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WHEN RECORDED RETURN TO:

Zion Skyline Resorts, LLC

Attn: Sterling Jones

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La Verking, UT 84604

Hurricane City, Washington County, Utah

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR ZION HUB SUBDIVISION**

December 12, 2023

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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR ZION HUB SUBDIVISION**

This Declaration of Covenants, Conditions, and Restrictions for Zion Hub Subdivision (this "Declaration") is made as of December 12, 2023 by Zion Skyline Resorts, LLC, a Utah limited liability company ("Declarant").

RECITALS

- A. Declarant owns fee simple title to that certain real property located in Hurricane City, Washington County, State of Utah, more particularly described on Exhibit A attached hereto (the "Property");
- B. Declarant desires to submit the Property, together with all buildings and improvements now or hereafter constructed on the Property, and all easements and rights appurtenant thereto to a project originally consisting of thirty five (35) Lots and Living Units constructed on the Lots, as well as all Common Areas in the Project to the terms and provisions of this Declaration;
- C. 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 entire Property and all of the Project described herein and the owners thereof, their successors and assigns;
- D. Declarant desires to establish a general plan for the improvement and development of the Property as an attractive, exclusive residential development for the purpose of enhancing and protecting the desirability and attractiveness of the Property and the quality of life within the Property, and, in furtherance of that plan, to subject the Property to the covenants, conditions, restrictions, reservations, easements, liens and charges hereinafter set forth;
- E. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners or Occupants of the Project, certain covenants, conditions, restrictions, easements, rights, privileges, assessments, and liens as set forth herein which shall run with and be a burden upon the Property;
- F. These covenants, conditions, restrictions, easements, and limitations shall run with the Property and shall be binding on and burden all parties having or acquiring any right, title, or interest to the Property or any part thereof and shall create servient tenements on the Property. The covenants, conditions, restrictions, easements, and limitations shall also benefit all parties having or acquiring any right, title, or interest to the Property and shall create dominant tenements on the Property;

G. 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.

NOW THEREFORE, in consideration of the Property, Declarant hereby submits the Property to the provisions of this Declaration and declares, covenants and agrees that the Property and each part thereof shall be held, encumbered, occupied, built on and otherwise used, improved, maintained, leased, sold, occupied and otherwise transferred subject to the following covenants, conditions, restrictions, reservations, easements, liens and charges, which shall (i) attach to and run with the land, (ii) be binding on the Property and all owners, lessees and other parties having, acquiring or otherwise at any time possessing any right, title or interest in or to the Property or any part thereof, or the right to use or occupy the Property or any part thereof, (iii) inure to the benefit of said owners, lessees and other parties, and (iv) be for the purpose of establishing a general plan for the improvement and development of the Property as an attractive and exclusive residential development. Declarant, as owner of the Property and for the purposes above set forth, declares as follows:

1.

DEFINITIONS

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

1.1. Act. The Act shall mean the Community Association Act codified beginning at Section 57-8a-101 as amended.

1.2. Adjoining Owner. Adjoining Owner means the immediately adjoining Owner that owns a Townhouse with a common Party Wall touching the contiguous, neighboring Townhouse of a different Owner.

1.3. Allocated Interest. Allocated Interest shall mean the interest of that Owner in the Common Expense liability, for purposes of voting in the Association, and for other purposes indicated in this Declaration or the Community Association Act. Each Lot shall have an equal Allocated Interest.

1.4. Articles. Articles mean the Articles of Incorporation for the Zion Hub Owners Association, as amended from time to time.

1.5. Assessment. Assessments means any amount charged, imposed or levied by the Board on or against a Lot or the Owner of that Lot and shall include fines, interests and costs of collection incurred by the Association in connection with any action taken to bring an Owner into compliance with this Declaration.

1.6. Association. Association means Zion Hub Owners Association. 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. As long as the Association obtains the proper vote, any actions taken during any period of un-incorporation shall be binding.

1.7. Authorized Provider. Any third party service, management company or other entity that the Association formally approves for handling Short-Term Rental Responsibilities.

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

1.9. Bylaws. Bylaws mean the bylaws of the Association, as amended or restated from time to time. The Bylaws are attached hereto as Exhibit C.

1.10. City. City means Hurricane City, a political subdivision of the State of Utah.

1.11. Common Area. Common Area means, unless otherwise more specifically provided in this Declaration, the common areas, limited common areas, or open space as provided on the Map and that part of the Property which is not part of the Lots, including, but not limited to, the undedicated areas within the Project, Private Roads, detention basins, parking areas, sidewalks, open spaces, trails, parks, and other areas in the Project which are not part of the Lots, together with all improvements thereon and all easements appurtenant thereto, including private utility lines, landscaping easements and personal property owned by the Association when the context so requires. The Association owns all Common Areas.

1.12. Common Expenses. Common Expenses mean the actual and estimated costs for: (a) maintenance, management, operation, repair, and replacement of the Common Area which is maintained by the Association; (b) management and administration of the Association, including, without limitation, compensation paid by the Association to managers, accountants, attorneys, consultants, and employees; (c) utilities (other than utilities that are separately metered and charged to the Lots), extermination, security, gardening, landscaping and other related services; (d) insurance and bonds required or allowed by this Declaration; (e) the establishment of reserves; (f) other miscellaneous charges incurred by the Association as provided for or allowed in the Community Association Act or the Governing Documents; (g) the obligations of the Association under the Governing Documents; and (h) any other expenses of the Association arising from the operation of the Association and not otherwise defined or precluded by the Governing Documents or any applicable law.

1.13. Community Association Act. Community Association Act shall mean the Utah Community Association Act, Utah Code §§ 57-8a-101 et seq., as it may exist at any given time.

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

1.15. Director. Director means a member of the Board.

1.16. Governing Documents. Governing Documents mean this Declaration, Bylaws, Articles, Map, and Rules and Regulations.

1.17. Improvement(s). Improvement(s) means any improvement now or hereafter constructed at the Project and includes anything which is a structure and appurtenances thereto of every type and kind, including but not limited to any (a) Townhouse, building, guest house, screening wall, other accessory building, fence or wall; (b) any walkway, garage, road, driveway or parking area; (c) any mailbox, sign, shed, covered patio, stairs, deck, fountain, artistic work, craft work, figurine, ornamentation or embellishment of any type or kind (whether or not affixed to a structure or permanently attached to a Residential Unit); (d) any swimming pool, basketball court, radio or television antenna or receiving dish; (e) any paving, exterior lights, curbing, trees, shrubs, hedges, grass, windbreak or other landscaping improvements of every type and kind; (f) any excavation, fill, retaining wall or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel, and related fixtures and equipment and (g) any other structure of any kind or nature..

1.18. 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 located on a Lot, including both patio style homes (detached) and Townhomes (attached), together with all improvements located on the Lot concerned which are used in connection with such residence such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, furnaces, stoves, fixtures, etc. serving that Dwelling shall be considered part of the Dwelling. All driveways, sidewalks, pipes, wires, conduits, or other public utility lines or installations constituting a part of the Dwelling or serving only the Dwelling shall be part of the Dwelling.

1.18.1. Townhome or Townhouse shall mean a Living Unit that is attached to another Living Unit (i.e. shares a Party Wall with another Living Unit).

1.19. Lot. Lot means a lot, parcel, plot, or other division of land designated for separate ownership and separately numbered on the Map. Lots shall include the Living Unit, Townhome or Townhouse, Residential Unit and all improvements to the Lot whether under or over the Common Areas or not. Each Lot shall be assigned a separate "parcel" or "tax identification" number by the appropriate governmental agency.

1.20. Map or Plat. Map or Plat means the plat maps for Zion Hub Subdivision, on file or to be filed for record with the Washington County Recorder and any amendments or supplements thereto or any plat maps recorded for additional phases. A preliminary Map is attached hereto as Exhibit B.

1.21. Member. Member means a Person who is an Owner of a Lot and has the right to vote on matters presented to the Members of the Association. If an Owner is not a natural person, the Owner may designate in writing an individual to act as its representative. If no representative is designated, then an officer, trustee, director, manager, or member as shown in the entity's formative documents shall be its representative.

1.22. Mortgage. Mortgage means and refers to any duly recorded mortgage or deed of trust encumbering a Lot.

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

1.24. Owner. Owner means a Person vested with record title to a Lot and whose interest in the Lot is held in fee simple, according to the records of the Washington County Recorder; provided, however, Owner shall not include a Person who holds an interest in a Lot merely as security for the performance of an obligation. 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.

1.25. Party Wall. Party Wall means a wall that forms part of a Townhouse and is located on or at a boundary line between two adjoining Residential Units and is used or intended to be used by the Owners of both properties.

1.26. Private Roads. Private Roads mean the undedicated roads within the Project depicted on the Map, if any, which shall be initially owned by the Declarant. Declarant may, at its option, convey to the Association title to the Private Roads, and upon such conveyance the Association agrees to accept title thereto.

1.27. Project or Property. Project or Property means Zion Hub Subdivision, as shown on the Map. The Project includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. Exhibit A contains the legal description for the Project. The Project is not a cooperative.

1.28. Resident. Resident means any Person living or staying at the Project. Residents include without limitation: Owners, tenants, family members of Owners and tenants, and guests staying more than one (1) week.

1.29. Residential Unit(s). Residential Unit(s) means a portion of the Project intended for independent ownership and residential use and designated as a Residential Unit or Townhome on the Plat and, where the context indicates or requires, shall include any Townhouse, Townhome building, structure or other Improvements situated on the Residential Unit.

1.30. Restriction. Restriction means any limitation on the use of a Lot or the freedom of an Owner to act with respect to a Lot as set forth the Governing Documents.

1.31. Rules and Regulations. Rules and Regulations means rules and regulations adopted by the Board, from time to time, which clarify or add detail but do not conflict with the Restrictions.

1.32. Self-Management. When an eligible Owner personally handles advertising, communications, pricing, booking oversight and other Short-Term Rental Responsibilities for their Lot without assigning responsibilities to a third party management service.

1.33. Short-Term Rental. Any leased occupancy of a residential dwelling unit for a period of less than 30 consecutive days. May occasionally be referred to as vacation rental.

1.34. Short-Term Rental Responsibilities. The various tasks related to managing Short-Term Rental operations, including but not limited to advertising, housekeeping, communications, booking, contracts, payments, turnover, inspection, maintenance issues, invoice processing, legal compliance, and optimization of pricing, reviews, revenue.

1.35. Special Assessment. Special Assessment means any Assessment levied pursuant to this Declaration.

1.36. Townhouse(s) Townhome(s). Townhouse(s) Townhome(s) means any dwelling unit situated upon a Residential Unit and attached to one or more other dwelling units in a row of at least two such units in which each unit has its own front access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common Party Walls, designed and intended for separate, independent use and occupancy as a townhouse primary or secondary residence, or for nightly rentals, overnight stays, leasehold interests, short term rental interest or longer residential accommodations.

1.37. Turnover Meeting. Turnover Meeting means the meeting described in Section 10.1.

2.

SUBMISSION, WITHDRAWAL, 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. Change: Withdrawal.

2.2.1. Prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, reconfigure layout of the Lots or reduce or increase the number of Lots within the Project by filing for record with the Washington County Recorder's Office an amended Map reflecting such changes to the Lots.

2.2.2. Prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, withdraw any property (excluding, however, any Common Areas conveyed to the Association by the Declarant) from the Project. Such withdrawn property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which benefits the withdrawn property and burdens any remaining property which is subject to this 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.

2.3. Expansion. Declarant hereby reserves the option, in its sole and absolute discretion, to expand the Project and subject additional land to this Declaration by recording a supplement to this Declaration with the Washington County Recorder's Office.

3.

INITIAL RULES AND REGULATIONS

3.1. Adoption of Initial Rules and Regulations. The Declarant hereby adopts the following initial Rules and Regulations regarding use of the Lots and Common Areas (the "Initial Rules and Regulations"):

3.1.1. Short-Term Rental Self-Management. Owners possessing a minimum of fifty percent (50%) ownership interest in a Lot are entitled to elect Self-Management. Owners who elect Self-Management shall not delegate their Short-Term Rental Responsibilities to any third parties, except for Authorized Providers as sanctioned by the Association. Furthermore, Owners who elect Self-Management are obligated to adhere to the guidelines and policies set forth by Authorized Providers and the Association.

3.1.2. Appointment of Removal Authorized Providers. The Association has the exclusive right to appoint or remove Authorized Providers by way of majority Board vote or at the sole discretion of the Declarant. The Declarant may appoint, vet or terminate Authorized Providers at any time by providing written notice to the Board. In cases of conflicting opinions between the Board and Declarant regarding appointment or removal of Authorized Providers, the Declarant's decision shall prevail. If the Association terminates an Authorized Provider, Owners will be notified within 30 days and provided an updated list of appointed Authorized Providers to ensure consistent Hospitality Standards. Amending the Association's exclusive rights in appointing or removing Authorized Providers requires Declarant's written consent. Sustaining renowned hospitality relies on oversight of certified Authorized Providers.

3.2. No Amendment of Initial Rules and Regulations. The Initial Rules and Regulations contained directly in Section 3.1 may not be amended, modified, overturned, or overruled in any way without the express written consent of the Declarant.

3.3. Additional Rules and Conflicts. It is understood that the Declarant and the Association (as defined in Article 1 of this Declaration) may adopt additional rules and regulations from time to time. However, in case of any conflict between these Initial Rules and Regulations and any later-adopted rules, regulations, covenants or restrictions, these Initial Rules and Regulations shall prevail and govern in all circumstances, absent express written consent of the Declarant to amend or modify these Initial Rules and Regulations.

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 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 its 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, or for any other personal purpose.

4.2. Delegation of Right of Use. Any Member 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.

4.4. Allocated Interest of Each Unit in the Votes of the Association. The Owners of each Lot shall be entitled to vote their Allocated Interest for all matters related to the Association that Owners are permitted or required to vote or approve. Each Lot shall have an equal Allocated Interest. Any difference in square footage, location, size, value, or other aspect of any Lot shall not be reason to alter or change any Allocated Interest.

4.5. Plat. The Plat and all dimensions, descriptions, and identification of boundaries therein shall be binding on the Project and the Association. If any conflict exists between the Plat and this Declaration, the Plat shall control except to the extent provided for on the Plat or as otherwise provided by the application of controlling law. Subject to necessary approvals from any applicable municipality or government agency, the Declarant shall have the right to amend, change, or modify any Plat; subject only to the requirement that the Declarant obtain approval from any Owner of a Lot that has any boundary modified by the Plat.

5.

MAINTENANCE

5.1. Association Responsibilities. The Association shall furnish and be responsible for, and pay all expenses for, the management, operation, insurance, maintenance, repair, and replacement of the Common Areas, except as maintenance obligations are otherwise specifically assigned to the Owners under the Governing Documents. The foregoing Association maintenance responsibilities shall include the maintenance and repair of the sprinkler or irrigation systems servicing the Common Areas.

5.1.1. The Association shall have the right to modify, remove fixtures from, add fixtures and structures to, place signs upon, and otherwise modify the Common Area; the Association retains the right to remove and replace any structure, item, or condition in the Common Area.

5.1.2. The Board shall determine, in its sole discretion, the appropriate maintenance standard for the Common Area, so long as those areas are maintained in the best interests of the Owners.

5.2. Owner Responsibilities.

5.2.1. All maintenance, repair, and replacement of the Lots and Living Units shall be the sole responsibility and expense of the Owner thereof, who shall maintain such Lot and Living Unit in good repair and appearance and in accordance with the Governing Documents of the Association. 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 or according to the Governing Documents, the Owner fails, or is unwilling or unable, to adequately provide such maintenance. Should the Board exercise its right under this provision, the Board shall not be liable for trespass or nuisance and shall have the right to levy an individual Assessment pursuant to this Declaration against such Lot or Living Unit to recover its maintenance costs.

5.2.2. If a Geologic Event impacts or causes damage to an Owner's Lot or Living Unit, such Owner shall be responsible, at such Owner's expense, to promptly and diligently cleanup and repair such Lot or Living Unit, in accordance with the Governing Documents of the Association and all governmental requirements. A Geologic Event is considered an emergency; therefore, the Board may assume the cleanup and repair responsibility over such Lot or Living Unit if, in the opinion of the Board or according to the Governing Documents, the Owner fails, or is unwilling or unable, to timely and adequately provide such cleanup and repair. Should the Board exercise its right under this provision, the Board shall not be liable for trespass or nuisance and shall have the right to levy an individual Assessment pursuant to this Declaration against such Lot or Living Unit to recover its cleanup and repair costs.

5.2.3. The Owner shall be responsible for keeping the Lot and the Living Unit and all porches, patios, and exterior areas of a Living Unit associated with an Owner's Living Unit in good appearance and in a clean and sanitary condition, free of pests and rodents, and uncluttered. The Board may set forth in the Rules and Regulations any limits, restrictions, or guidelines on what may or may not be left, stored, installed, or placed on the exterior of any Living Unit, which may include a prohibition on leaving, installing, or storing any items or animals in such places.

5.3. Utilities. All utilities for individual Living Units (except those utility costs that are metered collectively and paid for by the Association as a Common Expense item) will be metered separately to each Living Unit, and such utility charges shall be the responsibility of the Owner.

5.4. Maintenance of Party Walls. By acceptance of a deed to a Residential Unit or Townhome, each Owner hereby acknowledges, agrees and understands that it is essential that the Party Wall be maintained in good condition and repair to preserve the integrity of the Townhomes as they are used and occupied by the Owners. With respect to the surface components of the Party Wall, each Owner agrees to maintain and keep in good condition and repair, including the making of replacements as needed, all surface components which face into such Owners' respective Townhome. With respect to pipes, conduits, ducts and other utility lines and connections which benefit only one of the Owners, the Owner benefited solely thereby shall be fully responsible for the cost of maintaining such items in good condition and repair, including the making of replacements as needed. With respect to structural components of the Party Wall, except as may be otherwise provided in the immediately preceding sentence, the Owners agree to share equally in the cost of maintenance and upkeep thereof in good condition and repair, including the replacement thereof as necessary. If the Party Wall is destroyed or damaged by fire or other casualty, either Owner may restore it, and the other Adjoining Owner shall contribute one-half of the cost of restoration thereof; provided, however, that any such single maintenance or repair activity, including a replacement as necessary, which is expected to exceed \$5,000.00 shall, except in an emergency, be undertaken only with the approval of the Board and both Owners, which approval shall not be unreasonably withheld, conditioned or delayed.

5.5. Failure to Maintain Party Wall. If any Owner shall fail to comply with the provisions of this Neighborhood Declaration as to maintenance, repair, or use of the Party Wall, or the obtaining of insurance as set forth below, or other obligations contained herein ("Defaulting Owner"), then in any such event the Adjoining Owner shall have the right, upon thirty (30) days written notice to the Defaulting Owner (unless within such 30-day period the Defaulting Owner shall cure such default, or in the case of a nonmonetary default which by its nature cannot be cured within such 30-day period, the Defaulting Owner shall take such action as is reasonably calculated to commence the curing thereof, and thereafter shall diligently prosecute the curing thereof to completion) to proceed to take such action as shall be necessary to cure such default, all in the name of and for the account of the Defaulting Owner. The Defaulting Owner shall on demand reimburse the other Adjoining Owner taking such action for the monies actually expended by such Adjoining Owner and the Adjoining Owner's reasonable out-of-pocket expenses in so doing, together with interest thereon as set forth below from the date of demand to the date of payment. Notwithstanding the foregoing, if the nondefaulting Adjoining Owner shall in good faith deem that an emergency is occurring or has occurred, so that the default requires immediate curing, then no notice shall be required

and the nondefaulting Adjoining Owner may act promptly without giving notice and take such action as is necessary to cure the alleged failure. Any Adjoining Owner performing any action pursuant to the preceding sentence shall interfere to the minimum extent possible with the Defaulting Owner's use and occupancy of such Defaulting Owner's Townhome, and, with reasonable promptness, shall give verbal or written notice to the Defaulting owner of such action and the claimed failure.

5.5.1. All remedies hereby specifically set forth in this Section are cumulative and shall be deemed to be in addition to any remedies available at law or in equity which shall include the right to restrain by injunction any violation or threat of violation by any Owner of any of the terms, covenants, or conditions of this Declaration governing Party Walls and by decree to compel specific performance of any such terms, covenants, or conditions governing Party Walls, it being agreed that the remedy at law for any breach of any such term, covenant, or condition governing Party Walls is not adequate. Notwithstanding the foregoing, no default by any Owner under this Agreement shall entitle any other Adjoining Owner to terminate, cancel, or otherwise rescind this Declaration or any terms, covenants or conditions governing Party Walls.

5.5.2. The Board, without obligation and in its exclusive discretion, may also notify the Defaulting Owner of the work required to the Party Wall and demand that it be done within a reasonable and specified period. In the event that the Defaulting Owner fails to carry out such maintenance within said period, the Board shall have the right to enter upon the Residential Unit, to cause such work to be done to the Party Wall and individually charge the cost thereof to such Defaulting Owner, and the cost shall be secured by the Assessment Lien. Notwithstanding the foregoing, in the event of an emergency arising out of the failure of a Defaulting Owner to maintain his, her or its Party Wall, the Board shall also have the right to immediately enter upon the Residential Unit to abate the emergency and individually charge the cost thereof to such Defaulting Owner, and the costs shall be secured by the Assessment Lien.

5.6. Party Wall Insurance: Waiver. The existence of Party Walls within the Project will require blanket property insurance coverage, as required by the Governing Documents and/or Act on all attached Townhomes. By acceptance of a deed to a Residential Unit, each Owner hereby acknowledges his, her or its independent insurance obligations for the respective Party Wall which constitutes a portion of the Owner's Townhome, and agrees to maintain in full force and effect "all-risk" property insurance with respect to the Townhome owned by such Owner. Such insurance shall be in an amount equal to at least 100% of the replacement cost of such Owner's Townhome exclusive of the cost of excavation, foundations and footings, and shall protect against loss or damage by fire, and all other hazards that are normally covered by the standard extended coverage endorsement. Each policy shall be carried with a company rated A or better in "Best's Insurance Guide", and each Owner shall provide a copy of the policy obtained by such Owner to the Board and the other Adjoining Owner and such policy shall require thirty

(30) days notice to the Board and the other Adjoining Owner before the policy can be cancelled. All policy proceeds payable with respect to damage or destruction of the Party Wall shall be used by the Owners, to the extent necessary, to repair and restore the damage or destruction for which the proceeds are payable. Each Owner agrees to make such repair and restoration whether or not the policy proceeds are adequate for such purposes or whether or not the occurrence resulting in such damage or destruction is covered by insurance. Each Owner hereby waives any rights it may have against the other Adjoining Owner on account of any loss or damage to its Townhome which arises from any risk covered by fire and extended coverage insurance carried hereunder, whether or not such other Adjoining Owner may have been negligent or at fault in causing such loss or damage. Each Owner shall try to obtain a clause or endorsement in the policies of such insurance which each Owner obtains to the effect that the insurer waives, or shall otherwise be denied, the right of subrogation against the other Adjoining Owner for loss covered by such insurance. It is understood that such subrogation waivers may be operative only as long as such waivers are available in the State of Utah and do not invalidate any such policies. If such subrogation waivers are allegedly not operative in the State of Utah, notice of such fact shall be promptly given by the Owner obtaining insurance to the Board and the other Adjoining Owner.

6.

CONSTRUCTION AND MODIFICATION OF LIVING UNITS

6.1. Modifications to Living Units. Without the prior written approval of the Association, an Owner shall not construct or make any alterations, repairs, or modifications to a Lot or any part of the exterior of a Living Unit, including any area that the Owner is obligated to maintain and the initial construction of the Living Units. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of the Property or the improvements located thereon, including, without limitation, the initial construction of the Living Units, shall be made without the prior written approval of the Architectural Review Committee (ARC). The Architectural Review Committee (ARC) shall consist of three (3) members to be appointed by the Board. No building, fence, wall, or other structure shall be erected, maintained, improved, altered, made or done (including choice of exterior color scheme and building materials) without the prior written approval of the ARC. The Board may adopt Rules and Regulations related to the construction, alteration, or modification of Living Units, including, without limitation, design, exterior appearance, and compliance with the Governing Documents.

6.1.1. The Association may require that such construction, repairs, or modifications, if allowed, be made in a particular manner, by a particular person, or that they comply with particular materials or aesthetics requirements or other standards, at the Association's discretion, including, without limitation a requirement to use materials and

colors that are substantially similar to the original construction of, or that are harmonious with, the surrounding Living Units.

6.1.2. Except as otherwise provided herein, an Owner may complete any maintenance or upgrades to the interior of a Living Unit not regularly or ordinarily visible from the exterior of a Living Unit.

6.1.3. All construction, remodeling and other repairs, and modifications to Living Units must be completed in compliance with all applicable building codes, laws, and the manufacturer's specifications for any materials, equipment, and fixtures.

6.1.3.1 No predominate metal roofs. Architectural Shingles, Tiles Roofs, and a mixture of architectural singles and metal are acceptable. Demonstrate material is aesthetically pleasing and all materials must be approved by the architectural review committee.

6.1.3.2 After Certificate of Occupancy from the City, no changes to fencing is allowed without approval of the Architectural Review Committee or HOA Board. Chain link fencing is allowed for use by the Declarant in debris flow areas as a precautionary safety measure.

6.1.3.3 No aluminum nor vinyl siding is allowed in the community unless approved by Architectural Review Committee or HOA Board.

6.1.3.4 The community will receive mail delivery to a cluster of mail boxes to be serviced by the United States Postal Service.

6.1.4. An architectural review fee of \$500 may be assessed in order to cover the costs of review. If the Board determines in its discretion that plans or drawings need additional review due to the scope or nature of the remodeling, an additional fee not to exceed the actual cost of the review may be charged to the Owner. The Board may adjust these review fees on an as needed basis.

6.1.5. Without prior written permission of the Board and regardless of whether any response from the Association is timely received or not related to a request for modification approval to a Living Unit, none of the following shall occur at any time: (a) any use of the Common Area or Private Roads for staging, storage, assembly, or construction; (b) any nuisance as established by law or by the Governing Documents; (c) any blocking of the Common Area or Private Roads by vehicles, materials, or persons; or (d) any use of any Association garbage and disposal facilities for the disposal of debris, materials, or other items related to construction.

6.2. Waiver, Precedent, Estoppel. Approval or disapproval by the Board of any requested architectural change shall not be deemed to constitute precedent, waiver, or

estoppel impairing the Board's right to withhold approval or grant approval as to any similar matter thereafter proposed or submitted to the Board.

6.3. Noncompliance. Any construction, alteration, or other work done in violation of this Declaration shall be deemed to be in noncompliance. Upon receipt of a notice of noncompliance, Owners shall, at their own cost and expense, remove such nonconforming construction, alteration, or other work and shall restore the Lot or Living Unit to substantially the same condition as existed prior to the non-conforming construction, alteration, or other work. Should an Owner fail to act as required hereunder, the Board or their designee, without liability for trespass or nuisance, shall have the right to enter the Lot, remove the violation, and restore the Lot or Living Unit to substantially the same condition as existed prior to the change. All costs incurred by the Association shall be an individual Assessment.

6.4. Liability. The Board shall not be liable to any Owner, occupant, builder or other person for any damage, loss or prejudice suffered or claimed on account of any action or failure to act, provided only that the Board has acted in good faith based on the actual knowledge possessed by it. The Board is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or other governmental regulations, all of which are the responsibility of the Owner.

7.

ASSESSMENTS

7.1. Covenant for Assessment. Each Owner of a Lot, by accepting a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to have covenanted and agreed to pay the Association all Assessments levied from time to time as provided in this Declaration, including costs of collection (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. Each such Assessment, together with late fees, interest and costs of collection, shall be the personal obligation of the Owner. This personal obligation shall not pass to the successor in title of an Owner unless expressly assumed by such successor. 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.

7.2. Declarant's Covenant for Assessments. During the period that Declarant owns more than 80% of the Lots upon which a Living Unit shall be constructed, Declarant shall not be subject to Assessments but 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. From and after the

date Declarant owns 80% or less of the Lots upon which a Living Unit shall be constructed, Declarant shall only be subject to Assessments for the Lot(s) of which Declarant is considered the Owner. A bulk sale by Declarant of all of the Lots or substantially all of the Lots shall not be used for purposes of calculating whether Declarant has transferred more than 80% of the Lots.

7.3. 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.

7.4. Regular Assessment. The Board shall determine the amount of the regular Assessments to be paid by Owners of each Lot by multiplying the total budgeted amount in the annual budget by the Allocated Interest for each Lot. The Association may collect the regular assessment on an annual basis, semi-annual basis, quarterly basis, or monthly basis, in accordance with the annual budget established pursuant to Section 7.3. 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. Regular Assessments shall not increase more than five percent (5%) over the regular Assessments for the immediately preceding fiscal year without approval of a majority of all Owners. The Assessments may be computed and assessed against all Residential Units or Townhomes in the Project to include, but not limited to:

7.4.1. Common Expense. Regular Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas, and furnishing common utility service and other common items to the Townhomes. Such common items include the following: landscaping costs, management expenses; real property taxes on the Common Areas; premiums for all insurance that the Association is required or permitted to maintain hereunder or under Utah Law; repairs and maintenance; wages of Association employees, including fees for a manager; utility charges, including charges for utility services to the Common Areas; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. Such

shall constitute the Common Expenses, and all funds received from assessments under this Section shall be part of the common expense fund.

7.4.2. Apportionment. Common Expenses which are fixed expenses shall be apportioned equally among and assessed to all Owners or Residential Units or Townhomes or to those designated Association Members. The fixed Common Expenses include, but are not limited to, accounting and management fees, taxes, legal fees, board member insurance, Association assessments, Washington County Assessments, Common Area water and electric expenses, snow removal and landscaping, and capital reserve amounts ("Fixed Common Expenses"). Common Expenses which are variable expenses shall be apportioned and assessed to all Association Members according to the square footage of the Townhouse owned by the Owner. Variable Common Expenses include but are not limited to exterior Townhouse maintenance (as applicable), and insurance for Common areas ("Variable Common Expenses"). Each Owner, for each Townhome that he, she or it owns, shall be liable for his or her share of the Fixed Common Expenses equally and Variable Common Expenses based on the square footage of the Townhouse.

7.4.3. Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided the first fiscal year shall begin on the date of this Declaration, and, on or before December 1 of each year thereafter fiscal year. The Board shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating fiscal year. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as a guideline under which the Project shall be operated during such fiscal year.

7.4.4. Notice and Payment. The Board shall give notice of the Annual Assessment to each Owner at least thirty (30) days prior to the beginning of each fiscal year, but the failure to give prior notice shall not affect the validity of the Annual Assessment established by the Board nor relieve any Owner from its obligation to pay the Annual Assessment. If the Board determines during any Assessment Period that the funds budgeted for that fiscal year are, or will become, inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessments by Neighborhood Association Members, it may increase the Annual Assessment for that fiscal year and the revised Annual Assessment shall commence on the date designated by the Board. The Board may assign the rights to collection, including but not limited to, any and all lien rights of the Association.

7.5. 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. 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. If a vote of the Owners is required, for the purpose of approving the establishment of any Special Assessment of more than 50% of the annual budget, such notice shall be sent to all Association Members in accordance with the time periods and provisions set forth in the Bylaws.

7.6. Supplemental Assessment. If the regular Assessments are inadequate to pay the Common Expenses pursuant to an annual budget, 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.

7.7. Individual Assessment. Any expenses attributable to less than all the Lots may be assessed exclusively against the affected Lots. Individual Assessments include, without limitation and as additionally set forth herein:

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

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

7.7.3. 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; and

7.7.4. Any charge described as an individual Assessment in this Declaration.

7.8. Apportionment of Assessments. Regular, special, and supplemental Assessments will be apportioned equally among the Lots, in accordance with each Lot's Allocated Interest. Individual Assessments shall be apportioned exclusively to the Lots benefitted or affected.

7.9. 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 against that Owner due that year.

7.10. Lien for Assessment and Personal Obligation of Assessments. Each Owner by becoming the Owner of a Residential Unit or Townhome is deemed to covenant and agree to pay Assessments to the Association in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration and Utah law. The Assessments, together with interest, late charges, costs of collection, court costs and all other costs, including but not limited to reasonable attorney's fees, incurred

by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Residential Unit or Townhome and shall be a continuing lien upon the Residential Unit or Townhome against which each such Assessment is made. Each Assessment, together with interest, late fees, collections charges, court costs and all other costs, including but not limited to reasonable attorney's fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of each Person who was an Owner of the Residential Unit or Townhome at the time when the Assessment became due. The lien created by this Declaration against the applicable Residential Unit or Townhome shall continue to secure payment of such delinquent Assessment (including, but not limited to, any and all interests and late charges) until the same are fully paid. To the extent permitted by law, the Owner(s) and any future Owner(s) of a Residential Unit or Townhome are jointly and severally liable for all Assessments related to that Residential Unit or Townhome accruing prior to and during the time that an Owner is an Owner. No Mortgagee shall be personally liable for any Assessment or other proper charges due the Association, except in the event such Mortgagee shall acquire title to the Residential Unit or Townhome through a foreclosure or deed in lieu of foreclosure or otherwise. Any Mortgagee who so acquires title also shall be liable for Assessments or other proper charges due the Association arising on or subsequent to the date such Mortgagee became the record owner of the Residential Unit or Townhome. The Notice of Lien by be enforced by non-judicial foreclosure by Notice of Appointment of Trustee in *Utah Code Ann.* §57-1-22 (1953, as amended) and the subsequent requirements for a Notice of Default as set forth in *Utah Code Ann.* §57-1-23, *et. seq.* (1953, as amended).

7.11. Notice of Assessment Lien. All Assessments, late fees, interest, and collection costs (including attorney's fees) not timely paid shall be a charge and continuing lien upon each Residential Unit, Townhome or Lot against which the Assessment is made. The Association shall file a notice of lien with the Washington County Recorder as evidence of nonpayment.

7.12. Action at Law. The Association may bring an action to recover a delinquent Assessment personally against the Owner obligated to pay the same. Any attorneys' fees and costs incurred in such action shall be assessed against the delinquent Owner and the Owner's Residential Unit and/or Townhome and added to the amount in delinquency (plus judgment interest and collection charges, if appropriate).

7.13. 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.

7.14. Appointment of Trustee. The Owners and Declarant hereby convey and warrant that the Association may file a Notice of Appointment of Trustee to a member of the Utah State Bar, with power of sale, pursuant to *Utah Code Ann.* §57-1-22 (1953, as amended)

and the subsequent requirements and may file a Notice of Default as set forth in *Utah Code Ann. §57-1-23, et. seq.* (1953, as amended), the Lots and all improvements on the Lots for the purpose of securing payment of Assessments under the terms of this Declaration.

7.15. Foreclosure Sale. The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially. The Association appoints Brian R Barnhill as trustee, who qualifies under Utah Code Ann. § 57-1-21 (1)(a)(i). The Association hereby conveys and warrants pursuant to Utah Code Ann. § 57-1-20 and 57- 8a-302 to Brian R Barnhill, with power of sale, the Residential Units and Townhomes and all improvements to the Residential Units and Townhomes for the purpose of securing payment of Assessments under the terms of the Declaration. The Association may appoint a qualified successor trustee by executing and recording a substitution of trustee form.

7.16. Homestead Waiver. Each Owner, to the extent permitted by law, hereby waives, to the extent of any liens created pursuant to this Declaration (whether such liens are now in existence or are created at any time in the future), the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

7.17. 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 at foreclosure's obligation to pay the past six (6) months of Assessments, late fees, and penalties for the Lot.

7.18. Fines, Collection Charges and Interest. The Association shall give an Owner 7-day written notice to cure a violation of the Governing Documents prior to assessing a fine against such Owner's Lot. If the Association does not otherwise adopt or establish billing and collection procedures in its rules, the following shall apply: The Assessments shall be due within thirty (30) days of invoicing. Payments received after thirty (30) days from invoicing may be charged an initial late fee of \$30.00. Thereafter, an additional late fee charge of \$30.00 per month shall be added for each month that an Owner's account has an unpaid balance. In addition to late fees, interest may accrue on all unpaid balances, including on any unpaid prior attorney fees and late charges, at the rate of two percent (2%) per month or such other amount as may be set forth by the Association in the Rules and allowed by law. Delinquent accounts may be turned over by the Association to attorneys or to a collection company and additional collection charges and attorneys' fees and costs may be added to the amounts owed. .

7.19. No Offsets. All Assessments shall be payable at the time and in the amount specified by the Association, and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Board is not properly exercising its duties and power, a claim in the nature of offset or that the Association

owes the Owner money, or that the Association is not complying with its obligations as provided for in the Governing Documents.

7.20. How Payments Are Applied. Unless otherwise provided for in the Rules, all payments for Assessments shall be applied to the earliest charges first. Owners shall have no right to direct the application of their payments on Assessments or to require application of payments in any specific order, to specific charges, or in specific amounts.

7.21. Certificate of Payment. Consistent with Utah Code § 57-8a-206, the Association, within ten (10) business days after receipt of written demand, shall furnish to any Owner liable for Assessments or such other Person for whom an Owner has given written permission in a form acceptable to the Association, a written statement or certificate, signed by an officer or authorized agent of the Association, setting forth whether the Assessments relating to a specified Residential Unit or Townhome have been paid and the amount of delinquency, if any. Each such certificate shall be conclusive in favor of a Person who relies on the written statement in good faith. The Board is authorized to charge a \$10.00 fee for issuance of a certificate; provided, however, the Board may increase or decrease this fee amount if the new amount is identified in the Rules and is consistent with Utah law.

7.22. Application of Excess Assessments. In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board, in its discretion, may apply the excess to reserves, credit the excess against future Assessments or refund the excess to the Owners in proportion to the Allocated Interests of each Residential Unit and Townhome in the Common Expenses of the Project, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

7.23. Termination of Delinquent Owner's Rights. The Association shall have all rights provided for in the Act to terminate a delinquent Owner's right to vote and right to utilize the recreational amenities if any and other common facilities; provided, however, that before termination of such rights the delinquent Owner be provided at least fourteen (14) days prior notice, in accordance with the notice requirements in the Bylaws, of:

7.23.1. the impending termination of rights if payment is not received;

7.23.2. the amount(s) past due, including any interest and late charges; and

7.23.3. the right to request a hearing before the Board.

7.24. Requiring Tenant to Pay Rent to Association.

7.24.1. Pursuant to and as provided for in the Act, the Association shall have a right to demand and collect rent from any tenant occupying any Residential Unit or

Townhome for which an Assessment is more than sixty (60) days late; provided, however, that before requiring a tenant to pay lease payments to the Association, the Owner be provided at least fifteen (15) days' prior notice, in accordance with the notice requirements in the Bylaws, of:

(a) the Association's intent to demand the Owner's tenant pay his/her lease payments to the Association if payment is not received within fifteen (15) days;

(b) the amount(s) past due, including any interest, late charges, collection costs and attorneys' fees; and

(c) that any costs of collection, including, but not limited to attorneys' fees and other assessments that become due may be added to the total amount due and to be paid through collection of the tenant's lease payments;

7.24.2. If the Owner fails to pay the amount owing after fifteen (15) days, the Association may exercise its rights to collect the lease payments from the delinquent Owner's tenant by delivering written notice to the tenant, in accordance with the notice requirements in the Bylaws, that:

(a) due to the Owner's failure to timely pay Assessments, the Association has notified the Owner of the Association's intent to collect all lease payments until the amount owing is paid, in full;

(b) Utah law requires the tenant to make all future lease payments, beginning with the next monthly or other periodic payment, to the Association, until the amount owing is paid, in full; and

(c) the tenant's payment of the lease payments to the Association does not constitute a default under the terms of the tenant's lease agreement with the Owner.

7.24.3. The Association shall mail to the Owner a copy of the notice given to the tenant.

7.24.4. The tenant to whom notice is given shall pay to the Association all future lease payments as they become due and owing to the Owner beginning with the next monthly or other period payment until the Association notifies the tenant that the amount owed by the Owner is paid.

7.24.5. The delinquent Owner shall credit each payment that his/her tenant makes to the Association pursuant to this Section against any obligation that the tenant owes to the Owner as though the tenant made such payment to the Owner and Owner may not initiate suit or other action against the tenant for failure to make any lease payment that the tenant pays to the Association as required hereunder.

7.24.6. Within five (5) business days after the amount owing is paid, in full, the Association shall notify the tenant, in accordance with the notice provisions in the Bylaws, that the tenant is no longer required to pay future lease payments to the Association and a copy of said notice shall be mailed to the Owner.

7.25. Attorneys' Fees Incurred as a Result of a Default. In addition to any attorneys' fees and costs provided for herein, the Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner's failure to timely pay Assessments, including but not limited to attorneys' fees and costs incurred:

7.25.1. obtain advice about a default;

7.25.2. collect unpaid Assessments;

7.25.3. file lawsuits or other legal proceedings related to a default in an effort to collect unpaid Assessments;

7.25.4. file pleadings, notices, objections, and proofs of claim in any bankruptcy proceeding;

7.25.5. examine the debtor or others related to collections;

7.25.6. monitor any bankruptcy proceedings including, but not limited to, regular;

7.25.7. monitoring of an Owner's progress in a chapter 13 plan for the duration of the plan;

7.25.8. file relief from stay motions, objections, or other adversary proceedings in bankruptcy (and all related activities including seeking and responding to discovery, taking depositions or examinations, introduce evidence, hiring and paying expert witnesses, filing motions and other pleadings, attending trials, hearings, or other court proceedings, including as reasonably necessary related to assert any non-discharge ability of debts, to assert claims against the bankruptcy estate or codebtors, to challenge exemptions, to pursue any appropriate adversary proceeding, or for any other reason related to the ultimate attempt to collect unpaid Assessments); and

7.25.9. foreclose a lien, secure lien rights, or prepare any notice of lien. This provision is to be construed broadly to permit the Association to recover any reasonable fees and costs in any way related to an Owner's default in the payment of Assessments and the ultimate collection of those Assessments.

7.26. Association Responsibility after Foreclosure. Association Responsibility after Foreclosure. If the Association takes title to a Residential Unit or Townhome pursuant to a foreclosure (judicial or non-judicial), the Association shall not be bound by any of the provisions related to the Residential Unit or Townhome that are otherwise applicable

to any other Owner, including but not limited to obligations to pay assessments or maintain the Residential Unit or Townhome.

7.27. Purposes for Which Association's Funds May be Used. The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Occupants by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all roads, land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without the Project, which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Occupants, and to the establishment and funding of reasonable reserves for replacements and contingencies. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: maintenance and repair of the exterior portion of Townhomes, social interaction among Association Members and Occupants, maintenance of landscaping on Common Areas and public right-of-way and drainage areas within the Project, construction, operation and maintenance of recreational and other facilities on Common Areas, recreation, insurance, communications, ownership and operation of vehicle storage areas, education, transportation, health, utilities, public services, safety, indemnification of officers, directors and committee members of the Association, employment of professional managers, hiring professional consultants such as architects, engineers, attorneys and accountants, and pledging future Assessments as collateral to secure Neighborhood Association financing.

7.28. Surplus Funds. The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year, and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

7.29. Transfer Fee. Each purchaser of a Residential Unit shall notify the Neighborhood Association of his, her or its purchase of a Residential Unit. The Neighborhood Association may require the payment to the Neighborhood Association a reasonable transfer fee in an amount to be set by the Board, payable by the seller or by the purchaser of the Residential Unit. The transfer fee shall be secured by the Assessment Lien.

8.

RESTRICTIONS ON USE

8.1. Use of Lots - Residential Primary Purpose. Each of the Lots in the Project are limited to residential use only, including both long-term rentals and short-term vacation rentals. Each Lot and Owner is subject to the uses and restrictions imposed by such Restrictions (including any parking restrictions). Short-term vacation rentals are contingent on strict adherence to Association rules and regulations as well as all initial rules, restrictions, and responsibilities in Section 3.1. No Lot may be leased for a period shorter than 6 consecutive months unless coordinated as a short-term vacation rental complying with Section 3.1 policies. Owners executing permitted long-term leases longer than 6 months must provide the name and contact details of the lessee to the Association in writing within 14 days of lease commencement.

8.2. No Accessory Structures. Notwithstanding anything to the contrary contained in the Governing Documents, no accessory structures shall be constructed on any Lot without the prior written consent of the Board. The restriction on accessory structures contained in this subsection shall include, without limitation, decks, sheds, awnings, pergolas, and similar structures associated with the Living Units. All approved accessory structures, including but not limited to, sheds, decks, and porches must match the architectural style of the main home structure. No plastic accessory structures are allowed.

8.3. 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.

8.4. 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. Regardless of the foregoing, the Association shall have no obligation to enforce the statutes, rules, ordinances, regulations, or the requirements imposed by a 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 such Owner or such Owner's Residents or invitees.

8.5. 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 Lot(s). A nuisance includes but is not limited to the following:

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

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

8.5.3. 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;

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

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

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

8.5.7. 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 invitees;

8.5.8. Too much noise in, on or about any Lot or the Common Area, especially after 10:00 p.m. and before 6:00 a.m.;

8.5.9. Too much traffic in, on or about any Lot or the Common Area, especially after 11:00 p.m. and before 6:00 a.m.;

8.5.10. Allowing a pet to be unleashed while outside of the Living Unit or fenced backyard;

8.5.11. Continuous barking, meowing, or other animal noises:

8.5.12. Allowing your pet to urinate or defecate in the Common Areas or failing to cleanup immediately any feces deposited by a pet in the Common Area or other areas within the Project.

8.6. Rules and Regulations. The Association shall have the authority to promulgate and enforce such reasonable Rules and Regulations as may aid the Association in carrying out any of its functions and to ensure that the Project is maintained and used in a manner consistent with the interest of the Owners. 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 Regulations and shall be responsible for their guests and invitees' compliance with the Rules and Regulations. 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.

8.7. Structural Alterations. All construction, improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of the Property or the improvements located thereon, including, without limitation, the initial construction of the Living Units, shall be made in compliance with Article 6.

8.8. Signs. Subject to the provisions of the Community Association Act and applicable law, no signs shall be erected or maintained in the Common Areas without the prior written consent of the Board; the Association may regulate and restrict signs in the Project, to the extent permitted by law, in the Rules and Regulations. "Signs" shall include any type of object including, without limitation, flags, billboards, banners, plaques, a-frames, easel signs, poly-bag signs, corrugated plastic signs, lawn signs, window signs used to convey a message, symbol, idea, identification, or for any other purpose that signs are typically used, that is placed in, on, or outside of a Living Unit with the apparent purpose, in whole or in part, of making it visible to people outside of the Living Unit.

8.9. 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 (2) domesticated dogs or cats shall be allowed on any one Lot 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 the Owner or Resident to remove their pet from the Project.

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

8.10.1. 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 on the Private Roads.

8.10.2. The parking Rules and Regulations adopted by the Board from time to time, including, without limitation, a fine schedule for violation of parking Rules and Regulations.

8.10.3. 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 to create an obstacle.

8.10.4. Unregistered or inoperable vehicles shall not be parked on a driveway or street and shall be screened from view.

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

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

8.11. Aerials, Antennas, and Satellite Dishes; External Fixtures. Aerials, antennas, and satellite dishes larger than one meter in diameter are prohibited. Aerials, antennas, and satellite dishes may not be installed on Common Areas. One antenna or satellite dish smaller than one meter in diameter may be installed within the Lot. The Association may create policies to create a hierarchy of preferred installation locations to protect the aesthetics of the Project. To the extent permissible by applicable law and the Governing Documents, no external items such as, but not limited to, television and radio antennas, satellite dishes, flag poles, clotheslines, wiring, air conditioning equipment, water softening equipment, fences, awnings, ornamental screens, screen doors, porch, patio, or balcony enclosures, sunshades, lighting fixtures, walls, windows, skylights, landscaping and plantings, other than those provided in connection with the original construction of the Project, shall be constructed, erected, or maintained on the Project without the prior written approval of the Board.

8.12. Utility Service. All lines, wires, or other devices for the communication or transmission of electric current of power, including telephone, internet, television and radio signals, shall be contained in conduits or cables installed and maintained underground or concealed in, under, or on buildings or other structures approved by the Board.

8.13. Temporary Structures. No structure of a temporary character, trailer, camper, tent, shack, garage, or other outbuilding shall be used or constructed on any Lot temporarily, unless first approved in writing by the Board.

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

8.15. 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 is in compliance with this Declaration. Nothing in this section shall affect the rights of the Declarant in amending subdivision plats prior to the Turnover Meeting.

8.16. Clothes Drying Facilities. Outside clotheslines or other outside facilities for cleaning, drying or airing clothes shall not be erected, placed or maintained on any Lot.

8.17. Unightly Items. All rubbish, debris, unsightly materials, or similar objects of any kinds shall be regularly removed from Living Units and shall not be allowed to accumulate therein or thereon. Refuse containers and machinery and equipment not a part of the Living Units, shall be prohibited in any Living Unit unless obscured from view of the roads or streets by location in the garage of the Living Unit or on the side of the Living Unit within the fenced garbage can enclosure. Refuse containers shall not remain curbside more than 24 hours after the date and time of pick-up by the municipal or private trash collection service. Trash and garbage shall be properly and promptly disposed.

8.18. Air Conditioning Equipment. All heating, ventilation, air-conditioning and other machinery, equipment, or fixtures associated with a Living Unit shall be screened from view of the roads or streets by fencing or other landscaping features approved by the Board.

8.19. Window Coverings. The Board may adopt Rules and Regulations requiring window covers, regulating the type, color, and design of window covers, and requiring prior approval of window coverings before installation. Absent Rules and Regulations permitting otherwise, only curtains, drapes, shades, shutters, and blinds may be installed as window covers. No window shall be covered by paint, foil, sheets, or similar items.

9.

MEMBERSHIP AND ASSOCIATION

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

9.2. Voting Rights. Voting is governed by the Bylaws and an Owner's voting rights are subject to suspension as set forth in Article 7.

9.3. 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.

9.4. Composition and Selection of Board. The Bylaws govern how the Board is established and selected.

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

10.

DECLARANT RIGHTS

10.1. Administrative Control of Association. Declarant shall assume full administrative control of the Association through an interim Board appointed by the Declarant, 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 Declarant sells the last Lot of which Declarant is considered the Owner. For purposes of calculating the date when Declarant sells its last Lot, a bulk sale of the Project to another Declarant shall be excluded, it being the intent of this provision that the Turnover Meeting shall be no later than three (3) years after Declarant, or its assigns or successors, sells the last Lot to a builder or owner to construct a Living Unit.

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

10.2. Other Rights. In addition to any other rights under the Governing Documents, as long as Declarant owns at least one (1) Lot within the Project, Declarant:

10.2.1. Sales Office and Model. Shall have the right to maintain a sales office and model on one or more of the Lots 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.

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

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

10.3. Easements Reserved to Declarant.

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

10.3.2. An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Project and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, internet, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

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

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

10.3.5. The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary

for the improvement of the Project in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Lot in any easement area set forth in this Declaration or as shown on the Map.

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

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

10.3.8. Declarant further reserves unto itself, for itself and any builder and their successors and assigns, the right, notwithstanding any other provision of this 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.

10.4. Assessment Rights. The Declarant shall have the right to set all Assessments, regular and special, prior to the Turnover Meeting. 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.

10.5. Assignment of Declarant Rights. Declarant may, at any time, by recording a written notice, assign or transfer all or some of its control, power, authority, or decision-making ability to the Association or any other Person or entity prior to the end Turnover Meeting. In the case of abandonment of the Project by the Declarant, the cessation of business by the Declarant, or the foreclosure of any undeveloped property that is subject to the provisions of this Declaration, the rights of the Declarant as provided for in this Declaration may be exercised by any owner of the undeveloped land within the Project, or to be expanded into the Project, or unfinished Living Units.

10.6. No Modification of Declarant Rights. Any Declarant rights in the Governing Documents, and specifically in this Article 10, shall not be substantively or procedurally altered without the written consent of the Declarant until fourteen (14) years have passed after the Turnover Meeting, at which time the Declarant's approval shall no longer be required. Any document or amendment attempted without obtaining proper consent shall be void ab initio to the extent it attempts to alter the rights of the Declarant or any provision of Article 10, without the consent of the Declarant. Any consent to waive, change, or alter any provisions of Article 10 by any future Declarant (as a result of any voluntary or involuntary assignment of Declarant rights) shall effect a change to those provisions only as to that Declarant and shall not be applicable to any prior Declarant without that prior Declarant's specific consent.

10.7. 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 Turnover Meeting 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 Turnover Meeting.

11.

COMPLIANCE AND ENFORCEMENT

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

11.2. 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 law or statute. Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved Owner.

11.3. Violation Constitutes Nuisance. The violation of the provisions of this Declaration is deemed to be a nuisance, and the Owner of the applicable Residential Lot, Unit or Townhome, on which the violation occurs is responsible for the removal or abatement of the nuisance .

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

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

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

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

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

11.4.5. The right of the Association to suspend the voting rights in the Association 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

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

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

11.6. Injunctive Relief. Nothing in this Article 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. The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative. Further, each Owner, by taking title to a Residential Unit or Townhome, acknowledges and agrees that because a breach of the Governing Documents will result in immediate and irreparable injury to the Association and its other members for which they will not have an adequate remedy at law, the Association, if any such breach shall occur, be attempted, or be threatened, shall be entitled to an order of specific performance and to a temporary and permanent injunction enjoining such breach and to any and all other remedies to which the Association may be entitled pursuant to the Governing Documents or applicable law, without posting bond or furnishing other security and without proving special damages or irreparable injury, together with an award of attorneys' fees.

11.7. 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. The Board shall have the authority to create a reasonable hearing process applicable in case the Association shall take adverse action related to any particular Owner or group of Owners or in case a hearing process is required by law. The Board shall not be under any obligation to offer a hearing process, except as required by law or by the Governing Documents, and in any such process, shall have the authority to designate the procedure related to any such hearing and to make any and all final determinations of issues subject to the hearing process. The Board may establish the hearing process on an as-needed basis for particular matters as they arise or may set forth a process in the Rules applicable generally to such matters that it designates. Any such hearing process shall provide, at a minimum for: (a) at least two weeks' notice of the hearing to the Owners, and (b) a reasonable time period under the circumstances for the Owner(s) to present their own testimony, the testimony of others, argument, authority, evidence, and other information the Owner deems relevant to the disputed issue.

11.8. Adopting and Enforcing Rules. The Association may adopt Rules for the regulation and operation of the Project. If Rules are adopted, they shall be consistently and uniformly enforced. The Rules may address any issues including those addressed in any other Governing Documents. The Rules may supplement, clarify, and add detail to issues or items addressed in the other Governing Documents so long as the Rules do not contradict the same. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive, subject to a judicial determination if any is timely sought. The standard for adoption of Rules is one of reasonableness. A Rule must be reasonable in light of the circumstances pertaining to the situation or issue addressed by the Rules.

11.9. Enforcement Rights. In addition to any other remedies allowed or provided in the Governing Documents for any violation of the Governing Documents, the Association may: (a) impose fines; (b) collect rents directly from tenants if Owners fail to pay Assessments; (c) suspend voting rights; and (d) take any other action or seek any other remedy allowed by the Act or other applicable Utah law.

11.10. Discretion in Enforcement,

11.10.1. Subject to the discretion afforded in this section, the Board uniformly and consistently shall enforce and implement the Governing Documents.

11.10.2. The Board shall use its business judgment to determine whether to exercise the Association's powers and authority granted herein and/or under the Act, including whether to (i) impose fines, (ii) pursue legal action for a violation of the Governing Documents, (iii) compromise a claim made by or against the Board or the Association; and (iv) pursue a claim for an unpaid Assessment.

11.10.3. Consistent with Subsection 11.9.2 of this Section, the Association may not be required to take enforcement action if, after fair review and acting in good faith and without conflict of interest, the Board determines that under the particular circumstances: (i) the Association's legal position does not justify taking any or further enforcement action; (ii) the covenant, restriction, or rule in the Governing Documents is likely to be construed as inconsistent with current law; (iii) a minor or technical violation has or may have occurred and the violation is not material as to a reasonable individual or does not justify expending the Association's resources; or (iv) it is otherwise not in the Association's best interests to pursue an enforcement action, based upon hardship, expense, or other reasonable criteria.

11.10.4. Subject to Subsection 11.9.3 of this Section, if the Board decides to forego enforcement, the Association is not prevented from later taking enforcement action.

11.10.5. The Board shall not be arbitrary, capricious, or act against public policy in taking or not taking enforcement action.

11.11. Litigation. Because litigation can be slow, expensive, uncertain, and negatively impact the property values within a community, the Association shall only enter into litigation by approval of Owners holding eighty percent (80%) of the voting rights of the Association except for litigation to collect Assessments, enforce the Governing Documents (including fines or curative measures), or to defend itself.

11.12. Waiver; No Limit on Remedies. The failure to take enforcement action shall not be construed as a waiver of the covenants contained in this Declaration in the future or against other similar violations. In addition, nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. These covenants are to be construed as being in addition to those remedies available at law.

12.

INSURANCE

12.1. Insurance Requirement. The Association shall obtain insurance as required in this Declaration and as required by the Act. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.

As used in this Article:

- (1) "Covered Loss" means a loss, resulting from a single event or occurrence that is covered by the Association's property insurance policy.
- (2) "Townhome Damage" means damage to a Townhome.
- (3) "Townhome Damage Percentage" means the percentage of total damage resulting in covered loss that is attributable to the Townhome Damage.

12.2. Property Insurance

(a) Hazard Insurance

(i) Blanket Policy of Property Insurance. The Association shall maintain a blanket policy of property insurance covering all Common Areas and attached Dwellings, which include the Townhomes. The Association shall not provide property insurance coverage for free-standing Dwellings that are not attached to other Dwellings. In such instances, the individual owners are responsible for their property insurance coverage.

(1) Any blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(b) Flood Insurance. If the property insured by the Association is not situated in a Special Flood Hazard Area, the Association may nonetheless, if approved by a majority of Owners, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

(c) Earthquake Insurance. The Association may nonetheless, if approved by a majority of Owners, purchase earthquake insurance to cover earthquakes not otherwise covered by blanket property insurance.

(d) Associations Obligation to Segregate Property Insurance Deductible. The Association shall keep an amount equal to the Association's property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.

(e) Association's Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Board of Directors determines that a claim is likely not to exceed the Association's property insurance policy deductible the Association need not tender the claim to the Association's insurer.

12.3. Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL Insurance insuring the Association, the agents and employees of the Association, and the Owner, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence.

12.4. Director's and Officer's Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). The policy shall:

- (a) Include coverage for volunteers and employees;
- (b) Include coverage for monetary and non-monetary claims;
- (c) Provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) Provide coverage for defamation. In the discretion of the Board of Amended and Restated Declaration of Covenants, Conditions & Restrictions for Hurricane Views Subdivision Page 27 of 36 Directors, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.

12.5. Insurance Coverage for Theft and Embezzlement of Association Funds. The Association may obtain insurance covering the theft or embezzlement of funds that shall:

- (a) Provide coverage for an amount of not less than the sum of three months regular assessment in addition to the prior calendar year's highest monthly balance on all operating and reserve funds; and
- (b) Provide coverage for theft or embezzlement of funds by:
 - (i) Officers and Board of Directors member of the Association;
 - (ii) Employees and volunteers of the Association;
 - (iii) Any manager of the Association; and
 - (iv) Officers, directors and employees of any manager of the Association.

12.6. Association's Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy shall be payable to the Association; and shall not be payable to a holder of a security interest. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association.

If the property is not to be repaired or restored, then any proceeds remaining after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Dwellings. Each Owner hereby appoints the Association, as attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and the execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power of attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representative, successors or assigns of an Owner.

12.7. Owner Act Cannot Void Coverage under Any Policy. An Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

12.8. Waiver of Subrogation against Owners and Association. All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.

12.9. Owners' Individual Coverage. **EACH OWNER SHOULD PURCHASE INDIVIDUAL INSURANCE COVERAGE IN THE AMOUNT RECOMMENDED BY THE OWNER'S INSURANCE AGENT.**

12.10. Damage and Destruction of Common Area.

12.10.1. Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Common Area, the Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

12.10.2. Any damage or destruction to insurable improvements on the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the Members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct.

12.10.3. If, in accordance with this Article, the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Project, which proceeds may be used or distributed as determined by the Board, in its discretion, or as otherwise provided in the Governing Documents.

12.10.4. If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board shall, without the necessity of a vote of the members, levy a special Assessment against all Owners in order to cover the deficiency.

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

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

12.13. Payment of Insurance Proceeds. With respect to any loss to the Common Areas covered by property insurance obtained by the Association, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any Mortgagee. The proceeds shall be disbursed for the repair or restoration of the damage to the Common Areas.

12.14. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Areas which is damaged or destroyed shall be repaired or replaced promptly by the Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the entire Common Areas is not repaired or replaced, insurance proceeds attributable to the damaged Common Areas shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall either: (i) be retained by the Association as an additional capital reserve; (ii) be used for payment of operating expenses of the Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Association Members representing more than fifty percent (50%) of the votes in the Association; or (iii) shall be distributed in equal shares per Association Membership to the Owners of each Residential Unit or Townhome as their interests appear. The proceeds attributable to limited common areas that are not rebuilt must be distributed to the Owner or Owners of those Residential Units or Townhomes to which those limited common areas were appurtenant, in proportion to such Owner's or Owners' respective interest in such limited common areas, or to Mortgagees, as their interests may appear.

12.15. Insurance of Party Walls; Waiver. By acceptance of a deed to a Residential Unit, each Owner hereby acknowledges his, her or its independent insurance obligations for

the respective Party Wall which constitutes a portion of the Owner's Townhome, and agrees to maintain in full force and effect "all-risk" property insurance with respect to the Townhome owned by such Owner. Such insurance shall be in an amount equal to at least 100% of the replacement cost of such Owner's Townhome exclusive of the cost of excavation, foundations and footings, and shall protect against loss or damage by fire, and all other hazards that are normally covered by the standard extended coverage endorsement. Each policy shall be carried with a company rated A or better in "Best's Insurance Guide", and each Owner shall provide a copy of the policy obtained by such Owner to the Board and the other Adjoining Owner and such policy shall require thirty (30) days notice to the Board and the other Adjoining Owner before the policy can be cancelled. All policy proceeds payable with respect to damage or destruction of the Party Wall shall be used by the Owners, to the extent necessary, to repair and restore the damage or destruction for which the proceeds are payable. Each Owner agrees to make such repair and restoration whether or not the policy proceeds are adequate for such purposes or whether or not the occurrence resulting in such damage or destruction is covered by insurance. Each Owner hereby waives any rights it may have against the other Adjoining Owner on account of any loss or damage to its Townhome which arises from any risk covered by fire and extended coverage insurance carried hereunder, whether or not such other Adjoining Owner may have been negligent or at fault in causing such loss or damage. Each Owner shall try to obtain a clause or endorsement in the policies of such insurance which each Owner obtains to the effect that the insurer waives, or shall otherwise be denied, the right of subrogation against the other Adjoining Owner for loss covered by such insurance. It is understood that such subrogation waivers may be operative only as long as such waivers are available in the State of Utah and do not invalidate any such policies. If such subrogation waivers are allegedly not operative in the State of Utah, notice of such fact shall be promptly given by the Owner obtaining insurance to the Board and the other Adjoining Owner. ...

13.

CONDEMNATION

13.1. Notice. Whenever all or any part of the Common Areas shall be taken or conveyed in lieu of and under threat of condemnation, each Member shall be entitled to notice of the taking, but the Association shall act as attorney-in-fact for all Members in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

13.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for all Members to be disbursed as follows: If the taking involves a portion of the Common Areas on which Improvements have been constructed, then, unless within sixty (60) days after such taking Members representing at least eighty percent (80%) of the total votes of the

Association shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Common Areas to the extent lands are available therefore, in accordance with plans approved by the Board. If such Improvements are to be repaired or restored, the provisions regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed to Members in proportion to their respective Membership Interests, first to the Mortgagees and then to the Members.

13.3. Complete Condemnation. If all of the Project is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Areas shall be distributed to Members based upon the relative value of the Residential Units or Townhomes prior to the condemnation

14.

AMENDMENT, DURATION AND TERMINATION

14.1. Amendments.

14.1.1. 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. The Board without Owner approval may amend this Declaration to correct spelling and grammatical errors.

14.1.2. 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, and is acknowledged and recorded in the Washington County Recorder's Office, Utah.

14.1.1. Declarant's Right to Amend. Until the Turnover Meeting, 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 Manager 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.

14.2. Duration; Termination. This Declaration shall continue in perpetuity unless and until (i) the Declarant files of a notice of termination in the office of the Washington County Recorder at any time prior to the Turnover Meeting, or (ii) the Members vote by not less than sixty-seven percent (67%) of all Members of the Association to terminate this Declaration and dissolve the Association. In the event this Declaration is terminated pursuant to this Section 13.2, this Declaration shall be terminated by recording a notice with the Washington County Recorder and the Association shall be dissolved in accordance with Utah law.

15.

MISCELLANEOUS PROVISIONS

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

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

15.3. 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.

15.4. 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, including, without limitation, the Common Areas. 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.

15.5. Covenants Run with the Land. This Declaration contains covenants which run with the land and create equitable servitudes. This 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.

15.6. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the person holding the office of President of the United States on the date this Declaration is Recorded.

15.7. No Partition. No Person acquiring any interest in the Property or any part thereof shall have a right to, nor shall any person seek, any judicial partition of the Common Areas, nor shall any Owner sell, convey, transfer, assign, hypothecate or otherwise alienate any funds or other assets of the Association except in connection with the sale, conveyance or hypothecation of such Owner's Townhome (and only appurtenant thereto), or except as otherwise expressly permitted herein. This Section shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring or disposing of title to real property (other than disposition of title to the Neighborhood Common Areas, which shall be subject this Declaration) which may or may not be subject to this Declaration.

15.8. Disclaimer of Representations. While the Association does not believe that any of the restrictive covenants contained in this Declaration is or may be invalid or unenforceable for any reason or to any extent, the Association does not make any warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Residential Unit in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by accepting a deed to the Residential Unit agrees to hold the Association harmless therefrom.

15.9. Bulk Service Agreements.

15.9.1. The Board, acting on behalf of the Association, shall have the right, power and authority to enter into one or more Bulk Service Agreements with one or more Bulk Providers (each of which terms is defined below), for such term(s), at such rate(s) and on such other terms and conditions as the Board deems appropriate, all with the primary goals of providing to Owners and Occupants of Residential Units both within the Property, or within one or more portions thereof, cable television, community satellite

television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or any concierge or other personal services; (a) which might not otherwise be generally available to such Owners and Occupants; (b) at rates or charges lower than might otherwise generally be charged to Owners and Occupants for the same or similar services; (c) otherwise on terms and conditions which the Board believes to be in the interests of Owners and Occupants generally; or (d) any combination of the foregoing.

15.9.2. If all Residential Units within the Property are to be served by a particular Bulk Service Agreement, the Board shall have the option either to: (a) include the Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the Annual Assessments for each such applicable year; or (b) separately bill to each Owner his, her or its proportionate share of the Association's costs under such Bulk Service Agreement, as reasonably determined by the Board, and with such frequency as may be determined by the Board, but no more often than monthly. Such "separate billing" may be made as one or more separate line items on billings or invoices from the Association to the affected Owner(s) for Assessments or other charges. If not all Residential Units or Townhomes within the Property will be served by a particular Bulk Service Agreement the Board shall have only the billing option described above.

15.9.3. No Owner of a Residential Unit or Townhome covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such Owner or such Owner's Residential Unit or Townhome under this Section, whether on the basis that such Owner does not use, accept or otherwise benefit from the services provided under such Bulk Service Agreement, or otherwise. However, the Board shall have the right, at its option, to exempt from payment of such amounts any Residential Unit upon which no Townhome or other Improvement has been completed.

15.9.4. "Bulk Provider" means a private, public or quasi-public utility or other company which provides, or proposes to provide, cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to Owners, Occupants, Townhomes within the Property, Residential Units or within one or more portions thereof, pursuant to a "Bulk Service Agreement" (as defined below).

15.9.5. "Bulk Service Agreement" means an agreement between the Association and a Bulk Provider pursuant to which the Bulk Provider would provide cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to Owners, Occupants or Residential Units, communication or security services, but nothing in this Section shall prevent the Board from entering into, or require approval by the Association Members of any Bulk Service Agreement which

imposes on the Association or the Association Members installation, connection, service charge or similar charges or fees which do not exceed those generally prevailing at the time within the greater Washington County, Utah, area, or which includes as a component of the monthly fee charged by the Bulk Provider amortization of some or all of its capital costs and related costs in providing services under the Bulk Service Agreement.

15.10. Reasonable Accommodations. Notwithstanding anything to the contrary in this Declaration, the Association, upon receipt of a written opinion from its counsel that such action is required, may make or permit reasonable accommodations or modifications to the Project that are otherwise prohibited by the Governing Documents, as required under Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) as amended, to accommodate an Owner or Occupant with a disability (as defined by federal law at the time the accommodation is requested). Reasonable accommodations or modifications may include modifications to a Residential Unit the Common Area, or deviations from provision of the Governing Documents. Any such modification and accommodation made under this section shall not act as a waiver of the provisions of the Governing Documents with regard to anyone else.

15.11. 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.

15.12. 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 tenant.

15.13. Taxes on Lots. Each Owner will pay all taxes which may be assessed against such Owner's Lot.

15.14. 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.

15.15. Conflicts. If this Declaration conflicts with the Community Association Act, the Community Association Act shall control. If this Declaration conflicts with the Map, the Map shall control. If this Declaration conflicts with the Bylaws, Articles, or Rules and

Regulations, this Declaration shall control. If the Articles conflict with the Bylaws, the Articles shall control.


15.16. No Representations and Warranties. EACH OWNER AND OCCUPANT UNDERSTANDS, AGREES, AND ACKNOWLEDGES THROUGH TAKING TITLE OR RESIDING IN THE PROJECT THAT THE ASSOCIATION AND THE BOARD HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND RELATED TO THE PROJECT AND THAT EACH OWNER OR OCCUPANT HAS NOT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO THE PROJECT.

[Remainder of Page Intentionally Omitted]

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the date first set forth above.

DECLARANT:

ZION SKYLINE RESORTS, LLC,
a Utah limited liability company

By: 
Name: Sterling Jones
Its: Manager

STATE OF UTAH)
)
) :SS.
COUNTY OF Washington)

On this 12 day of December, 2023, personally appeared before me Sterling Jones 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

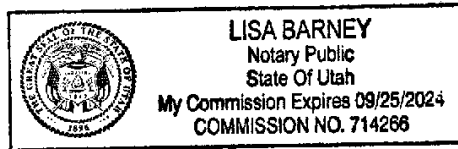


Exhibit A - Legal Description

All of Lots 1 through 37 of the Zion Hub Subdivision

Exhibit B – Map

[*See Attached* on Next Page]

Exhibit C-Bylaws of Zion Hub Owners Association

BYLAWS OF ZION HUB OWNERS ASSOCIATION

1.

BYLAW APPLICABILITY AND DEFINITIONS

1.1. Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of the Zion Hub 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 Zion Hub Subdivision, 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.

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, 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. 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 of which Declarant is considered the Owner.

2.7.3. 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.

2.7.4. 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 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.

3.

BOARD OF DIRECTORS

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

3.2. Selection and Term of Directors. Prior to the Turnover Meeting, Directors shall be appointed by the Declarant. After the Turnover Meeting, 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 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 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 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 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 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;

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 Project 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 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;

3.12.12. 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 Community Association 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.

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 may be compensated for their work if a professional HOA manager is not employed and 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:

(a) 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;

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

(c) By posting on the Association website; or

(d) 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.

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 Associations 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 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. These Bylaws are subordinate to any conflicting provisions in the Community Association 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.

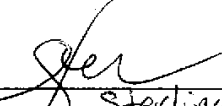
8.5. Captions. The captions contained in these Bylaws are for convenience only. The captions shall not be used to interpret, limit, or enlarge the provisions of these Bylaws.

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 executed and adopted these Bylaws on behalf of the Association.

DECLARANT:

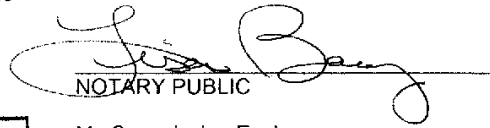
ZION SKYLINE RESORTS, LLC,
a Utah limited liability company

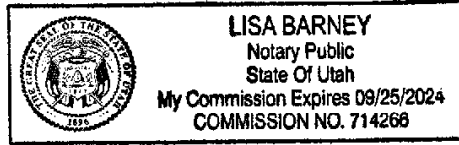
By: 
Name: Sterling Jones
Its: Manager

Tax I.D. No. H-ZH-1, H-ZH-2, H-ZH-3, H-ZH-4, H-ZH-5, H-ZH-6, H-ZH-7, H-ZH-8, H-ZH-9, H-ZH-10, H-ZH-11, H-ZH-12, H-ZH-13, H-ZH-14, H-ZH-15, H-ZH-16, H-ZH-17, H-ZH-18, H-ZH-19, H-ZH-20, H-ZH-21, H-ZH-22, H-ZH-23, H-ZH-24, H-ZH-25, H-ZH-26, H-ZH-27, H-ZH-28, H-ZH-29, H-ZH-30, H-ZH-31, H-ZH-32, H-ZH-33, H-ZH-34, and H-ZH-35

STATE OF Utah)
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) :ss.
COUNTY OF Washington)

On the 12 day of December, 2023, personally appeared before me, Sterling Jones, who being by me duly sworn, did say that he/she is the Manager of Zion Skyline Resorts, LLC, a Utah Limited Liability Company, and that said instrument was signed by them in behalf of said limited liability company by authority of statute, its articles of organization or its operating agreement, for the uses and purposes herein mentioned, and said Sterling Jones acknowledged to me that said limited liability company executed the same


NOTARY PUBLIC



My Commission Expires:

9/25/24