this Declaration are in conflict or inconsistent with the Act, the terms or provisions of the Act shall control and govern. In case of any such conflict or inconsistency, the applicable terms and provisions contained in this Declaration shall, to the extent possible, be construed in accordance

with the Act, and any conflict with or violation of the Act by any terms or provisions of this Declaration shall not affect, void, or render unenforceable any other term or provision of this Declaration (which shall be in full force and effect in accordance with their terms).

5. Annexation.

(a) Additional property may be added into and annexed into the Community and made subject to this Declaration with the consent of at least sixty-seven percent (67%) of the votes in the Association allocated to members. In addition to the foregoing, the Declarant may amend this Declaration at any time during the Period of Declarant Control, in order to add additional real estate to the Community from such locations as the Declarant may elect in its sole discretion, so long as the total additional real estate so annexed to the Community pursuant to this sentence does not exceed ten percent (10%) of the total area described in the attached Exhibit A.

(b) To the extent permitted by the Act, Declarant reserves the right to amend this Declaration to withdraw from the Community, from time to time, any portion of the real property that constitutes the Community (including each separately platted Lot and each separately platted tract that is described on Exhibit A). It is the intent of this provision that each Lot, Tract and any other portion of the Community constitute a separate portion of the property subject to a right of withdrawal by the Declarant, at any time from time to time. Declarant shall affect each such withdrawal by recording an amendment to the Declaration in accordance with the Act. Upon withdrawal of any portion of the real property that constitutes the Community, such portion shall become real property that may be annexed into the Community and the Allocated Interests for each remaining Lot shall be recalculated in accordance with the formula as provided in ARTICLE I Section 3. Any amendment to the Declaration used to effectuate a withdrawal pursuant to this Section shall not require the consent of any Person other than the Owner of the portion of the Property to be withdrawn, if other than Declarant. If the portion of the Property to be withdrawn includes any of the Common Areas, the Association shall consent to such withdrawal upon the request of Declarant.

(c) The Declarant may exercise its Development Rights with respect to different portions of the property described in the attached Exhibit A at different times and no assurances are made as to the boundaries or order of exercise of any Development Rights. If a Development Right is exercised with respect to any portion of the property described in Exhibit A, it need not be exercised with respect to any other portion of the property described in Exhibit A.

6. Duration, Revocation, and Amendment.

(a) Each and every provision of this Declaration shall run with and bind the land in perpetuity. Except as otherwise provided in this Declaration, this Declaration may be amended by a vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Until expiration of the Period of Declarant Control, the Declarant shall have the right to amend, revise, and modify this Declaration, the Bylaws, and the rules and regulations in any way, and at any time, including adding, removing, or changing substantive and material provisions, without any additional approvals from anyone, including,

but not limited to, the Owners. Any such amendment to the Bylaws or Declaration shall be effective upon the recordation by the Declarant of an amendment duly signed by an authorized officer or person of the Declarant, with such signature acknowledged. When recorded, any such amendment shall be binding upon the Project and all Persons having an interest therein, including all Owners. Without limiting the generality of the foregoing, the Declarant alone may amend or terminate this Declaration prior to the closing of a sale or transfer of any Lot.

(b) Declarant reserves the right and is granted the power to make amendments to this Declaration or a Plat at any time prior to the expiration of the period of Special Declarant Rights to correct clerical, typographical or technical errors.

(c) No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded.

(d) Every amendment to the Declaration must be recorded in every county in which any portion of the Community is located, and is effective only upon recordation.

(e) Except to the extent expressly permitted or required by other provisions of this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Lots, or change the boundaries of any Lot or the Allocated Interests of a Lot, or the uses to which any Lot is restricted, in the absence of a vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes allocated to Lots not owned by a Declarant, are allocated.

(f) Amendments to the Declaration that are required by this Declaration to be recorded by the Association may be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

(g) No amendment may remove, revoke, limit, condition, or modify any right or privilege of the Declarant established by a provision hereunder, which provisions are not merely covenants but contractual in nature and may not be unilaterally amended by the Owners to affect or alter the right, privilege or contractual agreement without the written consent of the Declarant or the assignee of such right or privilege. Each Amendment to this Declaration enacted by the vote or agreement of Owners of Lots shall be applicable only to disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred after the date of recording of such amendment in the County, and no such amendment shall be applied retroactively (i) to any disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred before the date of recording of such amendment in the County, or (ii) to impair the rights or obligations of any Person, including Declarant, bound by the provisions of this Declaration. Notwithstanding anything to the contrary herein, this Section (g) may not be amended, nullified or modified without the written consent of the Declarant.

(h) Any repeal or modification of any provision of the Association Documents permitting or requiring indemnification of directors and officers shall be prospective only, and shall not adversely affect any limitation on the personal liability of a current or former director or officer of the Association for acts or omissions prior to such repeal or modification; any such repeal or modification shall not be effective as against a current or former director or officer of the Association for acts or omissions prior to such repeal or modification without such director's or officer's written consent. Any indemnification or right of indemnification of directors and officers of the Association as provided by any of the Association Documents shall continue as to a person who has ceased to be a director or officer of the Association and shall inure to the benefit of the director's or officer's estate, heirs, personal representatives, executors and administrators.

(i) The Association has the right to merge or consolidate with one or more association pursuant to U.C.A. § 57-8a-601.

7. Registration of Mailing Address. Each Owner and each Security Interest Holder, insurer or guarantor of a Security Interest, shall register his mailing address with the Association. Except as expressly required otherwise by this Declaration, annual statements and all other notices or demands intended to be served upon an Owner, or upon a Security Interest Holder, insurer or guarantor of a Security Interest, shall be sent by first class mail, postage prepaid, addressed in the name of such Person at such registered mailing address, or provided by other means as permitted or required by the Act. However, if any Owner fails to notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands, or other notices intended to be served upon the Board of Directors or the Association during the Period of Declarant Control shall be sent by registered or certified mail, postage prepaid, c/o LGI Homes – Utah, LLC, 1450 Lake Robbins Drive, Suite 430, The Woodlands, TX 77380, unless such address is changed by the Association during the Period of Declarant Control; subsequent to the termination of the Period of Declarant Control, the Association shall notify the Owners of a different address for notices.

8. HUD or VA Approval.

(a) During the Period of Declarant Control, the following actions shall require, to the extent required by HUD or VA, the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more Security Interests: annexation of additional real property; amendment of this Declaration; termination of this Community; or merger or consolidation of the Association.

(b) Notwithstanding the provisions hereof, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which any Government Mortgage Agency (Agencies) requires to be amended or repealed as a condition to making, purchasing, insuring or guaranteeing Mortgages, or is required in order to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, HUD, FHA or other Government Mortgage Agency, may be amended or repealed solely by Declarant and no approval, consent or vote of any other person or entity shall be required. Any such amendment or

repeal shall be effective upon the recordation of a certificate, executed by Declarant, setting forth the amendment or repeal in full.

9. Termination of Community. The Community may be terminated only in accordance with the provisions of the Act.

10. Eminent Domain. The taking by eminent domain of a Lot(s) or Common Area(s), or any portion thereof, shall be done in accordance with applicable law, including without limitation the Act.

11. Run with Land; Binding upon Successors. The benefits, burdens and all other provisions contained in this Declaration shall be covenants running with and binding upon the Community and all real property and Improvements which are now or hereafter a part thereof. The benefits, burdens and all other provisions contained in this Declaration shall be binding upon, and inure to the benefit of the Declarant, the Association and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

12. No Representations or Warranties. No representations or warranties shall be deemed to have been expressly given or made by Declarant or its agents or employees, in connection with any portion of the Community, or any Improvement, or their physical condition, zoning, compliance with applicable laws, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

13. Disclaimer Regarding Safety. DECLARANT AND THE ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE COMMUNITY, EACH OWNER ACKNOWLEDGES THAT DECLARANT AND THE ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY.

14. Dedication of Common Areas. Declarant in recording this Declaration has designated certain areas of land as Common Areas intended for the common use and enjoyment of Owners for uses, recreation and other related activities as provided in this Declaration. The Common Areas owned by the Association are not dedicated hereby for use by the general public but are dedicated to the common use and enjoyment of the Owners as more fully provided in this Declaration.

15. Declarant Exemption from Statutory Obligations. Pursuant to Utah Code. Ann. 57-8a-217(6), Declarant is hereby exempt from the provisions of 57-8a-217. Pursuant to Utah Code Ann. 57-8a-211(10), Utah Code Ann. 57-8a-211(2)-(9), shall not apply or have any effect prior to the expiration of the Period of Declarant Control and, as allowed specifically by law, the Declarant shall have no duty whatsoever to obtain a reserve analysis, or to fund any reserve fund prior to the expiration of the Period of Declarant Control.

ARTICLE XII
MANDATORY BINDING ARBITRATION

Each Owner, and the Association, by taking title to a Lot and/or any portion of the Common Areas, acknowledges and agrees as follows:

1. Mandatory Binding Arbitration.

(a) To the fullest extent permitted by law, all claims by an Owner or the Association against (i) Declarant (or any affiliate, agent, employee, executing officer, manager, or owner of thereof), (ii) a Contractor (including general contractors, subcontractors, engaged for the construction of the initial Improvements on the Lots or Common Areas), or (iii) a Design Consultant (including architects, engineers and similar design professionals engaged to assist in the design of the initial Improvements on the Lots or Common Areas) (individually, an “**Applicable Party**”), or any affiliate, agent, employee, executing officer, manager, or owner of an Applicable Party, which an Owner, or the Association or any other Person may have arising from or in any way related to the sale, design or construction of a Lot or Lots and the Improvements thereon, or the Common Areas (a “**Dispute**”) shall be submitted to final and binding arbitration. The provisions of this Article shall be the sole remedy for resolving Disputes between and Applicable Party and any Owner, the Association and/or any other Person, or any of them. Disputes subject to binding arbitration include but are not limited to:

- (i) Any disagreement, claim or action that a condition of the Lot, the Improvements thereon or of the Common Areas is a construction defect;
- (ii) Any disagreement as to whether a construction defect has been corrected in compliance with any written limited warranty agreement provided by or issued on behalf of Declarant (a “**Limited Warranty**”);
- (iii) Any alleged breach of a Limited Warranty;
- (iv) Any alleged violations of consumer protection, unfair trade practice, or other statutes;
- (v) Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;
- (vi) Any disputes concerning the issues that should be submitted to binding arbitration;
- (vii) Any disputes concerning timeliness of performance and notifications under a Limited Warranty;
- (viii) Any dispute as to the payment or reimbursement of the arbitration filing fee;

- (ix) Any dispute as to whether a Limited Warranty, or any provision thereof, including, but not limited to any waiver under such Limited Warranty, is unenforceable;
- (x) Any other claim arising out of or relating to the sale, design, or construction of the Lot and the Improvements thereon, or the Common Areas, including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability.

(b) Dispute Resolution by and between Bound Parties. The Declarant, the Association (including their officers, directors and committee members), any Applicable Party and all Owners (collectively, the “**Bound Parties**,” and each a “**Bound Party**”) hereby covenant and agree to submit all Disputes between or among them to the following procedures for binding arbitration in lieu of litigation. No Dispute may be initiated after the date when institution of legal or equitable proceedings based on such Dispute would be barred by the applicable statute of limitation or statute of repose.

(c) The arbitration shall be conducted by JAMS in Salt Lake City, Utah or such other reputable arbitration service (which shall be selected as provided in any applicable Limited Warranty if the arbitration involves a claim under the Limited Warranty, at the time the request for arbitration is submitted). The rules and procedures of the designated arbitration organization that are in effect at the time the request for arbitration is submitted will be followed.

(d) The arbitration shall be governed by and shall be specifically enforceable under the applicable arbitration law of the State of Utah. The arbitration award (the “**Award**”) shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Utah.

(e) To the extent not prohibited by law, the Bound Parties agree to pay a pro rata share (based on the number of Parties) of the costs and expense of the arbitrator. The payment shall be made to the person or persons responsible for collecting such costs and expenses on behalf of the arbitrator prior to the applicable alternative dispute resolution process. Each Bound Party shall bear its own costs (including expert costs), expenses and attorneys’ fees incurred in the arbitration.

(f) If any Owner, the Association, or the Declarant files a proceeding in any court to resolve any Dispute, such action shall not constitute a waiver of the right of such party or a bar to the right of any other party to seek arbitration of that or any other Dispute, and the Court shall, upon motion of any party to the proceeding, direct that such Dispute be arbitrated in accordance therewith, and the Court shall award reasonable costs and attorney’s fees to a Bound Party that successfully moves to have the Dispute resolved by arbitration.

(g) If the Bound Parties resolve any Dispute through negotiation or mediation, and any Bound Party thereafter fails to abide by the terms of such agreement, or if any Bound Party fails to comply with the Award, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement or Award without need to comply with the

provisions of this Article. In such event, the Bound Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Bound Party (or if more than one non-complying Bound Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including without limitation, attorney's fees and costs.

(h) The obligations of this Article to submit all Disputes to final, binding arbitration is wholly independent and separate from the rights and obligations under a Limited Warranty. In the event any Lot is not issued a Limited Warranty, all Disputes shall be resolved by final, binding arbitration conducted by the JAMS in Salt Lake City, Utah, or such other organization as the parties to the Dispute may agree upon, pursuant to the terms of this Section 1.

(i) THE OWNERS, ASSOCIATION AND DECLARANT WAIVE ANY RIGHTS TO JURY TRIAL FOR DISPUTES EVEN IF THE ABOVE-DESCRIBED ALTERNATIVE DISPUTE RESOLUTION PROCEDURES AND PROVISIONS ARE OTHERWISE FOUND UNENFORCEABLE. BY DELIVERY AND ACCEPTANCE OF A DEED TO A LOT, EACH OWNER AND DECLARANT MAKE THIS WAIVER KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ACKNOWLEDGE THAT NO ONE HAS MADE ANY REPRESENTATION OF FACT TO INDUCE THEM TO MAKE THIS WAIVER OR IN ANY MANNER OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT AND SUCH PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO BE ADVISED BY INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THIS DECLARATION AND IN MAKING THIS WAIVER. EACH OWNER, ASSOCIATION AND THE DECLARANT ACKNOWLEDGE HAVING READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS JURY WAIVER, AND INTEND THIS JURY WAIVER BE READ AS BROADLY AS POSSIBLE AND EXTEND TO ALL DISPUTES.

(j) Nothing in this ARTICLE XII is intended to constitute a waiver of, or limitation on any person's ability to enforce the legal rights, remedies, or damages within the time allowed by the laws of the State of Utah and applicable statutes of limitation or repose, but this ARTICLE XII and this Declaration do require that any Dispute be resolved by binding arbitration and not by litigation in a court or by jury trial.

(k) Notwithstanding anything to the contrary herein and to the extent allowed by applicable law, the terms and provisions of this ARTICLE XII shall not be amended, modified or repealed without the prior written consent of the Declarant.

(l) Notwithstanding anything to the contrary in this Declaration, the Association may not sue anyone or arbitrate claims on behalf of two or more Owners with respect to any claims or issues on individual homes, including without limitation, construction and warranty claims. Any amendment of this provision pursuant to ARTICLE XII, where the community is no longer a Declarant-controlled community, or where the Declarant does not retain Development Rights, shall also require Declarant's express written approval.

(m) Notwithstanding anything in this Declaration to the contrary, the Declarant may, in its sole discretion, elect to resolve any Dispute involving Declarant as a plaintiff or defendant by court proceeding instead of through arbitration. If the Declarant elects to resolve

any such Dispute by court proceeding, Declarant may file and commence a proceeding in a court, or upon initiation of arbitration by another Bound Party and motion of the Declarant, the arbitrator shall direct that such Dispute be litigated in a court of law, in which event the Court shall not grant any motion requesting that the Dispute be arbitrated over the objection of Declarant.

2. No Presumption of Unobserved Construction Defects. The Declarant, the Association and the Owners agree that if the Association or any Owner alleges that any Common Area, Lot or Lots or any portions thereof or Improvements thereon are subject to or alleged to be subject to a construction defect, then in any arbitration, mediation or other proceeding regarding such matters, there shall be no presumption that an alleged construction defect is prevalent or consistently present in other Lots or other portions of the Common Areas where such alleged construction defect has not been observed.

[SIGNATURE PAGE TO FOLLOW]

**EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

The Community referred to in this Declaration is located in Utah County, State of Utah and is more particularly described as follows:

Lots 1 through 98 and Parcels A, B, C, and D, Oquirrh Mountain Ranch Phase B-1 Subdivision, according to the official plat thereof recorded on November 10, 2022 Entry No. 117112:2022 in the official records of the Utah County Recorder's Office.

AND

Proposed Lots 99 through 206 and Parcels A, B, C, D and E, Oquirrh Mountain Ranch Phase B-2 Subdivision, described as follows:

A part of the SE 1/4 of Section 25, Township 5 South, Range 2 West, Salt Lake Base and Meridian, located in Eagle Mountain City, Utah County, Utah, being more particularly described as follows:

Beginning at a point on Lot 502, OQUIRRH MOUNTAIN RANCH PHASE A, according to the Official Plat thereof recorded October 28, 2019 in the Office of the Utah County Recorder as Entry No. 111320:2019, located S89°36'45"E 1,350.24 feet along the 1/4 Section line and North 255.01 from the South 1/4 Corner of Section 25, Township 5 South, Range 2 West, Salt Lake Base and Meridian; thence Southeasterly along the arc of a non-tangent curve to the left having a radius of 230.00 feet (radius bears: N61°38'46"E) a distance of 65.21 feet through a central angle of 16°14'40" Chord: S36°28'33"E 64.99 feet; to a point of reverse curvature; thence along the arc of a curve to the right having a radius of 15.00 feet a distance of 24.76 feet through a central angle of 94°33'39" Chord: S02°40'56"W 22.04 feet; thence S60°37'03"E 55.46 feet; thence Easterly along the arc of a non-tangent curve to the right having a radius of 15.00 feet (radius bears: S46°22'43"E) a distance of 18.83 feet through a central angle of 71°54'57" Chord: N79°34'45"E 17.62 feet; to a point of reverse curvature; thence along the arc of a curve to the left having a radius of 230.00 feet a distance of 38.49 feet through a central angle of 09°35'15" Chord: S69°15'24"E 38.44 feet; thence S15°43'07"W 149.35 feet; thence N89°36'45"W 1,448.98 feet; thence N00°50'11"E 2,375.87 feet; thence S89°31'11"E 771.87 feet; thence S14°44'03"W 57.19 feet; thence S00°41'48"W 40.43 feet; thence S20°46'01"E 58.76 feet; thence S18°22'39"E 24.50 feet; thence S16°49'23"E 24.50 feet; thence S15°36'22"E 24.50 feet; thence S14°01'02"E 24.50 feet; thence S12°37'50"E 26.95 feet; thence S10°59'40"E 26.95 feet; thence S09°27'18"E 26.95 feet; thence S07°48'01"E 26.95 feet; thence S06°31'58"E 22.05 feet; thence S05°08'02"E 22.05 feet; thence S03°49'34"E 22.05 feet; thence S02°33'51"E 22.05 feet; thence S01°14'20"E 24.50 feet; thence S00°07'15"W 24.51 feet; thence S01°34'27"W 24.50 feet; thence S03°08'48"W 24.50 feet; thence S04°16'20"W 22.07 feet; thence S06°07'15"W 131.83 feet; thence S05°29'56"W 49.04 feet; thence S02°53'50"W 31.69 feet; thence S00°34'48"W 31.69 feet; thence S01°44'14"E 31.70 feet; thence S03°57'03"E 31.68 feet; thence S06°09'49"E 28.81 feet; thence S08°15'38"E 28.80 feet; thence S10°17'28"E 28.80 feet; thence S12°23'18"E 28.81 feet; thence S14°21'34"E 25.93 feet; thence S16°13'36"E 25.92 feet; thence S18°05'38"E 25.93 feet; thence S19°58'22"E 25.92 feet; thence S21°55'19"E 28.80 feet; thence S24°00'26"E 28.81 feet; thence S26°11'10"E 31.69 feet; thence S28°28'06"E 31.69 feet; thence S30°38'51"E 28.82 feet; thence S32°46'04"E 28.82 feet; thence S34°51'41"E 31.68 feet; thence S37°15'45"E 31.68 feet; thence S39°10'43"E 25.92 feet; thence S41°10'43"E 25.93 feet; thence S42°55'19"E 25.92 feet; thence S44°51'36"E 25.93 feet; thence S46°56'06"E 31.69 feet; thence S49°17'30"E 31.69 feet; thence S51°18'52"E 28.81 feet; thence S53°28'15"E 28.81 feet; thence S55°40'39"E 31.69 feet; thence S57°54'15"E 31.69 feet; thence S60°06'38"E 28.80 feet; thence S62°11'08"E 28.81 feet; thence S74°25'09"E 52.97 feet; thence S74°16'53"E 66.38 feet; thence S15°43'07"W 26.55 feet; thence N74°16'53"W 100.00 feet; thence S15°43'07"W 259.85 feet; thence Southerly along the arc of a non-tangent curve to the right having a radius of 3,779.84 feet (radius bears: N85°50'21"W) a distance of 102.58 feet through a central angle of 01°33'18" Chord: S04°56'18"W 102.58 feet; thence S00°23'16"W 131.50 feet; thence S89°36'44"E 43.22 feet; thence S00°23'16"W 103.49 feet; thence S89°36'44"E 97.39 feet to the point of beginning.

**EXHIBIT B
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

Common Areas:

Parcels B, C, and D, Oquirrh Mountain Ranch Phase B-1 Subdivision Plat, according to the official plat thereof recorded in the official records of the Utah County Recorder's Office

Parcels B, C, D and E, Oquirrh Mountain Ranch Phase B-2 Subdivision Plat, according to the official plat thereof recorded in the official records of the Utah County Recorder's Office.

The Common Areas include all real property and any easements benefitting the Community which are not privately held or held by the City, including pocket parks and a sewer lift station, as depicted and described in the Plats.

Limited Common Areas:

None at the time of recording of this Declaration.

**EXHIBIT C
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

The following items are recorded in the office of the Recorder of the County of Utah, State of Utah (unless the county is otherwise indicated):

**EXHIBIT D
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OQUIRRH MOUNTAIN RANCH**

BYLAWS OF OQUIRRH MOUNTAIN RANCH OWNERS ASSOCIATION

ARTICLE 1

BYLAW APPLICABILITY AND DEFINITIONS

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of the Oquirrh Mountain Ranch Owners Association, a Utah nonprofit corporation (the “Association”), organized to be the association to which reference is made in this Declaration of Covenants, Conditions and Restrictions for Oquirrh Mountain Ranch, as amended or supplemented from time to time (the “Declaration”), to perform the functions as provided in the Declaration and to further the interests of “Owner(s)” of “Lots” within the Development.

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

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

ARTICLE 2

ASSOCIATION

2.1 Membership. The membership of the Association shall be as set forth in Article 2, Section 2 of the Declaration.

2.2 Annual Meeting. Annual meetings shall be held once a year. The Board shall determine the date, time, and place of the annual meeting. The Association shall send notice of annual meetings at least 10 days but not more than 60 days in advance of the meeting. At the annual meeting, the Association shall conduct the following business in any order the Board sees fit:

2.2.1 Roll call and verification of quorum;

- 2.2.2 Approval of minutes from preceding annual meeting;
- 2.2.3 Reports of officers;
- 2.2.4 Special committee reports;
- 2.2.5 Election of directors on the Board (the “Directors”);
- 2.2.6 Review of reserve analysis;
- 2.2.7 Unfinished business from preceding annual meeting; and
- 2.2.8 New business.

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

Notwithstanding the foregoing, meetings related to the adoption of the Budget shall be subject to the terms set forth in Article 4, Section 5 of the Declaration.

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

2.5 Conduct of Meeting. The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of each meeting and take record of all resolutions.

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

2.7 Voting. Pursuant to Article 2, Section 3 of the Declaration, the Association shall have one class of voting membership.

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

2.7.2 Except where a greater number is required by the Declaration, the Bylaws of the Association, the Articles of Incorporation of the Association, the Plat or the Association Rules and Regulations (the “Governing Documents”) or the Utah Revised Nonprofit Corporation

Act, Utah Code §§ 16-6a-101 et seq., as amended or replaced from time to time (the “Nonprofit Act”), and elections of Directors, any decision requiring Owner consent shall be passed by majority vote of a quorum.

2.8 Good Standing. An Owner shall be in good standing if such Owner has paid assessments levied against his Lot, including late fees, interest, fines, collection costs, and attorney fees; an Owner must have paid in full all such amounts at least three days prior to the meeting or action.

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

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

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

2.12 Record Date. The record date for determining which Owners are entitled to vote shall be the date notice of the meeting or action is sent. The Board may change the record date prior to sending notice of the action. The Owners shown on the records of the Association on the record date shall be the people entitled to vote on an action.

ARTICLE 3

BOARD OF DIRECTORS

3.1 Number and Qualification of Directors. There shall be three Directors. Except for Directors appointed by Declarant, Directors must be Members in good standing.

3.2 Selection and Term of Directors. During the Period of Declarant Control, Directors shall be appointed by the Declarant. After the Period of Declarant Control, Directors shall be elected by the Owners. Directors shall serve for a term of two years and shall serve until their successors have been elected. There is no limit on the number of terms an Owner may serve as a Director. Directors’ terms shall be staggered as follows: (i) two Directors shall be elected in years ending with an even number; and (ii) one Director shall be elected in years ending with an

odd number. At the initial election of the Directors, the newly elected Directors shall determine their terms.

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

3.4 Removal of Directors. After the Period of Declarant Control, a Director may be removed with or without cause by vote of a majority of all Owners. If the Owners propose to remove a Director, the Association shall give the Director and Owners at least 15-day written notice of the meeting and the purpose of the meeting. The Director shall be given an opportunity to be heard at the meeting prior to the vote to remove the Director. At any meeting where a Director is removed by the Owners, the Owners must vote to replace the Director. The replacement will serve the remaining term of the removed Director.

If any Director shall fail to appear at three (3) consecutive regular Board meetings or fifty percent (50%) or more of the regular meetings within any calendar year, after having received proper notice of the meetings, and after the Board has attempted in good faith to schedule meetings consistent with all of the members' schedules, the other Directors may by unanimous vote remove that Director and appoint a new Director. After the Period of Declarant Control, any Director who allows his Assessments to become more than 90 days past due may be removed and replaced by vote of a majority of the Board. The Board shall give the Director 10-day written notice to cure the default prior to voting to remove the Director.

3.5 Organization Meeting. The Directors shall hold a meeting following the annual Owners meeting for the purpose of electing officers. Notice of the organization meeting shall be given verbally at the annual meeting. The organization meeting shall be conducted at the next regular meeting of the Board or may be conducted at a special meeting.

3.6 Regular Meetings. The Board shall hold regular meetings. The Board shall determine frequency, times, and locations of regular meetings. However, the Board shall conduct at least two regular meetings per year. Notice of regular meetings shall be given to each Director at least three days prior to the meeting.

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

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

3.9 Quorum. A majority of the Board shall constitute a quorum. A quorum shall be required to conduct business at a meeting. If less than a quorum is present at a meeting, the

majority of those present may adjourn the meeting until such time as a quorum is present. Once established, a quorum will be present even if Directors leave. Directors may attend a meeting telephonically.

3.10 Notice and Waiver of Meeting Notice. Notice to Directors may be personally delivered, mailed, or delivered by any available electronic means, including, without limitation: text, email, fax, or posting on the website. Directors may waive notice of meetings in writing. A waiver shall be deemed equivalent to notice. Attendance of a Director at a meeting will be considered a waiver of notice, unless the Director attends to dispute notice. If all Directors are present at a meeting, notice of the meeting is waived and any business may be conducted.

3.11 Action without Meeting. Any action by the Board may be taken without a meeting if all the Directors submit a written vote either for, against, or abstaining from the action. Written votes may be given in person, by mail, or electronically. The Association shall file the written votes with its record of minutes.

3.12 Powers and Duties. The Board shall manage the affairs and business of the Association. The Board is vested with all power and authority necessary to administer the affairs of the Association in accordance with the Governing Documents. The Board may do any act required or allowed by the Governing Documents, the Act, the Nonprofit Act, or any other rule of law. Subject to the limitations contained in the Declaration, Bylaws, or Act, the Board shall have the following authority:

3.12.1 Prepare an annual budget and establish what constitutes a Common Expense;

3.12.2 Adopt and amend rules, regulations, policies, and procedures governing the Common Areas, administration of the Association, and to enforce and interpret the Governing Documents;

3.12.3 Delegate authority to a managing agent to act on behalf of the Association;

3.12.4 Provide for the maintenance, repair, and replacement of the Common Areas;

3.12.5 Hire, contract for, and terminate personnel or contractors necessary for the maintenance repair and replacement of the Common Areas and administration of Association business. Provide for the compensation of personnel. Purchase supplies, equipment, and materials for use in the Association;

3.12.6 Open and maintain bank accounts on behalf of the Association. Designate authorized signers for the bank accounts;

3.12.7 File lawsuits or initiate other legal proceedings on behalf of the Association;

3.12.8 Defend lawsuits, administrative actions, and other legal proceedings against the Association;

3.12.9 Enter into contracts on behalf of the Association;

3.12.10 Pay costs of any services rendered to the Community or multiple Owners, but not billed to the Owners individually;

3.12.11 Keep books with detailed accounts of the receipts and expenditures of the Association. Make the books available to the Owners as required by the Act and Nonprofit Act. The books shall be kept in accordance with generally accepted accounting practices. Upon resolution by the Board, retain an independent auditor to audit the books;

3.12.12 Grant easements, licenses, or permission over, under, and through the Common Areas;

3.12.13 Upon approval by 67% of the Members, to convey Common Areas;

3.12.14 Create committees;

3.12.15 Any other act allowed or required by the Governing Documents, the Act, or the Nonprofit Act; and

3.12.16 Any act allowed or required to be done in the name of the Association.

3.13 Manager. The Board shall employ a manager to perform such duties and services as the Board shall authorize. The Board may delegate to the manager all powers granted to the Board and officers by the Governing Documents. However, the manager must obtain the Board's written consent to exercise the powers listed in Bylaw Sections 3.12.

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

3.15 Limitation of Liability. The Directors shall not be liable to the Owners for any mistake of judgment, negligence, or other errors, unless it was by willful misconduct or criminal conduct. The Association shall indemnify and hold the Directors harmless against liability to third parties for actions taken on behalf of the Association, while acting in their capacity as Director, unless the action constitutes willful misconduct or criminal conduct.

ARTICLE 4

OFFICERS

4.1 Election and Term of Officers. The Board shall elect the officers of the Association. Officers shall be elected from the Directors. Officers shall serve one-year terms and shall serve until their successor is elected.

4.2 Removal of Officers. The Board may remove any officer with or without cause by affirmative vote of a majority of a quorum of the Board. If an officer is removed, the Board shall replace them.

4.3 Offices. The Association officers shall be president, vice president, secretary, and treasurer. The Board may appoint assistant officers, who need not be Directors, as it may deem necessary. Except for the president, the same person may hold two offices.

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

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

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

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

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

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

ARTICLE 5

NOTICE

5.1 Manner of Notice. All notices and other communications required under the Governing Documents shall be in writing.

5.1.1 Notices to Owners shall be delivered according to Article 3, Section 9 of the Declaration.

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

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

(b) By facsimile, electronic mail, or any other electronic means to the Association's official electronic contact as designated in writing to the Owners.

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

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

ARTICLE 6

FINANCES

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

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

6.3 Availability of Records. Association financial records shall be available as provided by the Act and Nonprofit Act.

ARTICLE 7

AMENDMENT TO BYLAWS

7.1 Amendments. These Bylaws may be amended by the Board, unless it would result in changing the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class. These Bylaws may also be amended by a majority vote of a quorum of the Owners.

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

ARTICLE 8

MISCELLANEOUS

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

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

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

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

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

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

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

DECLARANT:

LGI Homes – Utah, LLC,
a Utah limited liability company

By: [Signature]
Name: Nick Mason
Its: officer

State of Utah
County of Salt Lake
I, Felix Ortiz, a Notary Public, certify
this 19 day of December, 2022, the foregoing/attached
document is a true, correct, complete and unaltered copy of _____
Bylaws made by _____

[Signature]
Notary Public
My Commission Expires Jan 31, 2026

