



WHEN RECORDED RETURN TO:
Zion Village Resort LLC
4968 S Holladay Pines Ct.
Holladay, UT 84117

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR ZION VILLAGE TOWNHOMES**

Table of Contents

Table of Contents 1

1 DEFINITIONS 6

 1.1 Articles 6

 1.2 Association 6

 1.3 Board 7

 1.4 Bylaws 7

 1.5 Common Areas 7

 1.6 Common Expenses 7

 1.7 Community Association Act 7

 1.8 Declaration 7

 1.9 Director 7

 1.10 Governing Documents 7

 1.11 Limited Common Area 7

 1.12 Living Unit 8

 1.13 Lot 8

 1.14 Map 8

 1.15 Member 8

 1.16 Nonprofit Act 8

 1.17 Owner 8

 1.18 Person 8

 1.19 Project 8

 1.20 Resident 9

 1.22 Turnover Meeting 9

2 SUBMISSION AND EXPANSION 9

 2.1 Submission 9

 2.2 Withdrawal 9

3 PROPERTY RIGHTS IN LOTS 9

 3.1 Use and Occupancy 9

 3.2 Easements Reserved 10

3.3 Easements Shown on the Map10

4 PROPERTY AND USE RIGHTS IN COMMON AREA10

4.1 Member's Right of Enjoyment10

4.2 Delegation of Right of Use 11

4.3 Compliance with Covenants and Restrictions and Rules and Regulations 11

5 MAINTENANCE..... 11

5.1 Association Responsibility 11

5.2 Owner Responsibility 11

5.3 Party Walls12

6 ASSESSMENTS.....12

6.1 Covenant for Assessment12

6.2 Declarant's Covenant for Assessments12

6.3 Annual Budget.....12

6.4 Reserve Account.....12

6.5 Regular Assessment.....13

6.6 Special Assessment.....13

6.7 Supplemental Assessment13

6.8 Individual Assessment13

6.9 Apportionment of Assessments13

6.10 Nonpayment of Assessment.....14

6.11 Application of Payments.....14

6.12 Acceleration14

6.13 Suspension of Voting Rights14

6.14 Lien for Assessment.....14

6.15 Enforcement of Lien.....14

6.16 Termination of Utilities/Access to Recreational Facilities.....14

6.17 Collection of Rent from Tenant14

6.18 Appointment of Trustee14

6.19 Subordination of Lien.....15

7 RESTRICTIONS ON USE.....15

7.1 Use of Lots - Residential Use15

7.5 No Obstruction of Common Areas.....18

7.6 Cancellation of Insurance, Illegal Activity18

7.7 Nuisances.....18

7.8 Rules and Regulations.....19

7.9 Structural Alterations.....19

7.10	Window Coverings.....	20
7.11	Signs	20
7.12	Pets	20
7.13	Storage and Parking of Vehicles.....	20
7.14	Aerials, Antennas, and Satellite Dishes.....	21
7.15	Timeshares	21
7.16	Temporary Structures, etc.....	21
7.17	Subdivision of Lots.....	21
7.18	Clothes Drying Facilities.....	21
7.19	Front Porches	21
7.20	Firearms and Projectile Weapons	22
8	MEMBERSHIP AND ASSOCIATION	22
8.1	Association	22
8.2	Membership	22
8.3	Management.....	22
8.4	Voting Rights.....	22
8.5	Status and Authority of Board	22
8.6	Composition and Selection of Board.....	22
8.7	Adoption of Bylaws	22
9	DECLARANT RIGHTS	23
9.1	Administrative Control of Association.....	23
9.2	Other Rights	23
9.3	Easements Reserved to Declarant.....	23
10	COMPLIANCE AND ENFORCEMENT	25
10.1	Compliance	25
10.2	Remedies.....	25
10.3	Action by Owners.....	25
10.4	Injunctive Relief.....	26
10.5	Hearing	26
11	INSURANCE.....	26
11.1	Types of Insurance Maintained by the Association	26
11.2	Insurance Company.....	26
11.3	Premium as Common Expense	26
11.4	Insurance by Owner	26
11.5	Payment of Deductible	26
11.6	Right to Adjust Claims.....	26

11.7 Damage to the Project/Insurance Proceeds27

12 AMENDMENT AND DURATION27

12.1 Amendments27

13 MISCELLANEOUS PROVISIONS.....27

13.1 Invalidation; Number; Captions.....27

13.2 Joint Owners27

13.3 Lessees and Other Invitees.....28

13.4 Covenants Run with the Land28

13.5 Waiver, Precedent and Estoppel28

13.6 Notice of Sale, Mortgage, Rental, or Lease.....28

13.7 Taxes on Lots.....28

13.8 Service of Process28

13.9 Conflicts.....28

Exhibit A29

Legal Description.....29

Exhibit B31

Bylaws of Zion Village Townhomes HOA.....31

1 BYLAW APPLICABILITY/DEFINITIONS31

1.1 Definitions.....31

1.2 Bylaw Applicability.....31

2 ASSOCIATION31

2.1 Composition.....31

2.2 Annual Meeting.....31

2.3 Special Meeting.....32

2.4 Place of Meeting.....32

2.5 Conduct of Meeting.....32

2.6 Quorum32

2.7 Voting.....32

2.8 Good Standing.....32

2.9 Proxies.....33

2.10 Mail-in Ballots.....33

2.11 Written Consent in Lieu of Vote.....33

2.12 Record Date.....33

3 BOARD OF DIRECTORS33

3.1 Number and Qualification of Directors33

3.2 Selection and Term of Directors33

3.3	Vacancies.....	33
3.4	Removal of Directors.....	34
3.5	Organization Meeting	34
3.6	Regular Meetings	34
3.7	Special Meetings	34
3.8	Conduct of Meetings	34
3.9	Quorum	34
3.10	Notice and Waiver of Meeting Notice	35
3.11	Action without Meeting.....	35
3.12	Powers and Duties	35
3.13	Manager.....	36
3.14	Compensation.....	36
3.15	Limitation of Liability.....	36
4	OFFICERS	36
4.1	Election and Term of Officers	36
4.2	Removal of Officers.....	37
4.3	Offices.....	37
4.4	Delegation of Duties.....	37
4.5	Compensation	37
5	NOTICE.....	37
5.1	Manner of Notice	37
5.2	Waiver of Notice.....	38
6	FINANCES.....	38
6.1	Fiscal Year	38
6.2	Checks, Agreements, Contracts.....	38
6.3	Availability of Records	38
7	AMENDMENT TO BYLAWS.....	38
7.1	Amendments	38
7.2	Recording	39
8	MISCELLANEOUS.....	39
8.1	Office	39
8.2	Conflicts.....	39
8.3	Severability.....	39
8.4	Waiver	39
8.5	Captions	39
8.6	Gender, etc.	39

This Declaration is made on the date executed below by Zion Village Resort LLC, a Utah corporation ("Declarant").

RECITALS

- A. Zion Village Townhomes, is a planned unit development located in Hurricane City, Washington County, Utah;
- B. The Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Project, subject to the following covenants, conditions, restrictions, easements and limitations herein set forth which are hereby declared to be for the benefit of the whole tract and all of the Project described herein and the owners thereof, their successors and assigns;
- C. All Owners, guests, invitees, agents, and residents shall abide by the provisions of this Declaration;
- D. These covenants, conditions, restrictions, easements, and limitations shall run with the land described in Exhibit "A" and shall be binding on and burden all parties having or acquiring any right, title, or interest to the land or any part thereof and shall create servient tenements on the land. The covenants, conditions, restrictions, easements, and limitations shall also benefit all parties having or acquiring any right, title, or interest to the land and shall create dominant tenements on the land;
- E. The Association may be incorporated as a Utah nonprofit corporation. If incorporated, it shall be entitled to the rights, obligations, and benefits of the Revised Nonprofit Corporation Act (Utah Code Ann. 16-6a-101, *et. seq.*) as amended from time to time.

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

1 DEFINITIONS

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

1.1 Articles

Articles mean the Articles of Incorporation for Zion Village Townhomes HOA, Inc., as amended from time to time.

1.2 Association

Association means Zion Village Townhomes HOA. It is intended that the Association be a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in dissolution of the Association. The Association may renew its corporate status, reinstate its

corporate status, or incorporate without Owner approval. Any actions taken during any period of un-incorporation shall be binding.

1.3 Board

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

1.4 Bylaws

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

1.5 Common Areas

Common Areas mean the private roads as shown on the Map; private drives serving more than one Lot; hammerhead turnarounds; the clubhouse; pool; pickleball courts; all open spaces; any areas not shown on the Map as Units; any other areas shown or described on the Map as Common Areas or open space. The Common Areas may consist of landscaping, irrigation equipment, walkways, paving, and other improvements. The Association owns all Common Areas. While Nicole Avenue will initially be private, the Declarant or Association, without vote of the Owners, may dedicate the street to the city at any time the city will accept the street.

1.6 Common Expenses

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

1.7 Community Association Act

Community Association Act shall mean Utah Code §§ 57-8a-1 *et seq.*, as amended or replaced from time to time.

1.8 Declaration

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

1.9 Director

Director means a member of the Board.

1.10 Governing Documents

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

1.11 Limited Common Area

Limited Common Area means Common Area designated for exclusive use by the Owner of a particular Lot. Limited Common Area may be designated as Limited Common Area on the Map or in this Declaration. Limited Common Areas include the driveways, walkways from the

driveway to the front porch, front porches, patios, or any other Common Area feature designed to be used by one or more Lots but not all Lots.

1.12 Living Unit

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

1.13 Lot

Lot means a separately numbered parcel of property and identified as units on the Map. Lots shall include the Living Unit, and all utility lines, and other installations exclusively serving the Lot whether under or over the Common Areas or not.

1.14 Map

Map means the plat map for Zion Village Townhomes, on file with the Washington County Recorder and any amendments or supplements thereto or any plat maps recorded for additional phases.

1.15 Member

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

1.16 Nonprofit Act

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

1.17 Owner

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

1.18 Person

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

1.19 Project

Project means Zion Village Townhomes, as shown on the Map and any expansions thereof. The project includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. Exhibit "A" contains the legal description for the Project.

1.20 Resident

Resident means any Person living or staying at the Project. Residents include without limitation: Owners, tenants, family members of Owners and tenants, and guests staying in the Project for one night or more.

1.21 Short-term Rental

Short-term Rental means a Lot used by any person or entity for resort or other transient lodging uses where the term of occupancy, possession, or tenancy of the Lot is for 29 consecutive calendar days or less, for direct or indirect remuneration.

1.22 Turnover Meeting

Turnover Meeting means the meeting described in Section 9.1.

2 SUBMISSION AND EXPANSION

2.1 Submission

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

2.2 Withdrawal

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

3 PROPERTY RIGHTS IN LOTS

3.1 Use and Occupancy

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

3.2 Easements Reserved

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

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

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

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

3.3 Easements Shown on the Map

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

4 PROPERTY AND USE RIGHTS IN COMMON AREA

4.1 Member's Right of Enjoyment

4.1.1 The Project will have Common Areas as designated in the Map for the benefit of all owners. Every member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment in and to the Common Area, but not Limited Common Area, and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth.

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

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

4.2 Delegation of Right of Use

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

4.3 Compliance with Covenants and Restrictions and Rules and Regulations

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

5 MAINTENANCE

5.1 Association Responsibility

The Association shall improve, develop, supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Common Areas and Limited Common Areas. The Association shall also maintain, repair, and replace the exterior finished surfaces of the walls, soffit, fascia, and roofs of the Living Units. The Association shall be responsible for the repair and replacement of patios.

The Board, after notice and opportunity for hearing, or in the case of an emergency immediately, may assume the maintenance responsibility over a Lot or Living Unit if, in the opinion of the Board, the Owner is unwilling or unable to adequately provide such maintenance. Should the Board exercise its right under this provision, it shall not be liable for trespass or nuisance and shall have the right to levy an Individual Assessment to recover its maintenance costs.

5.2 Owner Responsibility

Unless otherwise assigned to the Association in 5.1, all maintenance, repair, and replacement of the Lots and Living Units shall be the sole responsibility of the Owner thereof, who shall maintain such Lot and Living Unit in good repair and in accordance with the Governing Documents and Governing Documents. Maintenance, repair, and replacement responsibility shall include, by way of illustration only, all interior and structural components; exterior door hardware, thresholds, and any weatherproofing required for the exterior doors; garage door hardware and openers; windows, window frames, window casing, window hardware, any weatherproofing required for the windows; exterior light fixtures, exterior electrical outlets, light bulbs; HVAC installations; plumbing installations; electrical installations; and any other component of the Living Unit or Lot not expressly assumed by the Association. The Owners shall also be responsible to maintain the patios in a clean and orderly manner.

5.3 Party Walls

Each wall used as the dividing line between Living Units is a party wall. Nothing in this section shall alter or limit the general rules of law regarding party walls and liability for damage due to negligence, or willful acts or omissions. The cost of reasonable repair and maintenance of party walls shall be shared by the Owners who use the party wall in proportion to their use. If a party wall is destroyed or damaged by fire or other casualty, and is not a covered loss under insurance, either Owner may restore the wall and the other Owner shall contribute to the cost of restoration in proportion to the damage sustained by the Owner compared to all damage to the party wall. The right of an Owner to contribution from any other Owner for party wall costs shall be appurtenant to and run with the land and shall pass to an Owner's successor in title.

6 ASSESSMENTS

6.1 Covenant for Assessment

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

6.2 Declarant's Covenant for Assessments

Declarant shall not be obligated to pay assessments. However, during the period that Declarant owns any Lots, it shall provide the difference between the Association's expenses and actual assessment collections. Declarant may provide the difference with money, services, or in kind.

6.3 Annual Budget

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

6.4 Reserve Account

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

6.5 Regular Assessment

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

6.6 Special Assessment

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

6.7 Supplemental Assessment

If the regular assessments are inadequate to pay the Common Expenses, the Board shall determine the amount of the shortfall. Once the amount of the shortfall is determined, the Board shall adopt a supplemental budget. The Association may levy a supplemental assessment to fund the supplemental budget. The Association may levy a supplemental assessment up to 50% of the original annual budget without approval from the Owners. If a supplemental assessment exceeds 50% of the original annual budget, it must be approved by a majority of a quorum of Owners.

6.8 Individual Assessment

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

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

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

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

6.8.4 Reinvestment or transfer fees due at the transfer of a Lot, the amount of which shall be set by the Board, but in no event shall exceed 1/2% of the purchase price; and

6.8.5 Any charge described as an individual assessment by the Governing Documents;

6.9 Apportionment of Assessments

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

6.10 Nonpayment of Assessment

Assessments not paid within 10 days after the due date established by the Board will be late and subject to interest at 18% per annum on any delinquent balance and a \$25.00 late fee. Late fees may only be charged once per missed payment.

6.11 Application of Payments

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

6.12 Acceleration

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

6.13 Suspension of Voting Rights

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

6.14 Lien for Assessment

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

6.15 Enforcement of Lien

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

6.16 Termination of Utilities/Access to Recreational Facilities

If an Owner fails to pay their assessments, the Association may terminate utility services paid in common and access to recreational facilities. The Board shall establish procedures for terminating utilities and access to recreational facilities, which shall comply with the Community Association Act.

6.17 Collection of Rent from Tenant

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

6.18 Appointment of Trustee

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

6.19 Subordination of Lien

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

7 RESTRICTIONS ON USE

7.1 Use of Lots - Residential Use

Each of the Lots in the Project is limited to those uses allowed by municipal zoning code. Each Lot and Owner is subject to the uses and restrictions imposed by such restrictions (including any parking restrictions).

7.2 Rental Restrictions

Except as provided in Section 7.3 or Section 7.4 below or otherwise in this Section 7.2, Owners may not lease or rent their Lots unless: (a) the term of the lease is at least six (6) months (or such longer period as the Board may require by amendment to this Section 7.2 with the Board specifically authorized to amend this Section 7.2 for such purpose); (b) the tenant under such lease enters into a written lease or rental agreement that provides that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents and that any failure by the tenant to comply with the terms of such Governing Documents shall be a default under the lease; and (c) the Owner who enters into such a lease or rental agreement notifies the Board of the same, in writing, within fifteen (15) days after execution of the lease or rental agreement and along with such notification provides to the Board a copy of the lease or rental agreement (the Board may require that Owners use lease forms approved by the Board). The Board (or, for clarification, the Declarant acting pursuant to Section 9.2.4) may establish by rule fines or other remedies for violations of this Section 7.2.

7.3 Exception to Rental Restriction Term

The rental restriction in Section 7.2 requiring that a lease be for a term of at least six (6) months (or such longer period as the Board may require by amendment) does not apply to the following:

7.3.1 An Owner in the military for the period of the Owner's deployment;

7.3.2 A Lot occupied by that Lot Owner's parent, child, or sibling;

7.3.3 An Owner whose employer has relocated the Owner for no less than two years;

7.3.4 A Lot owned by an entity that is occupied by an individual who:

- A) has voting rights under the entity's organizing documents; and
- B) has a 25% or greater share of ownership, control, and right to profits and losses of the entity; or

7.3.5 A Lot owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for: (i) the estate of a current resident of the Lot; or (ii) the parent, child, or sibling of the current resident of the Lot.

7.4 Additional Exception to Rental Restrictions – Short-Term Rentals.

Owners who comply with provisions of this Section 7.4 are not subject to the rental restriction under Section 7.2 requiring that a lease be for a term of at least term of at least six (6) months (or such longer period as the Board may require by amendment) or to the other provisions of Section 7.2 and may rent their Lots as Short-term Rentals (defined below). To promote a successful, fair, and well organized Short-term Rental program beneficial to each Owner desiring to rent a Lot on a Short-term Rental basis; to protect the rights of each Owner that does not rent a Lot on a Short-term Rental basis; to protect the name and reputation of the Project by ensuring consistency in experience for those staying in any Lot on a short-term basis; and to ensure that the Owners renting their Lots on a Short-term Rental basis act in a cooperative fashion to ensure that the Owners and their Short-term Rental guests comply with rules designed to protect the peace and harmony of the Project and comply with laws and local ordinances, and that Owners renting their Units on a Short-term Rental basis maintain uniform quality standards with the objective of enhancing the reputation and livability of the Project, the Board (or, for clarification, the Declarant acting pursuant to Section 9.2.4 below) may in its discretion by rule do any or all of the following:

7.4.1 require that each Owner, as a pre-condition of renting or offering to rent their Lot on a Short-term Rental basis, retain (and remain in good standing and not in default with) a property management company approved by the Board (an “Approved Property Management Company”) and provide a copy to the Association of such Owners’ contract with an Approved Property Management Company (for clarification, the Board may but is not required to approve or designate more than one Approved Property Management Company);

7.4.2 require that each Owner, as a pre-condition of renting or offering to rent their Lot on a Short-term Rental basis, retain (and remain in good standing and not in default with) a resort services company approved by the Board (an “Approved Resort Services Company”) to provide such services as the Board may require, which may include inspections, coordination of on-site concierge, cleaning, and maintenance services, security and policing of Short-term Rentals, and such other items as the Board may require, and provide a copy to the Association of such Owners’ contract with an Approved Resort Services Company (for clarification, the Board is not required to approve or designate more than one Approved Resort Services Company, and such company may be the property manager, an affiliate of the property manager, or any other party approved by the Board, and such Approved Resort Services Company may charge such fees as approved by the Board in consideration of the services to be provided by the Approved Resort Services Company);

7.4.3 cause the Association to retain an Approved Resort Services Company to provide such services as the Board may require, which may include inspections, coordination of on-site concierge, cleaning, and maintenance services, security and policing of Short-term Rentals, and such other items as the Board may require and pay the Approved Resort Services Company directly a fee determined reasonable by the Board (which fee may be paid from the Resort Fees paid to the Association and, in the event charges by the Approved Resort Services Company

exceed the amount of Resort Fees collected, the Board may cause the Association to levy a special assessment against an Owner or Owners renting their Units on a Short-term Rental basis in the manner reasonably determined by the Board to allocate the excess charges of the Approved Resort Services Company among the Owners based on the usage by such Owners of the Approved Resort Services Company)

7.4.4 require that each Owner, as a pre-condition of renting or offering to rent their Lot on a Short-term Rental basis, charge and collect from the Short-term Rental tenant a facility use fee ("Resort Fee") (which fee the Owner will immediately remit to, or direct its tenant to pay directly to, the Association, and which the Owner will be required to pay directly if the Owner fails to collect such Resort Fee from its Short-term Rental tenant) in an amount established by rule from time to time based on the estimated costs that may be incurred, which may include additional costs related to amenities and privileges that may be made available by the Association as well as the additional costs to the Association resulting from the Short-term Rental of such Lot, including the additional burden and costs for security, enforcement of Governing Documents, and cleaning and maintaining the Common Areas and amenities that may result from such Short-term Rental and, if an Approved Resort Services Company is retained by the Association or property manager, the costs of and charges by such Approved Resort Services Company;

7.4.5 charge a fee to inspect a Lot pursuant to inspection requirements applicable to all Lots prior to being rented on a Short-term Rental basis that may be adopted by rule, in the amount established by rule from time to time based on the estimate of the costs to conduct such inspections;

7.4.6 establish the procedures, rules, fees and regulations applicable to the Short-term Rental of all Lots, which may relate to, without limitation, applications and inspections of Lots, check-in procedures, marketing and advertising methods, rights to access Common Area amenities and facilities, compliance with laws, fees to cover the costs of any of the foregoing, and any other matter applicable to Short-term Rental of Lots that the Board (or, for clarification, the Declarant acting pursuant to Section 9.2.4 below) determines necessary or prudent to continue to allow Short-term Rentals within the Authorized Short-term Rental Neighborhoods while at the same time protecting the value and desirability of the Property as a harmonious and attractive residential and resort community; and

7.4.7 establish fines or other remedies or consequences (including revocation of privileges for an Owner to engage in Short-term Rental of such Owner's Lot) for violations of the procedures, rules and regulations set forth in or established under this Section 7.4.

Rules adopted as authorized in this Section 7.4 (the "Short-term Rental Rules") shall be deemed to constitute and be a part of the Declaration as of the date recorded with the Washington County, Utah Recorder's Office. Any amendments, additions or changes to the Short-term Rental Rules that are hereafter adopted shall be recorded with the Washington County, Utah Recorder's Office and upon recording shall be deemed to be an amendment to and part of the Declaration. The Board (or Declarant acting pursuant to Section 9.2.4 and Section 12.1.3) is authorized to amend the Declaration as necessary to reflect and incorporate herein the then effective Short-term Rental Rules. Notwithstanding the foregoing, the recording of the Short-

term Rental Rules shall not be a pre-requisite for such rules to be effective. The Board may enforce collection of fines established under Section 7.2 or set forth in the Short-term Rental Rules in the same manner provided for in this Declaration for the collection of assessments.

7.5 No Obstruction of Common Areas

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

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

7.6 Cancellation of Insurance, Illegal Activity

Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Board, but for such activity, would pay, without the prior written consent of the Board.

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

7.7 Nuisances

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

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

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

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

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

7.7.5 The creation or maintenance of any noxious or offensive condition or activity in or about any Lot, Limited Common Area, or the Common Areas;

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

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

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

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

7.7.10 Allowing a pet to be unleashed while outside of the Living Unit;

7.7.11 Continuous barking, meowing, or other animal noises;

7.7.12 Allowing a pet to urinate or defecate in the Limited Common Area, Common Areas, or failing to clean up immediately any feces deposited by a pet in the Limited Common Area or Common Area.

7.8 Rules and Regulations

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

7.9 Structural Alterations

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

7.10 Window Coverings

The Board, by rule, may require that certain colors and types of window covering be used.

Under no circumstances shall any cardboard, bedding materials, brightly colored materials, or tinfoil be used as window coverings in the Project. Additionally, no stickers or non-holiday decorations will be permitted in windows.

7.11 Signs

No signs shall be erected or maintained in the Common Areas without the prior written consent of the Board.

7.12 Pets

No animals, livestock, birds, insects, or poultry of any kind shall be raised, bred, or kept on any Lot, except that not more than two domesticated dogs or cats shall be allowed as long as said animals do not unreasonably bother or constitute a nuisance to others and provided such animals are kept in compliance with the rules and regulations of the Association.

If a pet owner violates any of pet rules and regulations, the Board shall have the express authority to issue citations or levy assessments, and collect these by judgment, lien or foreclosure. In extreme cases, the Board may require that the Owner or Resident to remove their pet from the premises.

7.13 Storage and Parking of Vehicles

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

7.13.1 The parking rules and regulations adopted by the Board from time to time.

7.13.2 No recreational, boat or personal watercraft trailers, ATV or UTV trailers, commercial or oversized vehicles shall be allowed within the Project unless said vehicle or trailer is kept at all times within the driveway or garage and the garage door is closed, or for purposes of loading or unloading passengers or supplies (for a period of time up to 4 hours).

7.13.3 No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be parked or stationed in such a manner so as to block access to any Lot or parking space or to create an obstacle.

7.13.4 Residents may only park their motor vehicles within their garages, driveways, designated parking areas, or in accordance with any parking rules created by the Association.

7.13.5 No resident shall repair or restore any vehicle of any kind in, on a Lot (outside the garage), Limited Common Areas, or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

7.13.6 No garage may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor

vehicles that could have been reasonably parked in the garage as originally designed and constructed.

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

7.14 Aerials, Antennas, and Satellite Dishes

Owners may not install aerials, antennas, and satellite dishes larger than one meter in diameter. Declarant or the Association may install aerials, antennas, or dishes of any size to accommodate multiple users. Except for aerials, antennas, and satellite dishes installed by Declarant or the Association, aerials, antennas, and satellite dishes may not be installed on Common Areas. One antenna or satellite dish smaller than one meter in diameter may be installed within the Lot. The Association may create policies to create a hierarchy of preferred installation locations to protect the aesthetics of the Project. The hierarchy of preferred installation locations may not interfere with reception.

7.15 Timeshares

Timeshares and time-sharing of Living Units within the Project is prohibited, and under no circumstances shall any Living Unit 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(17), as amended.

7.16 Temporary Structures, etc.

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

7.17 Subdivision of Lots

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

7.18 Clothes Drying Facilities

Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property.

7.19 Front Porches

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

Front porches shall not be used for storage. Examples of items prohibited from being kept on front porches include, without limitation, bicycles, toys, barbecues, trash receptacles, ash trays, and anything else which appears unkempt, dirty, or detracts from the appearance of the Project.

7.20 Firearms and Projectile Weapons

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

8 MEMBERSHIP AND ASSOCIATION

8.1 Association

The Association through its Board shall be responsible for the supervision and administration of the Project and the Governing Documents.

8.2 Membership

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

8.3 Management

The Association through its Board shall employ a manager. The Board may delegate its duties and authority to the manager subject to the restrictions in the Governing Document. The manager shall maintain an office in the clubhouse.

8.4 Voting Rights

Voting is governed by the Bylaws.

8.5 Status and Authority of Board

The Board is the governing body of the Association. It is obligated to manage, operate, and maintain the Project and to enforce the Governing Documents. The Board has exclusive authority to act in the Association's name. Any action taken by the Board on behalf of the Association will be deemed to be done in the Association's name. The rights and powers of the Board are governed by the Bylaws.

8.6 Composition and Selection of Board

The Bylaws govern how the Board is established and selected.

8.7 Adoption of Bylaws

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

9 DECLARANT RIGHTS

9.1 Administrative Control of Association

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

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

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

9.2 Other Rights

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

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

9.2.2 "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations on the Property, including without limitation, the Common Property.

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

9.2.4 Rule Making Authority. Reserves for itself until the Turnover Meeting an exemption from the Association rules and the rulemaking procedure set forth in the Community Association Act. Consistent with that exemption, the Declarant reserves for itself, until the Turnover Meeting, the right to adopt, amend, and repeal rules and regulations governing the Property.

9.3 Easements Reserved to Declarant

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

9.3.2 An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary

sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and

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

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

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

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

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

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

The Declarant will take reasonable steps, and will ensure that any builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by Owners.

10 COMPLIANCE AND ENFORCEMENT

10.1 Compliance

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

10.2 Remedies

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

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

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

10.2.3 To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Board;

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

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

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

10.3 Action by Owners

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

10.4 Injunctive Relief

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

10.5 Hearing

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

11 INSURANCE

11.1 Types of Insurance Maintained by the Association

11.1.1 Property and liability insurance for the Townhomes and Common Areas as required by Community Association Act Sections 401 through 407, as amended or replaced from time to time;

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

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

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

11.2 Insurance Company

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

11.3 Premium as Common Expense

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

11.4 Insurance by Owner

Owners shall obtain insurance for personal property, contents, and personal liability. Owners shall also obtain loss assessment and dwelling coverage in the amount of the Association's deductible.

11.5 Payment of Deductible

The deductible on a claim made against an Association policy shall be allocated amongst the parties to the loss as described in Community Association Act Section 405(7)-(8), as amended or replaced from time to time.

11.6 Right to Adjust Claims

The Association has the right and authority to adjust claims.

11.7 Damage to the Project/Insurance Proceeds

If the Project is damaged or destroyed, the Association shall follow Community Association Act Section 407, as amended or replaced from time to time, to determine whether to rebuild and how to use insurance proceeds. Damage caused as a result of the negligence, gross negligence, or willful misconduct of a Resident, guest, or invitee shall be the sole responsibility of the Owner and the cost of such damage, including professional fees, shall be charged to the Owner as an Individual Assessment.

12 AMENDMENT AND DURATION

12.1 Amendments

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

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

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

13 MISCELLANEOUS PROVISIONS

13.1 Invalidity; Number; Captions

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

13.2 Joint Owners

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

13.3 Lessees and Other Invitees

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

13.4 Covenants Run with the Land

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

13.5 Waiver, Precedent and Estoppel

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

13.6 Notice of Sale, Mortgage, Rental, or Lease

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

13.7 Taxes on Lots

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

13.8 Service of Process

The registered agent of the Association will be the Person named in the corporate records on file with the Utah State Department of Commerce.

If the corporate status of the Association expires, the president shall be the successor agent. The name and address of the president shall be kept with the Association's records at its principal place of business.

13.9 Conflicts

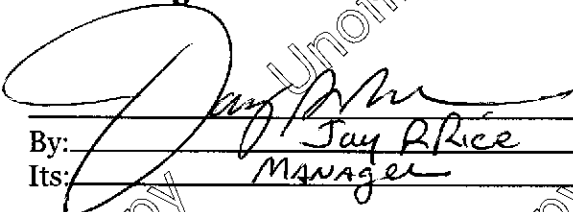
If the Declaration conflicts with the Community Association Act, the Community Association

Act shall control. If the Declaration conflicts with the Map, the Map shall control. If the Declaration conflicts with the Bylaws, Articles, or rules, the Declaration shall control.

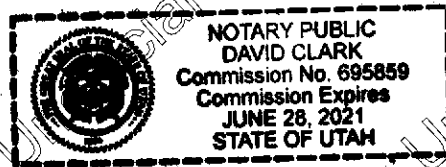
IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized representative.

DATED: 1/16/18

DECLARANT:
Zion Village Resort LLC


By: Jay Rice
Its: Manager

STATE OF UTAH
County of Salt Lake)
:SS.



On this 16 day of January, 2018, personally appeared before me Jay B Rice who being by me duly sworn, did say that they are the authorized agent of the Declarant authorized to execute this Declaration and did certify that this Declaration was approved by Declarant's members.


NOTARY PUBLIC

Exhibit A

Legal Description

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 33, TOWNSHIP 41 SOUTH, RANGE 13 WEST, OF THE SALT LAKE BASE AND MERIDIAN; THENCE N00°04'05"E, ALONG THE SECTION LINE, 605.80 FEET; THENCE S89°55'55"E, 433.00 FEET TO THE POINT OF BEGINNING SAID POINT BEING LOCATED ON THE EAST LINE OF 2170 WEST STREET; THENCE N00°04'05"E, ALONG SAID LINE, 1,290.67 FEET; THENCE DEPARTING SAID LINE AND RUNNING S89°47'55"E, 379.09 FEET; THENCE S05°12'05"W, 357.90 FEET; THENCE S01°47'55"E, 409.99 FEET; THENCE S41°10'55"E, 122.44 FEET TO A CURVE TO THE RIGHT HAVING A RADIUS OF 160.00 FEET, AND A

CENTRAL ANGLE OF 67°39'00"; THENCE SOUTHERLY ALONG SAID CURVE, 188.91 FEET;
THENCE S26°28'05"W, 285.34 FEET; THENCE N89°48'34"W, 337.30 FEET TO THE POINT
OF BEGINNING. CONTAINING 11.41 ACRES.

Exhibit B**Bylaws of Zion Village Townhomes HOA****1 BYLAW APPLICABILITY/DEFINITIONS****1.1 Definitions**

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

1.2 Bylaw Applicability

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

2 ASSOCIATION**2.1 Composition**

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

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;

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.

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 Washington County.

2.5 Conduct of Meeting

The President shall preside over all meeting of the Association. The Secretary shall keep the minutes of the meeting and take record of all resolutions adopted at the meeting.

2.6 Quorum

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

2.7 Voting

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

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

2.7.2 **Class B.** The Class B Member shall be the Declarant. The Class B Member shall be entitled to 2 votes for every Lot owned by Declarant plus 2 votes for every class A vote. The Class B Membership shall automatically cease and be converted to a Class A membership upon the sale of the last lot.

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

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

2.8 Good Standing

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

2.9 Proxies

An Owner in good standing may vote or otherwise act by proxy. An Owner may appoint a proxy by signing a proxy appointment form. The proxy appointment form may be submitted to the Association in person, by mail, or electronically. The proxy appointment form must name a proxy, be dated, and signed by the Owner. Any proxy appointment form that does not contain a proxy's name, 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 people 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.

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

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

After the Turnover Meeting, any Director who allows his assessments to become more than 90 days past due may be removed and replaced by vote of a majority of the Board. The Board shall give the Director 10 day written notice to cure the default prior to voting to remove the Director.

3.5 Organization Meeting

The Directors shall hold a meeting following the annual owners meeting for the purpose of electing officers. Notice of the organization meeting shall be given verbally at the annual meeting. The organization meeting shall be conducted 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 mean, 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 Community Association Act, the Nonprofit Act, or any other rule of law.

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

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

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

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

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

3.12.5 Hire, contract for, and terminate personnel or contractors necessary for the maintenance repair and replacement of the Common Areas, exterior of Living Units, 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 Pay costs of any services rendered to the Project or multiple Owners, but not billed to the Owners individually;

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

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

3.12.12 Upon approval by 67% of the ownership interest in the Common Areas, to convey Common Areas;

3.12.13 Create committees;

3.12.14 Any other act allowed or required by the Governing Documents, the Community Association Act, or the Nonprofit Act;

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

3.13 Manager

The Board 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 3.12.2, 3.12.6, 3.12.7, 3.12.8, 3.12.11, 3.12.12.

3.14 Compensation

Directors shall not be compensated for their work. 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.

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

4.3.2 Vice President

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

4.3.3 Secretary

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

4.3.4 Treasurer

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

4.4 Delegation of Duties

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

4.5 Compensation

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

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 may be delivered using the following methods:

5.1.1.1 By professional courier service or First-class U.S. mail, postage prepaid, to the address of the Lot or to any other address designated by the Owner in writing to the Association;

5.1.1.2 By hand to the address of the Lot or to any other address designated by the Owner in writing to the Association;

5.1.1.3 By posting on the Association website; or

5.1.1.4 By facsimile, electronic mail, or any other electronic means to an Owner's number or address as designated by the Owner in writing to the Association or used by the Owner to communicate with the Association.

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

5.1.2.1 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

5.1.2.2 By facsimile, electronic mail, or any other electronic means to the Associations official electronic contact as designated in writing to the Owners.

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

5.2 Waiver of Notice

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

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 Community Association Act and Nonprofit Act.

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 Washington County Recorder's Office.

8 MISCELLANEOUS

8.1 Office

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

8.2 Conflicts

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

8.3 Severability

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

8.4 Waiver

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

8.5 Captions

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


8.6 Gender, etc.

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

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

DATED: 1/16/18

**DECLARANT:
ZION VILLAGE RESORT LLC**


By: Jay B. Rice
Its: Manager