When recorded return to:

Legacy Mountain Estates, LLC
3718 Wolf Creek Drive
Eden, UT 84310

DECLARATION

OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

LEGACY MOUNTAIN ESTATES

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THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR LEGACY MOUNTAIN ESTATES ("**Declaration**") is made as of _____, 2021 by LEGACY MOUNTAIN ESTATES, LLC, a Utah limited liability company ("**Declarant**") in order to govern the common affairs of the Association's members, protect property values and enforce the covenants, conditions, restrictions and rules of the Association.

RECITALS

A. This Declaration shall be recorded against that certain real property located in Weber County, Utah more particularly described under Exhibit "A", which is attached hereto and incorporated herein by this reference (the "**Property**").

B. The Property is located in an area of unique natural beauty, featuring distinctive terrain, flora and fauna;

C. Declarant is the owner of the Property.

D. By subjecting the Property to this Declaration, it is the desire, intent and purpose of Declarant to create a low density, luxury home, residential community in which the beauty of the surrounding area will be sensibly and reasonably preserved, which will enhance the desirability of living in and on the Property subject to this Declaration, and which will increase and preserve the attractiveness, quality and value of the real property and improvements located thereon.

E. Declarant intends to develop upon the Property a residential community that includes Dwellings, Common Improvements and other improvements located on individually-owned Lots and on Association-owned Common Area, all as more particularly described in the Governing Documents.

F. Declarant intends to sell to various purchasers fee title to the individual Lots contained within the Project and also transfer to such purchaser a membership in the Association, subject to the Plat Map(s), and also subject to the rules, regulations, covenants, conditions, and restrictions set forth in the Governing Documents, as that term is defined below.

G. By recording this Declaration in the Recorder's Office, Declarant desires and hereby submits the Property, and all improvements now or hereafter constructed thereon, to the provisions of this Declaration and the provisions of the Utah Community Association Act.

DECLARATION

It is acknowledged and agreed, by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment regarding any portion of the Project, that the Governing Documents are intended to impose covenants, conditions, restrictions, and reservations effecting a common plan for a residential subdivision that is mutually beneficial to all of the Lots, and that any and all rules, regulations, covenants, conditions, restrictions, reservations and common plans set forth under the Governing Documents are binding upon the entire Project, and upon the Owner of each Lot, as well as their tenants, guests, invitees, heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Lot or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or the sale of such Lot under any security instruments or similar documents.

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, Declarant hereby declares that the foregoing Recitals are true, accurate, and correct and are incorporated herein by reference, and hereby makes the following Declaration:

ARTICLE 1 – DEFINITIONS

The following words when used in the Governing Documents and/or the Plat Map(s) (unless the context otherwise requires) shall have the following meanings:

1.1 "**Acts**" collectively means and refers to the Utah Community Association Act (Utah Code Section 57-8a-101 *et. seq.*), and the Utah Revised Nonprofit Corporation Act (Utah Code Section 16-6a *et seq.*) as each such Act may be supplemented or amended from time to time.

1.2 "**Additional Charges**" collectively means and refers to all collection and administrative costs, including but not limited to all attorney's fees, late charges, accruing interest, service fees, filing and recordation fees, and other expenditures incurred or charged by the Association.

1.3 "**ADU**" or "**Accessory Dwelling Unit**" means and refers to a "dwelling unit" that is incidental and accessory to the Dwelling, as that term is defined under this Declaration. As used in this Section 1.3, the term "dwelling unit" means any building or portion thereof that contains any living facilities (e.g. sleeping quarters and/or kitchen/cooking area in addition to any bathroom).

1.4 "**Articles**" means and refers to the Articles of Incorporation of Legacy Mountain Owners Association, a Utah nonprofit corporation, which were filed with the Utah Division of Corporations on May 19, 2021, as such Articles may be amended.

1.5 "**Assessment**" means and refers to any charge imposed or levied by the Association on or against any Owner or Lot pursuant to the provisions of the Governing Documents or any applicable law, including Annual Assessments, Special Assessments, Reimbursement Assessments, and any other Assessments which may be applicable to one or more Owners.

1.6 "**Association**" means and refers to Legacy Mountain Owners Association, or any other entity as the Association may be known and identified by the business entity records of the Utah Division of Corporations and Commercial Code of the Utah Department of Commerce.

1.7 "**Board of Directors**" or "**Board**" means and refers to the governing board of the Association vested with the authority to manage and maintain the Project and to enforce the Governing Documents.

1.8 "**Bylaws**" means and refers to the Bylaws of the Association, as they may be amended from time to time, which are attached to and made part of this Declaration as Exhibit "B".

1.9 "**Common Area(s)**" means, refers to, and includes:

(a) Any real property included within the Project that is held or owned by the Association, whether held or owned in leasehold or in fee simple, excluding any Lots and any Primary Roads that have been dedicated for public use, if any;

(b) All Common Improvements constructed on any Common Areas;

(c) Those portions of the Project that are owned, operated, controlled and/or managed by the Association for the common benefit and use of the Owners including, without limitation, any open spaces, cul-de-sac islands, parking areas, storm water detention areas, storm drains and drainage easement areas that may be transferred or dedicated to the Association pursuant to any Plat Map or any other recorded document;

(d) All portions of the Project that may be designated or described as Common Area pursuant to the Governing Documents and/or the Plat Maps;

(e) All other portions of the Project that are normally in common use by one or more Owners, or that are necessary or convenient to the Project's use, existence, maintenance, safety, operation and/or management.

1.10 "**Common Area Landscaping**" means and refers to any Landscaping located on any Common Area. Common Area Landscaping is a Common Improvement, as defined under Section 1.13.

1.11 "**Common Expenses**" means, refers to and includes:

(a) Any sums lawfully assessed against all of the Owners;

(b) Expenditures lawfully made or incurred by or on behalf of the Association for the administration, maintenance, repair, or replacement of the Common Areas and/or any Common Improvements;

(c) Administrative costs and expenses incurred by the Board in creating, revising, interpreting or enforcing the Governing Documents;

(d) Any sums that may be required by the Board and/or the Manager in order to perform or exercise their functions, duties, or rights under the Acts or the Governing Documents;

(e) Any costs or expenses related to the operation, management and regulation of the Project;

(f) Any other expenses lawfully and reasonably allocated by the Board among the Owners;

(g) Any sums deemed by the Board as necessary to address any budget deficit(s) remaining from any previous fiscal year(s);

(h) Any amounts deemed by the Board as necessary to create and/or maintain an adequate Reserve Fund, provided such amounts are itemized and funded via the Reserve Fund Line Item; and

(i) Any other expenses that are identified or defined as Common Expenses under the Acts or the Governing Documents.

1.12 "**Common Expense Fund**" means and refers to that fund more particularly described under Section 12.3, which is to be used to cover ordinary expenses related to or arising out of the administration, maintenance, and management of the Association and Project including, without limitation, the Common Expenses and those expenses that are more particularly described under Section 4.3 of this Declaration.

1.13 "**Common Improvements**" means, refers to, and includes any infrastructure, facilities, equipment and/or improvements located within the Project that: (a) the Association intends to be used by all Owners or more than one Owner; and (b) have been recognized and identified as a Common Improvement by either: (x) this Declaration; (y) a majority of the Board; or (z) a Majority of the Owners.

As used in this Declaration, the term "**Common Improvements**" shall include, for example but without limitation, the following improvements located within the Project: (i) mailbox banks, (ii) Project signage or monuments; (iii) any accent lighting or decorative fencing that may be installed and/or maintained by the Association; (iv) Irrigation/Sprinkler Systems located on any Common Areas, (v) Common Area Landscaping and related improvements, such as any planters, pergolas, and gazebos the Association may install on any Common Areas, (vi) Secondary Roads, (vii) Trails, and (viii) any other facilities or amenities located within the Project that the Declarant or the Association intends to be used or enjoyed by all Owners or more than one Owner.

As set forth under Section 8.3, the Primary Roads shall also be identified as Common Improvements unless and until the Primary Roads are dedicated as public roadways.

1.14 "**Community Act**" means and refers to the Utah Community Association Act (Utah Code Section 57-8a-101 *et. seq.*) as may be supplemented or amended from time to time.

1.15 "**County**" means and refers to Weber County, located in the State of Utah.

1.16 "**Declarant**" means and refers to Legacy Mountain Estates, LLC, a Utah limited liability company, including its successors and/or assigns.

1.17 "**Declaration**" means and refers to this Declaration of Covenants, Conditions, and Restrictions, as may be amended or supplemented from time to time.

1.18 "**DRB**" means and refers to the Design Review Board as more particularly described under Article 9 and other provisions of this Declaration.

1.19 "**Dwelling**" means and refers to the single-family residential structure that has been built or may be built on any Lot, including the attached garage, if any. As used in this Declaration, the term "Dwelling" does not include any "Secondary Structures," as that term is defined in this Declaration.

1.20 "**Dwelling Improvements**" means and refers to any permanent Dwelling-related improvements that are attached to, and are an integral part of, any Dwelling, such as driveways, walkways, steps, porches, patios, decks and similar permanent improvements. Dwelling Improvements also include any fences or walls located on any Lot. Dwelling Improvements do not include any Outdoor Owner Amenities, Irrigation/Sprinkler Systems or Lot Landscaping.

1.21 "**Dwelling Location**" means and refers to the location where the Dwelling and any Dwelling Improvements have been constructed or installed. The boundaries of the Dwelling Location are determined by the foundation of the Dwelling and the outermost edge of any part of any Dwelling Improvement that touches the ground. The DRB must approve the Dwelling Location prior to the commencement of construction or installation of any Dwelling or Dwelling Improvements.

1.22 "**Eligible Mortgagee**" means and refers to any mortgagee, beneficiary under a trust deed, or lender who has requested written notice of certain matters from the Association in accordance with this Declaration.

1.23 "**Governing Documents**" means and refers to this Declaration, the Bylaws, the Rules and Regulations of the Association, as well as the Design Guidelines or any other building and design standards as may be approved and published by the DRB, as such documents may be amended or supplemented from time to time.

1.24 "**Improved Lot**" means and refers to any Lot upon which construction of a Dwelling has been completed as solely evidenced by the County's issuance of a Certificate of Occupancy, regardless of whether or not installation of the Lot Landscaping has been completed.

1.25 "**Irrigation/Sprinkler Systems**" means and refers to any and all secondary water irrigation/sprinkler systems located on any portion of Common Areas. Irrigation/Sprinkler Systems include any and all pipes, valves, spigots, sprinkler heads, regulators, stations, timers or other components or devices that comprise such irrigation/sprinkler systems. All Irrigation/Sprinkler Systems shall be deemed Common Improvements.

1.26 "**Landscaping**" means and refers to vegetation and flora such as, for example, grass, lawns, flowers, plants, hedges, shrubs, bushes, trees, or any other similar vegetation or flora. All Landscaping located within the Project is identified as either Lot Landscaping or Common Area Landscaping.

1.27 "**Lot**" means and refers to any parcel of real property legally described and identified by lot numbers and/or letters as shown on a Plat Map.

1.28 "**Lot Landscaping**" means and refers to any Landscaping located on any Lot.

1.29 "**Majority of the Owners**" – Unless otherwise clearly set forth in this Declaration or in any other Governing Documents, the phrase "Majority of the Owners" shall mean and refer to more than 50% of the Owners of all Lots located within the entire Project.

As set forth under Section 3.3, the vote for each Lot must be cast as a single vote. Accordingly, if a Lot is owned by more than one Owner, the co-Owners of such Lot will be deemed as one Owner for the purpose of determining whether a Majority of Owners have approved or disapproved a particular matter that is being voted upon by all Owners in the entire Project.

1.30 "**Manager**" shall mean and refer to any person and/or entity that may be retained by the Association to manage, operate and/or maintain the Project by, among other matters, enforcing the Governing Documents. The obligations, duties and authority of the Manager shall be set forth in a written agreement that has been adopted and signed by the Manager and by the Board on behalf of the Association. The Association shall not be obligated to retain the services of a Manager. The decision of whether to retain such services will be made by the Board. The term "Manager" shall not refer to any person and/or entity (*e.g*. property manager, rental management company, etc.) that may be retained by any Owner to manage or oversee that Owner's Dwelling or Lot.

1.31 "**Member**" shall mean and refer to the Owner of a Lot (whether or not the Dwelling located on such Lot serves as the Owner's primary residence). Each Member is entitled to participate in decisions made by the Association. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. The term "Owner" and "Member" shall be deemed as synonymous under the Governing Documents.

1.32 "**Mortgage**" means any mortgage or deed of trust encumbering any Dwelling or Lot and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that an instrument evidencing any such mortgage, deed of trust or other form of security instrument or arrangement has been recorded with the Recorder's Office. The term "Mortgage" shall not mean or refer to an executory contract of sale.

1.33 "**Mortgagee**" means the person or entity secured by a Mortgage, or the holder of the mortgage or deed of trust on a Lot. The term "Mortgagee" shall not mean or refer to a seller under an executory contract of sale.

1.34 "**Nonprofit Corporation Act**" means and refers to the Utah Revised Nonprofit Corporation Act (Utah Code Section 16-6a *et seq.*) as may be supplemented or amended from time to time.

1.35 "**Owner**" shall mean and refer to the owner(s) of record of any Lot (and the Dwelling constructed upon such Lot, if any) according to the Recorder's Office. As used in this Declaration, the term "Owner" does not include a mortgagee, a beneficiary or trustee under a deed of trust, or any other person or entity holding a security interest in a Lot (and Dwelling constructed upon such Lot, if any) unless and until such party has acquired title to the Lot (and the Dwelling constructed upon such Lot, if any) pursuant to foreclosure or any arrangement or proceeding in lieu thereof. The term "Owner" and "Member" shall be deemed as synonymous under the Governing Documents.

1.36 "**Owner Improvements**" shall collectively mean and refer to Dwellings, Dwelling Improvements, Secondary Structures, Secondary Structure Improvements, Outdoor Owner Amenities, and any Lot Landscaping.

1.37 "**Outdoor Owner Amenities**" means and refers to any outdoor property or equipment that may be owned, leased or controlled by an Owner or such Owner's family member, tenant or agent including, for example, but without limitation: (a) outdoor recreational equipment such as playground sets, swing sets, jungle gyms, trampolines, volleyball nets, basketball backboard and/or pole systems, and similar recreational equipment; (b) hot tubs, Jacuzzis, or similar items (c) temporary or permanent barbeques, fire pits, and firebowls, (d) patio heaters, canopies, awnings, benches, picnic tables, patio furniture, hammocks, or patio or courtyard lighting; and (e) any other similar outdoor property or equipment.

The term "Outdoor Owner Amenities" includes any such property or equipment that an Owner (or any Owner's family member, tenant or agent) may temporarily or permanently construct, store or install on any Lot. The term Outdoor Owner Amenities does not include any Dwelling Improvements or any Lot Landscaping.

1.38 "**Percentage Interest**" means and refers to the percentage of undivided ownership interest of each Lot Owner in the Common Area of the entire Project. The Percentage Interest of each Lot Owner shall be calculated by dividing the number "1" by the total number of Lots in the Project.

1.39 "**Period of Declarant's Control**" means and refers to a period of time commencing on the date this Declaration is recorded and terminating upon the occurrence of the earliest of the following events:

(a) One year after a Certificate of Occupancy has been issued for the final Dwelling that is constructed within the Project; or

(b) the date upon which Declarant has recorded an instrument voluntarily surrendering all rights to control the Association.

As used in this Declaration, the term Period of Declarant's Control is synonymous with the phrase "period of administrative control" as that phrase term is used throughout the Community Act.

1.40 "**Plat Map(s)**" means any record of survey map of the Project (or any portion thereof) as approved by Weber County and recorded in the Recorder's Office, including any maps that may be prepared and recorded as a substitution to or amendment of any such record of survey maps. The Plat Map(s) and all matters shown thereon are incorporated into this Declaration by this reference.

1.41 "**Primary Roads**" means and refers to those roads located within the Project that provide the primary means of entering and exiting the Project, and provide direct access to each of the Lots located within the Project.

As described under Section 8.3, as of the Recording Date, the Primary Roads are privately owned and maintained by the Association as Common Improvements for the benefit of the Owners. As further described under Section 8.3, the Primary Roads may possibly, at a future date, be dedicated as public roadways. Neither the Declarant nor the Association makes any representations whatsoever as to whether the Primary Roads may, at any future date, be dedicated as public roadways.

1.42 "**Property**" means and refers to that certain real property that comprises the Project as of the Recording Date, as described and set forth under Exhibit "A" which is attached to and made part of this Declaration.

1.43 "**Project**" means and includes all of the Property, including any and all Lots, Common Area, Primary Roads and Secondary Roads. The Project also includes any Common Improvements, Dwellings, Dwelling Improvements and Outdoor Owner Amenities located on such real property, as well as all easements, rights, and appurtenances belonging thereto. The name of the Project is "Legacy Mountain Estates."

1.44 "**Recorder's Office**" means the Recorder's Office of Weber County, State of Utah.

1.45 "**Recording Date**" means and refers to the date this Declaration is recorded in the Recorder's Office.

1.46 "**Reserve Fund**" collectively means and refers to those funds that are identified and described under Section 12.6, which are to be used to pay the cost of repairing, replacing, and/or restoring Common Area, including certain Common Improvements that have a useful life of three (3) years or more.

1.47 "**Rules and Regulations**" or "**Rules**" means and refers to any rules and/or regulations that may be adopted, passed, amended, revised and/or enforced by the Board from time to time that are deemed by the Board as necessary for the Owners' use and enjoyment of the Project.

1.48 "**Secondary Roads**" means and refers to those roads located within the Project that provide a secondary/emergency means of entering and exiting the Project. The Secondary Roads are Common Improvements.

1.49 "**Secondary Structures**" means and refers to any structure that is not physically attached to the Dwelling, including an accessory building (*e.g.* garage, shed, storage building, etc.) or any Accessory Dwelling Unit or "ADU," as defined and addressed under the Weber County Land Use Code.

1.50 "**Secondary Structure Improvements**" means and refers to any permanent Secondary Structure related improvements that are attached to, and are an integral part of a Secondary Structure, such as steps, porches, patios, decks and similar permanent improvements. Secondary Structure Improvements do not include any Outdoor Owner Amenities or any Lot Landscaping.

1.51 "**Secondary Structure Location**" means and refers to the location where the Secondary Structure and any Secondary Structure Improvements have been constructed or installed. The boundaries of the Secondary Structure Location are determined by the foundation of the Secondary Structure and the outermost edge of any part of any Secondary Structure Improvement that touches the ground. The DRB must approve the Secondary Structure Location prior to the commencement of construction or installation of any Secondary Structure or Secondary Structure Improvements.

1.52 "**Vacant Lot**" means and refers to any Lot upon which construction of a Dwelling has not been completed. A Lot shall cease to be a "Vacant Lot" immediately upon the completion of construction of a Dwelling on such Lot as solely evidenced by the County's issuance of a Certificate of Occupancy, regardless of whether or not installation of the Lot Landscaping has been completed.

ARTICLE 2 – DESCRIPTION OF PROJECT

The purpose of this Article 2 is to provide certain information required under Section 57-8a-212 of the Community Act.

2.1 Project

The name of the Project is "Legacy Mountain Estates".

2.2 Association

The name of the Association is "Legacy Mountain Estates Owners Association" which shall govern the entire Project.

2.3 Description and Location

The legal description of the land that comprises the Project is set forth under Exhibit "A" to this Declaration. The entire Project is located within Weber County in the State of Utah.

2.4 No Cooperative or Condominiums

The Project is not a cooperative, and no portion of the Project contains or will contain any condominiums.

2.5 Common Area / Limited Common Area

The Project shall include Common Area as depicted on the Plat Map and as more particularly described in this Declaration. The Project does not include any Limited Common Area.

2.6 Common Improvements

As of the Recording Date, the Project is intended to include the following Common Improvements: open space, hiking and mountain biking trails, benches and picnic areas. Declarant may, but is under no obligation, to construct any other Common Improvements or any similar amenities as part of the Project.

As set forth under Section 1.13 of this Declaration, the Common Improvements of the Project may include Irrigation/Sprinkler Systems and Common Area Landscaping.

2.7 Appointment of Trustee

Metro National Title ("**Metro**") located at 1366 South Legend Hills Drive, Suite #140, Clearfield, UT 84015 is hereby appointed and designated as the trustee for purposes of enforcing and securing payment of Assessments pursuant to Utah Code Sections 57-1-20 and 57-8a-302. Declarant hereby conveys and warrants pursuant to Utah Code Annotated Sections 57-1-20 and 57-8a-302 to Metro, with power of sale for the purpose of securing payment of Assessments under the terms of this Declaration and any amendment or supplement thereto. Declarant may at any time before the end of the Period of Declarant's Control (as defined in the Bylaws), or the Association after the end of the Period of Declarant's Control, appoint a successor trustee at any time by filing a notice in the office of the Recorder pursuant to Utah Code Section 57-1-22.

ARTICLE 3 - HOMEOWNERS' ASSOCIATION

3.1 Form of Association

The Association is a Utah nonprofit corporation organized under the laws of Utah.

3.2 Membership

3.2.1 Qualification. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association.

3.2.2 Transfer of Membership. Each Owner's Association membership shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer of any Association membership shall be void. Any transfer of title to a Lot shall automatically transfer to the Lot's new Owner the membership in the Association that is appurtenant to such Lot.

3.2.3 Mandatory Membership. The Owner of each Lot is required to be a Member of the Association. Likewise, each purchaser of a Lot, by virtue of accepting a deed or other document of conveyance thereto, shall automatically become a Member of the Association. Membership may not be partitioned from the ownership of any Lot.

3.2.4 No Membership for Tenants or Lessees. Limited membership privileges shall be extended to the tenants and lessees of Dwellings as provided for in the Governing Documents, but tenants and lessees shall not be Members nor shall they have the right to vote.

3.3 Voting

3.3.1 Number of Votes. The total collective voting power of the Owners shall be equal to the total number of Lots that comprise the Project. The Owner(s) of any one Lot shall be entitled to one (1) vote.

3.3.2 Voting Owner. There shall be one "voting representative" for each Lot. If a person owns more than one Lot, that person shall have the votes for each Lot owned. For any Lot held in trust, the Owner shall be the acting trustee of the trust at the time. The voting representative for a particular Lot shall be designated by the Owner (or all Owners) of such Lot by written notice to the Board, and need not be an Owner of that Lot. The designation shall be revocable at any time by written notice to the Board from the voting representative or from any party holding an ownership interest in the subject Lot. This power of designation and revocation may be exercised by the guardian of the Owner of a Lot, as well as the administrators or executors of an Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. Notwithstanding any other language of this Section 3.3.2, any written notice that a particular individual has been designated as the "voting representative" for a particular Lot shall expire two (2) years after the date posted on such written notice or the date the written notice was received by the Board, whichever date is earlier. Upon such expiration, the voting representative for such Lot must, again, be designated by the Owner (or all Owners) of such Lot by written notice to the Board.

3.3.3 Joint Owner Disputes. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event the joint Owners of any Lot are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

3.3.4 Pledged Votes. In the event the record Owner or Owners of any Lot have pledged their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendor under a duly recorded real estate contract, only the vote of such mortgagee, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with such a pledge has been filed with the Board.

3.3.5 Notice of Owners' Vote. As permitted under Section 57-8a-214 of the Community Act, the Association may provide all Owners notice of any vote of the Owners via the following electronic means: email or the Association's website (if the Association chooses to establish and maintain such a website). The Association may not utilize text message or any other electronic means of delivering such notices. Notwithstanding the previous sentence, an Owner may, by written demand to the Board, require that the Association provide such Owner with notice of any vote of the Owners via regular U.S. mail at the Owner's mailing address that is on file with the Association. If no mailing address for the Owner has been filed with the Association, the Association shall deliver notice of any vote of the Owners to the physical address of the Owner's Lot and/or Dwelling.

3.3.6 Mail-In Ballots. In any instance where voting on a matter is permitted or required herein, such vote may be carried out without a meeting by mail-in ballot sent to all Owners entitled to vote on the matter pursuant to the applicable procedure set forth in the Bylaws, and the approval of a majority of the votes actually cast shall be sufficient to approve such matter, except where a different threshold is specifically required herein.

3.3.7 Online/Electronic Mail Voting. Unless otherwise prohibited by the Acts, with regard to matters that must be submitted to a vote by all or any portion of the Owners, the Association may utilize online balloting as provided and administered through a reputable third party online/website service. The Association may not send an email to Owners requesting that they vote by replying to the email. The Association may, however, email a scanned copy of the ballot to Owners and permit the Owners to either mail the completed ballot back to the Association, or email a scanned copy of the completed ballot, back to the Association. Notwithstanding any other provision of this Declaration, the Association must mail to, and receive from, all Owners a hardcopy ballot for any vote related to an amendment to this Declaration. Any such vote related to an amendment of this Declaration may not be administered via email or an online/website service. All other matters, including for example and without limitation, the election of Board members or the approval of a Special Assessment may be administered via email or an online/website service.

3.4 Association Bylaws

3.4.1 Adoption of Bylaws

Bylaws for the administration of the Association and the Project and for other purposes not inconsistent with the Acts or with the intent of this Declaration, have been adopted by the Association and a copy of such Bylaws is attached to and made part of this Declaration as Exhibit "B".

3.4.2 Bylaws Provisions

The Bylaws may contain supplementary provisions, not inconsistent with this Declaration, regarding the operation and administration of the Project. The Bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the Project.

3.5 Attorney in Fact

Each Owner, by the mere act of becoming an Owner or contract purchaser of a Lot, irrevocably appoints the Association as such Owner's attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association, including but not limited to the duties to manage, operate, maintain, repair and improve the Project, to negotiate with insurance carriers upon damage or destruction to certain portions of the Project, and to secure insurance proceeds.

ARTICLE 4 – BOARD OF DIRECTORS

4.1 Board Purpose

Administrative, management, and enforcement authority of the Association is vested in the Board, which shall be elected by the Owners pursuant to the Bylaws. The Board, for the benefit of the Association and the Owners, shall administer, manage and enforce the provisions of the Governing Documents and shall have all powers and authority permitted to the Board under the Acts and the Governing Documents. The Board shall elect officers from among the Board members pursuant to the Bylaws. The Board may delegate all or any portion of the Board's authority to a Manager, if any, or in such other manner as may be permitted under the Governing Documents.

4.2 Board Approvals

Any actions requiring Board approval under the Governing Documents including, without limitation, any actions the Board is permitted to take or approve without prior approval of the Owners (such as, for example, the imposition of certain Special Assessments per Section 13.4 of this Declaration) must be adopted and approved by a majority vote of the Board (*i.e.* more than half of the Board members).

4.3 Board Authority

4.3.1 The Board shall acquire and shall pay for out of the Common Expense Fund any goods and services required for the proper functioning of the Association and the Project, including but not limited to the following Common Expenses:

(a) Utilities. Water, sewer, garbage collection, electrical, telephone, gas and any other utility service as may be necessary for the Common Area or any Common Improvement.

(b) Insurance. Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, fidelity of Association officers and Association agents or employees, and director's and officer's liability or errors and omissions, as such policies are more fully described and required in this Declaration and in the Bylaws.

(c) Management Services. The services of persons or firms as required to properly manage and operate the affairs of the Association and/or the Project to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, and the maintenance, repair or replacement of any Common Improvements, whether or not such personnel are employed directly by the Board or are furnished or employed by a Manager, if any Manager is retained by the Board as set forth in this Declaration.

(d) Professional Services. Legal and accounting services necessary or proper in the management and operation of the Association's affairs, administration of the Project, or the interpretation, modification, or enforcement of the Governing Documents.

(e) Common Area Maintenance Services. Maintenance, restoration, replacement and/or repair of the Common Area and Common Improvements as the Board shall determine as necessary and proper.

(f) Materials, Supplies. Materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in the Board's reasonable opinion shall be necessary or proper for the operation of the Project or for the enforcement of the Governing Documents; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular Lots or their Owners, the cost thereof shall be charged to the Owner(s) of such Lots via Special Assessment.

(g) Personal & Real Property. Acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interest therein, and dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the Owners in the same proportion as their Percentage Interest, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the Association as the Board may direct. The Board shall not, however, in any case acquire real property or personal property (other than for purposes of restoring, repairing or replacing portions of the Common Area or any Common Improvements) valued in excess of Ten Thousand Dollars ($10,000) by lease or purchase without approval of a Majority of the Owners.

(h) Lien Discharge. Pay any amount necessary to discharge any lien or encumbrance levied against the Project or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Project or against the Common Areas or any Common Improvement, rather than merely against the interest therein of any particular Owner(s). Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the Owners and the Lot responsible to the extent of their responsibility.

4.3.2 Not for Profit. Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all or any of the Owners.

4.3.3 Right to Contract. The Board shall have the right to contract for all goods and services on behalf of the Association, payment of which is to be made from the Common Expense Fund. The Board may, but shall not be required to, delegate such powers to a Manager subject to the terms and conditions of the Governing Documents.

4.3.4 Common Area Entry by Board. The Board and its agents or designees (including the Manager, if any) may enter any portion of the Common Area from time to time in order to perform and discharge the responsibilities, duties and obligations of the Association pursuant to the Governing Documents.

4.3.5 Association Use of Third Parties. The Association may hire qualified individuals or entities to perform the Association's obligations with regard to the maintenance, repair and/or replacement of Common Area and Common Improvements. The Association must enter into a written agreement with such individuals or entities, and they must be fully bonded and must be properly insured consistent with the advice and/or requirements of the Association's insurance agent or provider.

ARTICLE 5 – RESTRICTIONS AND REQUIREMENTS FOR DWELLINGS / SECONDARY STRUCTURES

5.1 Dwellings

5.1.1 Number of Dwellings. Only one Dwelling may be constructed on each Lot.

5.1.2 Dwelling Placement. The entire Dwelling (including any attached garage, porches, decks or balconies) must be located within the boundaries of the Dwelling Location, as approved by the DRB.

5.1.3 Dwelling Location. Each Dwelling Location must be approved by the DRB. The DRB shall endeavor to position the Dwelling Location such that (A) view corridors are reasonably preserved consistent with Subsection 5.1.4, and (B) an appropriate limit on Lot coverage is maintained. The DRB shall make the final determination regarding each Dwelling Location, including whether the Dwelling Location reasonably complies with applicable provisions of the Governing Documents, including the Design Guidelines. Notwithstanding the DRB's right to approve each Dwelling Location, the DRB's approval of the Dwelling Location may be significantly determined and/or restricted by factors that are beyond the DRB's control such as the topography of the Lot, applicable setbacks, and/or restrictions imposed by the County.

5.1.4 View Corridors – Dwellings. The DRB shall make a reasonable effort to select and approve Dwelling Locations that minimize interference with the views from other Lots. Since the DRB cannot completely prevent diminished or obstructed views, in the event of any dispute between Owners regarding Dwelling Locations and views, the DRB will attempt to address each Owner's concerns, but each Owner will be expected to reasonably cooperate and compromise regarding their respective objectives. The Owners will be bound by the DRB's decision regarding any such dispute. The DRB will prioritize views from Dwellings over the views from any Secondary Structures.

5.1.5 No View Easements – Dwellings. No provision of this Declaration shall be construed to grant any view easements that burden or benefit any Lot or any Dwelling located on such Lot.

5.1.6 Aesthetics & Architectural Standards – Dwellings. All Dwellings must comply with the Project's aesthetical requirements and architectural standards as set forth in the Design Guidelines.

5.1.7 Dwelling Size/Square Footage. The DRB must approve the size and square footage of each Dwelling. Subject to the DRB's determination of appropriate Lot coverage as required under Subsection 5.1.3, the total square footage of each Dwelling is intended to be no less than 4,000 square feet, including the square footage of the garage, and no greater than 25,000 square feet, including the square footage of the garage. Regardless of whether or not the garage is attached to the Dwelling, the size and square footage of the garage must be reasonable relative to the size and square footage of the Dwelling, as determined by the DRB. Under any circumstances, the garage absolutely must not exceed 50% of the living space of the Dwelling's total square footage (*i.e.* not including the square footage of any porches, decks or balconies). The DRB's approved size and square footage for each Dwelling will take into account the applicable provisions of the Design Guidelines.

5.1.8 Dwelling Height Restrictions / Roof Pitch. Each Dwelling is subject to County height restrictions and requirements. The DRB must approve the roof pitch and height of each Dwelling. In order to maintain the Project's aesthetics and preserve the views from adjacent or nearby Lots, the DRB may require a lower Dwelling height than may be otherwise permitted by the County.

5.1.9 Dwelling Setbacks. Each Dwelling may be subject to setbacks as determined by the County and/or as set forth in the Design Guidelines.

5.2 Secondary Structures

5.2.1 Generally. The provisions of this Section 5.2 apply to all Secondary Structures, including accessory buildings (*e.g.* garages, storage buildings, etc.) and any Accessory Dwelling Units or "ADUs." As set forth under Section 5.3.2, an ADU may only be constructed on a designated ADU Lot. ADUs may not be constructed on any other Lots.

5.2.2 Secondary Structures. The general design and intent of the Project is that each Lot may include one Dwelling and up to two (2) Secondary Structures. However, the DRB may limit any given Lot to only one Dwelling and one Secondary Structure, or possibly even one Dwelling and no Secondary Structures. The DRB's determination as to whether, or how many, Secondary Structures may be constructed on any given Lot will depend upon the overall size and location of the Lot and/or the available buildable Lot space exclusive of the Dwelling Location. If, for example, an Owner chooses to build a large Dwelling on a relatively small Lot, there may or may not be enough remaining buildable Lot space for the construction of two Secondary Structures or perhaps even one Secondary Structure.

5.2.3 Secondary Structure Placement. Each Secondary Structure must be located entirely within the boundaries of the Secondary Structure Location, as approved by the DRB.

5.2.4 Secondary Structure Location. Each Secondary Structure Location must be approved by the DRB. The DRB shall endeavor to position the Secondary Structure Location such that (A) view corridors are reasonably preserved consistent with Subsection 5.2.5, and (B) an appropriate limit on Lot coverage is maintained. The DRB shall make the final determination regarding each Secondary Structure Location, including whether the Secondary Structure Location reasonably complies with applicable provisions of the Governing Documents, including the Design Guidelines. Notwithstanding the DRB's right to approve each Secondary Structure Location, the DRB's approval of the Secondary Structure Location may be significantly determined and/or restricted by factors that are beyond the DRB's control such as the topography of the Lot, applicable setbacks, and/or restrictions imposed by the County (including, for example, Chapter 108-19 of the Weber County Land Use Code regarding Accessory Dwelling Units).

5.2.5 View Corridors – Secondary Structures. The DRB shall make a reasonable effort to select and approve Secondary Structure Locations that minimize interference with the views from other Lots. Since the DRB cannot completely prevent diminished or obstructed views, in the event of any dispute between Owners regarding Secondary Structure Locations and views, the DRB will attempt to address each Owner's concerns, but each Owner will be expected to reasonably

cooperate and compromise regarding their respective objectives. The Owners will be bound by the DRB's decision regarding any such dispute. The DRB will prioritize views from Dwellings over the views from any Secondary Structures.

5.2.6 No View Easements – Secondary Structures. No provision of this Declaration shall be construed to grant any view easements that burden or benefit any Lot or any Secondary Structure located on such Lot.

5.2.7 Aesthetics & Architectural Standards – Secondary Structures. All Secondary Structures must comply with the Project's aesthetical requirements and architectural standards as set forth in the Design Guidelines. Secondary Structures must match, as closely as possible, the architectural style, materials and color of the Dwelling located on the same Lot. Construction and workmanship of the Secondary Structure shall be of the same quality as the Dwelling located on the same Lot. Substandard workmanship or construction of any Secondary Structure will not be allowed. The Secondary Structure must be a permanent structure. Prefabricated or temporary Secondary Structures are strictly prohibited.

Notwithstanding the previous paragraph, as noted under Section 5.3, below, the exterior design of any Secondary Structure that serves as an ADU is also subject to Chapter 108-19 (Accessory Dwelling Units) of the Weber County Land Use Code.

5.2.8 Secondary Structure Size/Square Footage. The DRB must approve the size and square footage of each Secondary Structure. The footprint of any Secondary Structure may not exceed the footprint of the Dwelling that is located on the same Lot. The term "footprint" means and refers to the foundation of the structure, not including any porches, decks or balconies. The term "footprint" is not synonymous with the Secondary Structure Location or the Dwelling Location.

Notwithstanding the previous paragraph, as noted under Section 5.3, below, the size, square footage and footprint of any Secondary Structure that serves as an ADU is also subject to Chapter 108-19 (Accessory Dwelling Units) of the Weber County Land Use Code.

5.2.9 Secondary Structure Height Restrictions / Roof Pitch. Each Secondary Structure is subject to County height restrictions and requirements. The DRB must approve the roof pitch and height of each Secondary Structure. In order to maintain the Project's aesthetics and preserve the views from adjacent or nearby Lots, the DRB may require a lower Secondary Structure height than may be otherwise permitted by the County.

Notwithstanding the previous paragraph, as noted under Section 5.3, below, the height of any Secondary Structure that serves as an ADU is also subject to Chapter 108-19 (Accessory Dwelling Units) of the Weber County Land Use Code.

5.2.10 Secondary Structure Setbacks. Each Secondary Structure may be subject to setbacks as determined by the County and/or as set forth in the Design Guidelines.

5.3 Accessory Dwelling Units

5.3.1 Generally. The provisions of this Section 5.3 only apply to Accessory Dwelling Units or ADUs, as defined and addressed under the Weber County Land Use Code.

5.3.2 ADU Lots. In order to comply with the County's dwelling unit density limitations for the Project, ADUs may only be constructed on Lots 1, 2, 7, 8, 9, 11, 15 and 20 (the "**ADU Lots**"). Owners are prohibited from constructing or installing a "dwelling unit" (as defined under Section 1.3) in any Secondary Structure located on their Lot unless (A) the Lot is an ADU Lot, and (B) the Owner has submitted and obtained the required applications and approvals from both the County and the DRB, as set forth under Section 5.3.3.

5.3.3 Weber County Land Use Code. The approval, design, construction, appearance, size, occupancy and use of Accessory Dwelling Units or ADUs is regulated by Chapter 108-19 of the Weber County Land Use Code. Any Owner who intends to construct an ADU on his or her Lot shall (A) be solely responsible for submitting and obtaining the required County applications and approvals, (B) submit a copy of such applications and approvals to the DRB before the DRB will review plans or approve the construction of any such ADU, and (C) fully comply with any and all County regulations regarding the approval, design, construction, appearance, size, occupancy and use of the ADU.

5.3.4 Accessory Building/ADU Combos. An ADU may be located within an accessory building (*e.g.* a Secondary Structure that includes both a garage and an ADU, or storage space and an ADU, or a similar dual function).

5.3.5 ADU Size/Square Footage/Footprint. The size, square footage and footprint of any Secondary Structure that serves as an ADU is subject to Chapter 108-19 (Accessory Dwelling Units) of the Weber County Land Use Code. The Design Guidelines may impose size, square footage and footprint requirements that are more restrictive than the Weber County Land Use Code. Likewise, the DRB is not required to approve the size, square footage and footprint of any ADU merely because it complies with the Weber County Land Use Code.

5.3.6 ADU Height Restrictions. The height of any Secondary Structure that serves as an ADU is subject to Chapter 108-19 (Accessory Dwelling Units) of the Weber County Land Use Code. The Design Guidelines may impose height requirements that are more restrictive than the Weber County Land Use Code. Likewise, the DRB is not required to approve the height of any ADU merely because it complies with the Weber County Land Use Code.

5.3.7 Timing of ADU Construction. An Owner may complete and use an ADU on such Owner's Lot prior to the construction of a Dwelling on such Lot, provided that the DRB has reviewed and approved the proposed Dwelling and Dwelling Location prior to commencing construction of the ADU. The purpose of this requirement is to ensure that the relative size, square footage, footprint and height of the ADU versus the Dwelling is compliant with Chapter 108-19 (Accessory Dwelling Units) and any other applicable provisions of the Weber County Land Use Code, as well as the Governing Documents, including the Design Guidelines.

ARTICLE 6 – OUTDOOR OWNER AMENITIES

6.1 Installation

Outdoor Owner Amenities may be installed by an Owner on such Owner's Lot, provided the installation and location of each Outdoor Owner Amenity has been approved by the DRB in advance and in writing.

6.2 Ownership and Control

Each Owner shall solely own and control such Owner's Outdoor Owner Amenities, subject to the Association's right to require and/or cause the removal of certain Outdoor Owner Amenities set forth under Section 6.5.

6.3 Maintenance, Repair and Replacement

Each Owner shall properly maintain, inspect, repair and/or replace his or her Outdoor Owner Amenities consistent with any applicable requirements of the Governing Documents or any applicable governmental requirements (*e.g.* electrical or safety codes).

6.4 Damage or Injury

Each Owner shall be individually and solely responsible and liable for any bodily injury or property damage resulting from Owner's failure to properly use, operate, inspect, maintain, repair and/or replace his or her Outdoor Owner Amenities.

Each Owner shall, to the fullest extent of the law, indemnify, defend, and hold harmless the Declarant and the Association, and their officers, directors, members, managers, employees and agents from and against any and all claims, demands, suits, actions, losses, costs, damages, expenses, and liabilities of whatever kind or nature (including, but not limited to, reasonable attorney fees, litigation, court costs, and amounts paid in settlement or in discharge of judgments) howsoever caused, whether directly or indirectly resulting from, or in any way arising out of, or otherwise related to, any Owner's (including their invitees, employees, agents occupants, or tenants) construction, design, installation, placement, use, operation, maintenance, repair and/or replacement of any Outdoor Owner Amenity on any portion of the Project (including, without limitation, any Lot or Common Area).

6.5 Association Approval/Disapproval

The Declarant and the Association (through the Board) shall, at all times, have the right and authority to approve or disapprove the temporary or permanent construction, installation, location, placement and/or storage of any Outdoor Owner Amenity on any portion of the Project, including any Common Area. Accordingly, the Association may require and/or cause the removal of any such Outdoor Owner Amenity from any portion of the Project if (a) the temporary or permanent construction, installation, placement, or storage of the Outdoor Owner Amenity was not approved by the Board in writing, or (b) the Board reasonably determines that the Outdoor Owner Amenity has fallen into irreparable disrepair, or has become unsightly or a safety hazard.

6.6 Not Common Improvements

Under no circumstances shall any Outdoor Owner Amenity be considered or identified as a Common Improvement.

6.7 No Association Responsibility

Notwithstanding the Association's authority to require and/or cause the removal of any Outdoor Owner Amenity, the Association shall have no responsibility or liability whatsoever regarding the inspection, maintenance, repair or replacement of any Outdoor Owner Amenities.

ARTICLE 7 – LOT LANDSCAPING

7.1 Generally

The intent of this Declaration is to preserve the natural vegetation and condition of the Project, and minimize the visual and ecological impact of the Project, to the greatest extent reasonably possible given the construction and nature of the Project. All landscaping on the Lots shall blend with the natural surroundings, and is subject to the landscaping standards set forth in this Declaration and/or the Design Guidelines.

7.2 Water Conservation

It is the goal of the Declarant and the Association to minimize the amount of water needed or used to irrigate and maintain Lot Landscaping. In order to meet this objective, the square footage of grass planted and maintained on any Lot may be equal to up to 60% of the square footage of the main floor of the Dwelling, although reasonable efforts will be made to ensure the total square footage of such grass does not exceed 5,000 square feet. Lot Landscaping shall emphasize the implementation of "xeriscaping" practices by utilizing native or drought-tolerant plants that grow and sustain themselves with low water requirements, tolerate heat and drought conditions, and are compatible with existing natural environmental conditions. Xeriscaping plant species may be recommended by the Utah Native Plant Society or similar organizations. Natural, non living materials including, for example, rocks and rock structures that have been approved by the DRB are encouraged as part of xeriscaping throughout the Project.

7.3 Landscaping Removal / Restoration

As set forth under Section 9.4, an Owner must submit to the DRB a preliminary plan for the construction or installation of any Dwelling, which preliminary plan must include an existing vegetation plan, including the proposed retention and removal of any existing vegetation located on the Lot.

After the DRB-approved Lot Landscaping has been established and installed, except for normal Lot Landscaping maintenance (mowing grass, trimming bushes, trimming tree branches, etc.) In order to mitigate the risk of erosion, Owners are prohibited from removing any Landscaping from any portion of their Lot without the DRB's prior written approval This includes any native or natural vegetation or flora as well as any vegetation or flora that may have been planted or installed by the Owner.

Each Owner is strictly prohibited from removing any Landscaping whatsoever from (A) any Lot that is not owned by such Owner, (B) any Common Area, or (C) land located outside of the Project.

No later than the end of the first fall following any construction, remodeling or restoration of any Owner Improvements located on his or her or its Lot, the Owner of such Lot must restore any Landscaping on any portion of such Lot that may have been disturbed by such construction, remodeling or restoration. Such Landscaping restoration shall be subject to the DRB's prior written approval and must be consistent with the Design Guidelines.

ARTICLE 8 – COMMON AREAS AND COMMON IMPROVEMENTS

8.1 Ownership, Use and Control

All Common Areas and Common Improvements are solely owned and controlled by the Association for the benefit and use of all Owners. The Association shall govern and control the use of Common Areas and Common Improvements as set forth in the Governing Documents.

8.2 Maintenance

8.2.1 Association Responsibilities. Unless otherwise clearly set forth in the Governing Documents, the Association shall be solely responsible for the maintenance and repair of all Common Areas, and the maintenance, repair and/or replacement of all Common Improvements, located on any portion of the Project. The Association shall perform such maintenance as required under the Governing Documents.

8.2.2 Owner Responsibilities. An Owner may be fined and/or held legally and financially responsible for any damage (beyond normal or reasonable wear and tear) caused to any Common Area or Common Improvement due to the actions or inactions of the Owner or such Owner's family members, tenants, guests, invitees or agents. The Association may require that Owners provide a security deposit, and may also adopt and enforce fines, for any damage that may be caused to the Primary or Secondary Roads during the construction of any Dwellings, Secondary Structures or other improvements.

8.3 Primary Roads

As of the Recording Date, the Primary Roads are privately owned and maintained by the Association as Common Improvements for the benefit of the Owners. The Association and the County may, at a future date, mutually agree to dedicate the Primary Roads as public roadways, in which case the Primary Roads would be (A) open for public use, (B) maintained by the County, and (C) no longer identified as Common Improvements. Neither the Association nor the Declarant makes any representations whatsoever as to whether the Primary Roads may, at any future date, be dedicated as public roadways.

The main portion of the Primary Roads will be improved with road base and asphalt, while the "shoulders" of the Primary Roads will be improved with no less than four (4) feet of compacted road base. Unless and until the Primary Roads are dedicated as public roadways, the Primary Roads will continue to be identified as Common Improvements, and the Association will be solely responsible for any and all maintenance of the Primary Roads including snow removal and maintaining, repairing and/or replacing any asphalt, road base or other improvements that comprise the Primary Roads. Unless and until the Primary Roads are dedicated as public roadways, the cost of any such maintenance of the Primary Roads, including snow removal, shall be deemed a Common Expense.

8.4 Secondary Roads

The Secondary Roads shall, at all times, be privately owned and maintained by the Association as Common Improvements for the benefit of the Owners. The Secondary Roads will be solely improved with compacted road base. The Association shall be solely responsible for any and all maintenance of the Secondary Roads. The cost of any such maintenance of the Secondary Roads shall be deemed a Common Expense. Access to the Project via the Secondary Roads may be restricted by a gate ("**Secondary Road Gate**"). Any such Secondary Road Gates will be deemed Common Improvements.

8.5 Mountain Bike/Hiking Trails

8.5.1 Use. The Project will include various trails which may be used for mountain biking, walking, hiking, running, and dog walking (collectively, the "**Trails**"). The Trails will be for the private benefit, use and enjoyment of the Owners and their family members, guests and tenants.

8.5.2 Location. The proposed location of any Trails may be depicted on the Plat Map and/or established by the recording of an easement agreement against portions of the Project including certain Common Areas and/or Lots.

8.5.3 Prohibited Uses. The operation and use of motorized vehicles such as automobiles, trucks, motorcycles, mopeds, dirt bikes, snowmobiles, ATVs or similar motorized vehicles on any portion of the Trails is prohibited. The previous sentence does not apply to the use of (i) electric motorized bicycles and mountain bikes, or (ii) any motorized vehicles that may be used by the Declarant or the Association, or their agents and employees, for the sole purpose of maintaining any portion of the Trails.

8.5.4 Maintenance. The Association shall be solely responsible for causing the performance of, and paying the cost of, any and all maintenance of all Trails. The Association will periodically inspect the condition of the Trails to identify any maintenance or safety-related issues. The Association will reasonably maintain the Trails in a serviceable and safe condition by filling and repairing deep ruts or holes, trimming trees and shrubs only as necessary to safely maintain sight lines, preventing or repairing erosion, installing natural barriers (e.g. boulders or large logs) where Trail users have created shortcuts between switchbacks, etc. The Association will maintain the surface material of the Trails, provided such material does not include sand, gravel, excessive loose rocks, or excessive amounts of other unstable material.

8.5.5 Seasonal/Temporary Closures. In order to mitigate erosion, the Association may close the Trails to all or certain uses (particularly mountain biking) during the winter and during rainy time periods until the Trail is sufficiently dry. The Association may also temporarily close the Trail, at any time, if the Association identifies any unsafe conditions or if the Association determines that excessive rain or snow has caused any portion of the Trails to become temporarily unusable or susceptible to erosion.

8.5.6 Signs/Markers. The Association will install signs at Trail access points and at certain locations along the Trail to direct or otherwise inform Trail users of allowed and restricted use of the Trails. Signage at Trail access points will include the name of the Trail, a Trail map, and a "trail courtesy/safety" sign stating, among other matters, that dogs must be leashed and all dog waste must be removed.

8.6 Irrigation/Sprinkler Systems

The Declarant or Association may install Irrigation/Sprinkler Systems on Common Areas. Any such Irrigation/Sprinkler Systems shall be deemed a Common Improvement, which will be managed and operated by the Association.

8.7 Common Area Landscaping

It is the goal of the Declarant and the Association to minimize the amount of water needed or used to irrigate and maintain Common Area Landscaping. In order to meet this objective, all Common Area Lot Landscaping shall emphasize the implementation of "xeriscaping" practices by utilizing native or drought-tolerant plants that grow and sustain themselves with low water requirements, tolerate heat and drought conditions, and are compatible with existing natural environmental conditions. Xeriscaping plant species may be recommended by the Utah Native Plant Society or similar organizations. Natural, non living materials including, for example, rocks and rock structures that have been approved by the DRB are encouraged as part of xeriscaping throughout the Project.

8.8 Association Easements

The Association is hereby granted a nonexclusive, perpetual easement over, across and upon all Common Areas as necessary or appropriate to perform any operation, maintenance, removal, repair or replacement duties and functions the Association may be obligated or permitted to perform pursuant to the Governing Documents.

8.9 Indemnification

Each Owner shall, to the fullest extent of the law, indemnify, defend and hold the Association and the Declarant harmless against any claims losses, damages, demands, actions, causes of action, liabilities or expenses of any kind or nature directly or indirectly related to any damage to all or any portion of such Owner's Lot, Dwelling or Dwelling Improvements that may have been caused or alleged to be caused, in whole or in part, by the Association's maintenance of all or any portion of the Common Area, except where caused by the gross negligence or willful misconduct of the Association.

ARTICLE 9 – DESIGN GUIDELINES / DESIGN REVIEW BOARD

9.1 Generally

It is the intention and purpose of this Declaration to impose aesthetic and architectural standards that result in a Project with Owner Improvements and Common Improvements that constructed, installed and maintained in an attractive and aesthetically pleasing manner, including Dwellings and Secondary Structures that are consistent and compatible with regard to their size, design, building materials, colors and general appearance.

9.2 Design Guidelines

The Project's aesthetical and architectural standards must be consistent with building and design standards ("**Design Guidelines**") as approved and published by the Association's Design Review Board ("**DRB**"). Such Design Guidelines must at all times remain consistent with those provisions of this Declaration that directly or indirectly impact the aesthetic and architectural standards of the Project.

9.3 Design Review Board

The DRB shall consist of no less than three (3) members and no more than five (5) members. At least one member of the DRB must be an architect or design professional with experience in residential subdivisions that is not a member of the Association. The initial DRB will consist of three (3) members that have been appointed by the Declarant and who do not need to be Owners. The Declarant will have the sole authority to appoint, remove and/or replace any member of the DRB until the Period of Declarant's Control has expired.

In order to maintain the architectural compatibility and continuity established by the Declarant's administration and oversight of the initial DRB, the Declarant shall continue to govern the DRB until the end of Period of Declarant Control. Upon the expiration of the Period of Declarant Control, the Declarant shall no longer govern the DRB. The Declarant may, at any time, relinquish the Declarant's authority over the DRB by executing and recording the appropriate notice in the Recorder's Office.

The Design Guidelines will be enforced, and may be periodically amended, updated, clarified and/or supplemented by the DRB. The DRB must, at all times, maintain a current version of the Design Guidelines in writing, and must furnish or make available to the Owners a complete copy of the current version of such Design Guidelines.

9.4 Preliminary Plans

An Owner shall submit to the DRB preliminary plan for the construction or installation of any Dwelling. It is recommended that such preliminary plan be submitted before the expense of final site drawings and/or construction drawings is incurred. The preliminary plan must include the following:

(i) A site plan with the location of any proposed Owner Improvements on the Lot including the location of each proposed Owner Improvement relative to any other Owner Improvements on said Lot.

(ii) A plan for the proposed retention and removal of any existing vegetation located on the Lot.

(iii) A grading plan for all Owner Improvements.

(iv) All elevations and height of any Owner Improvements.

(v) Floor plans of each floor level of the Dwelling and any Secondary Structure.

(vi) List of all exterior materials which must include manufacturer, product codes and colors and glass specifications.

(vii) Exterior lighting plan that complies with the Governing Documents, including Section 10.10 of this Declaration.

(viii) Preliminary landscaping design for the entire Lot.

(ix) Proposed time schedule for construction and completion of all Owner Improvements.

(x) A survey acceptable to the DRB indicating the location of Lot boundaries and the proposed position of each Owner Improvement that Owner intends to construct, erect or install on the Lot.

9.5 DRB Review

No later than thirty (30) days from receipt of a complete submission of construction plans or architectural plans, the DRB will review such plans and make an initial determination whether or not the plans comply with the conditions imposed by the Governing Documents. If the DRB fails to respond within such 30-day time period, such plans will be deemed as rejected. The DRB will review preliminary plans, without fee, and make its comments known to the Owner, provided, however, that no preliminary approval is to be considered a final approval, and no final approval will be granted on less than a complete submission of plans. Upon approval, the Owner and an authorized member of the DRB will each sign a copy of the plans, which shall be left with the DRB.

THE OWNER MUST PAY A REVIEW FEE AS DETERMINED BY THE DRB. SUCH FEE MAY BE PERIODICALLY REVISED TO REFLECT ANY CHANGES IN THE CHARGES AND EXPENSES OF THE CONSULTING ARCHITECT ON THE DESIGN REVIEW BOARD.

9.6 DRB Approval

An Owner must obtain the DRB's prior written approval regarding (a) any Owner Improvements that may be constructed, installed or placed in the Lot, (b) any of the preliminary plan items listed under Section 9.4, above, or (c) any other items that may be required by the DRB or submitted to the DRB for review. No excavation, grading, filling, draining, landscaping, or installation or removal of any existing vegetation shall be made without the DRB's advance written consent.

The DRB will not approve any proposed Owner Improvement unless, in the DRB's opinion, the Owner Improvement is properly positioned and designed, and the design, contour, materials, shapes, colors and general character of the Owner Improvement is in harmony with other Owner Improvements that are or may be constructed, erected or installed on the Lot and/or on other Lots, and is in harmony with the surrounding landscape. Each Owner Improvement shall be designed and located upon the Lot so as to minimize any disruption to the natural landforms and vegetation cover and to minimize blockage, obstruction, diminishment of or interference with the view corridors of other Lots and/or Dwellings as determined by the DRB.

9.7 DRB Disapproval

The DRB shall have the right to disapprove any application for the construction, installation or placement of any Owner Improvements if, the DRB's reasonable judgment, said application and the plans submitted therewith are not of sufficient detail, or are not in accordance with the provisions herein set forth, or if the design or construction of any proposed Owner Improvement is not in harmony with neighboring Owner Improvements and the general surroundings of the Project, or, in the judgment of the DRB, would decrease the value of Owner Improvements located on surrounding Lots, or if the design and the plans for such Owner Improvements do not include sufficient safeguards for preservation of the environment, or for any other reason the DRB may deem in the best interests of the Project. The decision of the DRB shall be final, binding and conclusive on all parties affected.

The Board and/or the DRB shall have the absolute right and authority to demand the removal, modification and/or relocation of any Owner Improvements(s) that were not approved by the DRB in advance and in writing as required by this Declaration.

9.8 Non-Waiver

The DRB's approval of any plans, drawings or specifications for any work done or proposed or in connection with any other matter, requiring the approval of the DRB under these restrictions, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently or additionally submitted for approval. Upon approval or disapproval of the plans by the DRB, one set of plans shall be returned to the Lot Owner and signed "approved" or "disapproved" by the DRB and one set shall be retained by the DRB. In order to obtain such approval, the Owner must submit for consideration of the DRB such details and information with relation to the contemplated action as the DRB shall request.

9.9 Professional Assistance

If at any time the DRB shall determine that it would be in the best interest of the Association for the DRB and/or the Lot Owner to employ professional assistance to design any Owner Improvement involved in the proposed work the DRB shall inform such Owner of its determination, whereupon all plans and specifications shall be prepared by such qualified professionals as the DRB shall determine.

9.10 DRB Immunity

Notwithstanding the foregoing provisions, the DRB shall have no affirmative obligation to be certain that all elements of the design comply with restrictions contained in this Declaration, and no member of the DRB shall have any liability, responsibility or obligation whatsoever for any decision or lack thereof, in the carrying out of the duties as member of the DRB. The DRB and its members shall have only an advisory function and the sole responsibility for compliance with all of the terms of this Declaration shall rest with the Owner. Each Owner agrees to save, defend and hold harmless the DRB and each of its members on account of any activities of the DRB relating to such Owner's property or buildings to be constructed on his or her Lot.

9.11 Common Areas

The DRB shall have sole the discretion to establish, regulate and determine the aesthetics and appearance of any and all Common Areas. In order to establish and/or maintain the Project's uniform appearance to the Project, no changes may be made to any portion of the Common Area without the DRB's prior written approval.

9.12 Common Improvements

The DRB shall have the sole discretion to establish, regulate and determine the aesthetics and appearance of any and all Common Improvements. In order to preserve a uniform appearance to the Project, no changes may be made to any such Common Improvements without the DRB's prior written approval. All requests for permission to alter, construct or remove any such Common Improvements shall be delivered to the Board in writing and shall include plans and specifications detailing the nature and extent of such alteration, construction or removal.

9.13 Vacant Lots

The provisions of this Article 9 shall apply to any Vacant Lot. Accordingly, the Owner of any Vacant Lot shall not construct, erect, install, maintain or replace on his or her Vacant Lot any improvement of any kind whatsoever without the prior written consent of the DRB.

9.14 Fines

As more particularly set forth under Article 11 of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the aesthetical and architectural standards set forth under this Article 9, or the violation of any Design Guidelines that may be adopted by the DRB. The Board must assess any such fines in a manner that is consistent with Article 11 of this Declaration. As required under Section 217 of the Community Act, prior to adopting, approving, amending, updating and/or clarifying any Design Guidelines, or prior to adopting or approving a schedule of fines that may be imposed for violations of the Design Guidelines, the Board must first comply with the requirements of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and then allowing Owners to ask questions or provide their input in an open forum.

ARTICLE 10 – USE RESTRICTIONS

10.1 Occupation and Use

Dwellings shall be occupied and used for single-family residential purposes only, on an ownership basis, and on a rental or lease basis as permitted by the Governing Documents and applicable local government zoning ordinances. Dwellings may be used for common social, recreational or other reasonable uses normally incident to such single-family residential purposes. Such occupation and use as a single-family residence shall be deemed to include accessory use as a professional office to the extent permitted by applicable local government zoning ordinances and to the extent customarily incidental to primary use as a residence. The Dwellings and Common Area shall be further occupied and used pursuant to the terms and conditions of the Governing Documents.

10.2 Prohibited Occupation or Uses

No Dwelling shall be converted, nor constructed or used as a duplex. This Section 10.2 does not prohibit any Dwelling from including an "internal accessory dwelling unit" as that term is defined and used under the Utah Municipal Land Use, Development, and Management Act (Utah Code Section 10-9a-101, et. seq.) or any other provision of the Utah Code. No Dwelling may be occupied or used as a halfway house or similar housing for individuals who have been discharged from prison or similar institutions.

10.3 Commercial / Retail Activities

Retail or commercial activities of any size, kind or nature whatsoever are prohibited on any portion of the Common Area. Retail or commercial activities are likewise prohibited in any Dwelling; provided, however, that this restriction generally does not apply to use of a portion of the Dwelling as a professional office.

Dwellings may be used for certain activities normally associated with maintaining a professional office or conducting certain small businesses from home such as, for example, record-keeping, telephone calls, reception of mail, and computer or Internet activity. Any home-based business that involves employees (outside of the Owner's immediate family or household) working from the Dwelling is prohibited.

The overall purpose of the restrictions set forth under this Section 10.3 is to preserve the right of Owners and their family members, guests and tenants to live in a community that is free from business-related employee, client or customer interaction, potential Association liability due to business being conducted within the Project, and the nuisance or annoyance often associated with increased or excessive vehicular or pedestrian traffic. The restrictions of this Section 10.3 do not apply to the leasing or renting of any Dwelling.

10.4 Common Area

10.4.1 Waste Storage. No storage of waste of any kind is permitted on any portion of the Project (including any Lot or Common Area) unless such waste is stored in a closed container that has been approved by the Board. Such waste includes, without limitation, any form of trash, garbage or debris including, for example, lawn, tree, or landscape clippings or trimmings, household refuse, or recyclable materials. No composting, trash or garbage containers may be stored in front of any Dwelling, at any time, except for the day on which such containers are scheduled to be collected or emptied. On such days, the composting or garbage containers shall be temporarily placed at the edge of the road and removed from such location at the end of that same day.

10.4.2 Materials or Equipment. No materials and/or equipment may be stored or accumulated on any portion of the Project (including any Lot or Common Area) without Board approval. Such materials and/or equipment includes, without limitation: farm, construction or landscaping equipment; building materials, except for the short-term storage or accumulation of such building materials during active construction (provided that such construction is commenced, diligently pursued and timely completed in accordance with the DRB's building and design standards and/or any written directive of the DRB).

10.5 Vacant Lots

Any and all restrictions, rules or regulations set forth in any of the Governing Documents shall be entirely applicable to any Vacant Lot. Likewise, the Owner of any such Vacant Lot shall be subject to the enforcement provisions of the Governing Documents including, without limitation, any such provisions related to fines.

10.6 Fences / Privacy Walls

In order to preserve the natural open space feel of the Project's mountain environment, the location, design, materials and color of any and all fences, privacy walls or similar Owner Improvements must be approved by the DRB in writing prior to installation. The construction or installation of any temporary or permanent fences, walls or similar improvements along the perimeter of any Lot is strictly prohibited. Any fences, walls or similar improvements that may be approved by the DRB will be limited to that portion of the backyard of the Lot that extends from the rearmost corners of the Dwelling and parallel to the sides of the Dwelling. Fences, walls or similar improvements will not be permitted on any other portion of any Lot. Electronic pet fences are encouraged. Fencing shall be harmony with the Dwelling and surrounding areas. Chain link and other wire fences are strictly prohibited, while ornamental iron will be considered on a case-by-case basis. The color of the fence must match the base paint of the Dwelling.

This Section 10.6 shall not prohibit or prevent the construction or installation of privacy screening around hot tubs, provided such privacy screening does not, as determined by the DRB, impair the natural and open space feel of the Project's mountain environment or inhibit or risk injury to wildlife. Any such privacy screening must be approved by the DRB in advance and in writing, which approval may be granted or denied in the DRB's discretion. This Section 10.6 shall not prohibit or prevent Declarant or the Association from installing or constructing decorative landscape-related fencing on Common Area.

10.7 Drones Prohibited

In order to preserve the safety, privacy and quiet enjoyment of Owners and their family members, tenants and guests, the launching or operation of drones or any similar device or equipment (collectively, "**Drones**") within or upon the Project or within the Project's airspace is strictly prohibited. This prohibition applies to any Drone regardless of whether or not such Drone is equipped with a camera, microphone or any other audio, visual or recording device. This Section 10.7 shall not apply to the Declarant's use of Drones for the purpose of promoting the Project.

10.8 Clotheslines Prohibited

Clotheslines are prohibited on any portion of the Project.

10.9 Signage

The following types of signs are permitted within the Project: Traffic control signs placed by the Association or by any governmental agency or authority, temporary signs warning of some immediate danger as posted by the Association, Declarant or any governmental agency or authority, and signs not to exceed six square feet located on a Lot identifying the contractor and/or architect of any Dwelling on such Lot while it is under construction. Signs indicating a Lot or Dwelling is for sale may be placed on a Lot, provided such sign does not exceed six square feet in size. The Board may adopt additional signage restrictions, requirements and/or guidelines under the Association's Rules and Regulations, provided such restrictions and requirements are consistent with this Section 10.9 and any other applicable provisions of this Declaration.

Until the expiration of the Period of Declarant's Control, the Declarant may post within the Project signs (no larger than thirty-two square feet in size) announcing the availability of Lots and giving sales information. No permanent signs stating the address or the name of the Owner of the Lot may be installed without the advance written consent of the Board. The restrictions of this Section 10.9 shall not apply to any signage easements granted to Declarant under the terms and conditions of this Declaration.

10.10 Lighting

Any lighting located in the Project must comply with any and all applicable state or County laws, rules, regulations or ordinances. Notwithstanding the requirements of any such state or County laws, rules, regulations or ordinances, any lighting located in the Project must be "dark sky" compliant and is subject to Board approval. No outdoor lighting is permitted unless such lighting is designed and installed so as to aim downwards and limit the field of light to the confines of the

Dwelling or Lot upon which such lighting has been installed. Exterior lighting fixtures shall not direct excessive lighting or glare into any other Dwellings or Lots or beyond the boundaries of the Project. Whenever possible, efforts should be made to ensure that both indoor and outdoor lighting is not unreasonably offensive to surrounding property owners. No excessively bright indoor lighting, such as industrial lights, floodlights, workroom lights, or fluorescent lights are permitted after dark. In order to ensure compliance with this Section 10.10 throughout the entire Project, the Board may require the removal and/or replacement of any noncompliant or nonconforming lighting that may have been installed prior to or after the Recording Date.

In addition to the general lighting requirements and guidelines set forth in the previous paragraph, the following lighting requirements shall apply to any and all lighting that may be installed or utilized in the Project:

a) Carriage lighting, of the type employed on garages and porches in the Project, is not considered "dark sky" compliant unless the proper bulbs are used. Accordingly, low lumen (450 lumens or less) and amber spectrum (3000 Kelvin or less) bulbs are required for all such carriage fixtures.

b) Unless the light source is 450 lumens (40 watt equivalent) or less (brightness) and 3000 Kelvin or less (color temperature), all exterior lighting must be fully shielded with the light source above the horizontal line of the shield.

c) Standard floodlights (also known as security lights) must be either fully shielded or on a motion detector that is set so as not to cause the light to be an annoyance by being constantly or easily activated by common occurrences such as wind, rain, snowfall or wildlife.

d) No string lighting (other than for the holiday season November 15 – January 15) and no or landscape lighting whatsoever is permitted in any portion of the Project including, without limitation, on any Dwellings or on any other structures located in the Project (*e.g.* the Club House) or in flowers. String lighting (party lighting) is permitted on an occasional and temporary basis for entertainment purposes only.

e) Holiday lighting and holiday decorations (whether lit or unlit) must be removed no later than February 28th.

10.11 Solar Energy Systems

As provided under Section 701 of the Community Act, an Owner may install a solar energy system ("**Solar System**") on his or her Dwelling provided the Solar System is installed, operated and maintained in a manner that complies with applicable health, safety, and building requirements established by any local or state governmental agency or authority with jurisdiction over such matters. If the Solar System is used to heat water, it must be certified by the Solar Rating and Certification Corporation; or a nationally recognized solar certification entity. If the Solar System is used to produce electricity, it must comply with applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers; Underwriters Laboratories; an accredited electrical testing laboratory; or any local or state governmental agency or authority with jurisdiction over such matters.

If the Solar System is mounted on the Dwelling roof (A) no portion of the Solar System may extend above the roof line, and (B) the color and texture of any panel frames, support brackets, or visible piping or wiring must be similar to the roof material.

If the Solar System is mounted on the ground, no portion of the Solar System may be visible from any Primary Road along the front side of the Lot on which the Solar System is located.

The Owner must pay any reasonable cost or expense incurred by the Association to review the Owner's application to install a Solar System.

Any Owner who installs a Solar System shall be jointly and severally responsible with any subsequent Owner of the Lot while any violation of the Association's rules or requirements regarding Solar Systems occurs, including any cost or expense incurred by the Association to enforce any applicable provision of the Governing Documents related to the installation, operation or maintenance of the Solar System.

Prior to installing any Solar System on his or her Lot, an Owner shall be required to execute and record against his or her Lot a deed restriction that permanently runs with the land ("**Solar System Deed Restriction**") stating that the current Owner and any subsequent Owners of the Lot must indemnify or reimburse the Association or any member of the Association for any loss or damage caused by the installation, maintenance, or use of the Solar System, including any costs and reasonable attorney fees that may be incurred by the Association or any member of the Association. The Solar System Deed Restriction must be drafted and/or approved by the Association's legal counsel prior to recording, and the Owner must reimburse the Association for any such legal costs.

10.12 Cardboard/Reflective Window Materials Prohibited

If windows are covered, appropriate window coverings must be used. The color of any such window coverings must be in harmony with the exterior of the Dwelling or Common Improvement. No window may be temporarily or permanently covered using paint, aluminum foil, reflective tint, newspapers, cardboard, bed sheets, blankets or similar materials.

10.13 Patios, Porches Decks and Balconies.

All patios, porches, decks and balconies shall be maintained in a safe and neat manner. Patios, porches, decks and balconies are generally intended for keeping and using items that are commonly kept and used in such areas, such as patio furniture and gas or electric barbeques. Accordingly, Owners and their family members, guests and tenants shall not use such areas for the general storage of items or for the storage of excessive or unsightly personal property or similar items.

10.14 Vehicle Parking

Parking within the Project, including the parking of vehicles, trailers and equipment on any Primary or Secondar Road, shall be regulated by Rules that may be adopted by the Board from time to time.

10.15 Vehicles Restricted to Roadways

No motor vehicle may be operated or parked in the Project except on improved roads and driveways. No snowmobiles or motorcycles will be operated on any Lot except for ingress and egress or while loading the equipment for lawful transport.

10.16 RVs, Campers, Boats, Trailers and Commercial Trucks

Recreational vehicles, motor homes, mobile homes, boats, commercial vehicles, trailers (including, without limitation, travel trailers, tent trailers and boat trailers), camper shells, detached campers, all-terrain vehicles or off-road vehicles must be parked and/or stored in a garage and may not be parked and/or stored in on any Lot in open view longer than three (3) days.

The Board may adopt additional parking restrictions, requirements and/or guidelines under the Association's Rules and Regulations, provided such restrictions and requirements are consistent with this Section 10.16 and any other applicable provisions of this Declaration.

10.17 Carports Prohibited

The construction or installation of any temporary or permanent carports, or any similar improvements that are designed or intended to shelter any vehicles or trailers of any kind whatsoever is strictly prohibited.

10.18 Nuisances and Offensive Activity

No noxious, dangerous or offensive activity (including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of the Project) shall be carried out on any Lot, in any Dwelling, or on any other portion of the Project, nor shall anything be done on any Lot, in any Dwelling, or on any other portion of the Project that may be or become an annoyance or nuisance to other Owners or any other occupant of any Dwelling.

Excessive or disturbing noise is prohibited at all times. Such noise includes continuously barking dogs, loud speakers, or any other noise that would disturb other Owners or any other occupant of any Dwelling. No activity that creates any noise that may disturb Owners or any other occupant of any Dwelling is permitted before 8 A.M. or after 10 P.M. Exceptions to this Section 10.18 may be permitted with prior written consent of the Board.

Certain recreational vehicles such as snowmobiles, off-road motor vehicles such as dirt bikes or ATVs may not be operated on any portion of the Project except as necessary for the loading or unloading of such vehicles.

10.19 No Unsightliness

No unsightliness shall be permitted on any Lot. This shall include, without limitation, the open storage of any building materials (except during the construction of any Dwelling or Outdoor Owner Amenity); open storage or parking of farm or construction equipment, boats, campers, trailers, trucks larger than pick-up trucks (except during periods of actual loading and unloading), or inoperable motor vehicles; accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage; lawn or garden furniture except during the season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Lot in a manner that it is visible from any other Lot or any Primary Road.

10.20 Sewer Connection Required

All Lots are served by sanitary sewer service, and no cesspools, septic tanks, or other types of waste disposal systems are permitted on any Lot. All Dwellings must be connected to the sanitary sewer system.

10.21 Drainage

No Owner shall alter the direction of natural drainage from his Lot, nor shall any Owner increase the amount of natural storm run-off leaving his Lot.

10.22 Mailboxes

Mailboxes are for the exclusive use of Owners or their family members and tenants. The use of mailboxes, including distribution of mailbox keys, is administered by the local U.S. Post Office.

10.23 No Hazardous Activity

No activity may be conducted on any Lot, in any Dwelling, or on any other portion of the Project that is, or would be considered by a reasonable person to be, unreasonably dangerous or hazardous. Such activity includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms, firecrackers or fireworks, and setting open fires (other than properly supervised and contained barbeques or fire pits, after having obtained the appropriate burning permit, as may be governed by local code or burning regulations or ordinances).

10.24 Communication Devices

The installation or use, on or in any portion of the Project, of any broadcasting, receiving, satellite and/or wireless signal dishes, antennas or similar devices (collectively, "**Communication Devices**") that are not permitted and/or regulated by the Federal Communications Commission ("**FCC**") is prohibited. Communication Devices that are one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, and/or receive or transmit any wireless signals, may be installed only to the extent and in locations that (a) comply with Section 10.24.1, and (b) are clearly permitted under applicable local, state or federal law.

10.24.1 Dwellings. Any Communication Devices that are in any way placed, constructed or attached upon any Dwelling must be positioned, maintained and used in a safe and attractive manner and location as reasonably determined by the Board or the DRB.

10.24.2 Common Area. Owners are strictly prohibited from constructing or erecting any Communication Device(s) upon any portion of the Common Area (which includes any Common Area that may be contiguous or immediately adjacent to any Dwelling Location).

10.24.3 Liability and Insurance. Owners are responsible for any injury or damage to persons or property caused by their Communication Device(s). Each Owner's homeowner insurance policy must adequately cover any potential liabilities associated with the use any such Communication Device.

10.24.4 FCC Rules. All Communication Device installations must be performed in complete compliance with all applicable laws, rules and regulations. If permits are required, the Owner must obtain all such permits prior to installation. The provisions of this Section 10.24 are intended to comply with applicable FCC rules, as may be amended from time to time. All requirements of such FCC rules are hereby incorporated herein. In the event any portion of this Section 10.24 is held to conflict with any applicable laws, rules or regulations, those portions shall be deemed stricken and all other portions of this Section 10.24 regarding Communication Device installation, maintenance, use and insurance will remain in full force and effect.

10.24.5 Waiver. No requirements or restrictions of this Section 10.24 may be verbally waived or changed by the Board or the DRB. Any such waiver or change will be effective only when placed in a writing, specifically stating the nature of the waiver, that has been approved by a majority of the Board (not the DRB). If any Owner receives the benefit of any waiver or change related to the provisions of this Section 10.24, it shall be that Owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Board.

10.25 Driveways and Walkways

Driveways and walkways shall be used exclusively for normal vehicle or pedestrian transit and/or traffic, and no obstructions shall be placed thereon except with the Board's prior written consent.

10.26 Animals

10.26.1 Prohibited Animals. No Owner may be permitted to raise, breed, keep or maintain any animals for any commercial purposes upon any portion of the Project. No livestock or poultry of any kind including, by example and without limitation, horses, chickens, roosters or goats shall be raised, bred or kept upon any portion of the Project.

10.26.2 Animals in Common Area. No animal shall be permitted in any Common Area unless carried in a carrier or properly controlled on a leash or similar restraining device. All animal waste shall be promptly removed from the Common Area (which includes any Common Area that may be contiguous or immediately adjacent to a Dwelling Location) and be fully cleaned-up by the animal's owner.

10.26.3 Indemnification. Each Owner who keeps an animal shall indemnify and hold all other Owners, the Association, and the Manager (if any) harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such animal in the Project.

10.26.4 Additional Board Rules. The Board may adopt additional rules restricting the maintenance and keeping of animals within the Project and their enforcement, including, without limitation, the assessment of fines to Owners who violate such rules.

10.27 Dwelling Completion Before Occupancy

No Dwelling may be occupied prior to its completion and the issuance of a permanent certificate of occupancy.

10.28 Modular/Manufactured Homes Prohibited

The installation or construction, on any portion of any Lot, of any temporary or permanent modular or manufactured structures of any kind including, for example but without limitation, any mobilehomes or trailer homes, is strictly prohibited.

10.29 Short-Term Rentals Prohibited

Short-term rentals are strictly prohibited. As used in this Declaration, the term "short-term rentals" means and refers to any rentals of thirty (30) days or less. This prohibition against short-term rentals applies to both Dwellings and any Secondary Structures.

10.30 Long-Term Leasing

Owners who enter into any long-term lease of their Dwelling or any Secondary Structure shall assume complete responsibility for the actions and behavior of their tenants and the guests of such tenants. Owners shall provide their tenants with a copy of the Governing Documents to ensure compliance. Any violation of any provision of the Governing Documents by any tenant, guest of tenant or any other occupant of the Dwelling may result in a fine being levied against the Owner of the Dwelling or Secondary Structure.

10.31 Effect on Insurance

Nothing shall be done or kept in any Dwelling or in the Common Area (including any Common Area that may be contiguous or immediately adjacent to any Lot) that may increase the rate of insurance on the Common Area without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Dwelling or in the Common Area which will result in the cancellation of insurance of the Project or any portion of the Project, or which would be in violation of any applicable local, state or federal law.

10.32 Board Rules / Fines

The Board may, by rule or regulation, adopt, clarify and/or enforce further requirements or restrictions regarding the use of any portion of the Project. As required under Section 217 of the Community Act, prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, the Board must first comply with the requirements of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and then allowing Owners to ask questions or provide their input in an open forum. The Board must place any such Rules and Regulations in writing, and must furnish or make available to the Owners a complete copy of such Rules and Regulations.

As more particularly set forth under Article 11 of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the use restrictions set forth under this Article 10, or any violation of use-related rules or regulations that may be adopted by the Board. The Board must assess such fines in a manner that is consistent with Article 11 of this Declaration.

ARTICLE 11 – FINES

11.1 Generally

As provided under this Declaration, the Board is empowered to adopt, pass, amend, revoke and/or enforce Rules and Regulations as the Board deems necessary or convenient to ensure compliance with the Governing Documents. Such Rules and Regulations may include the imposition of fines for any violation of the Governing Documents. The imposition, enforcement and collection of such fines shall be consistent with this Article 11.

11.2 Imposition of Fines

The purpose of this Section 11.2 is to comply with Section 57-8a-208 of the Utah Community Association Act, as may be periodically amended or supplemented.

11.2.1 Prior to imposing or assessing any fine against an Owner due to a violation of any provision of any Governing Document, the Board must first deliver to the Owner a written warning that:

(a) describes the violation;

(b) states the provision of the Governing Documents that the Owner's conduct violates;

(c) states that the Board may, in accordance with the provisions of this Section 11.2, assess fines against the Owner if a continuing violation is not cured or if the Owner commits similar violations within one (1) year after the day on which the Board gives the Owner the written warning or assesses a fine against the Owner under this Section 11.2; and

(d) if the violation is a continuing violation, states a time that is not less than 48 hours after the day on which the Board gives the Owner the written warning by which the Owner must cure the violation.

11.2.2 The Board may assess a fine against an Owner if:

(a) within one (1) year after the day on which the Board gives the Owner a written warning described under Section 11.2.1, the Owner commits another violation of the same provision of the Governing Documents identified in the written warning; or

(b) for a continuing violation, the Owner does not cure the violation within the time period that is stated in the written warning described in Section 11.2.1.

11.2.3 After the Board has assessed a fine against an Owner under this Section 11.2, the Board may, without further warning, assess an additional fine against the Owner each time the Owner:

(a) commits a violation of the same provision of the Governing Documents within one (1) year after the day on which the Board assesses a fine for a violation of the same rule or provision; or

(b) allows a violation to continue for ten (10) days or longer after the day on which the Board assesses the fine.

11.2.4 An Owner who is assessed a fine may request an informal hearing before the Board to dispute the fine by delivering to the Board a written request for such hearing no later than thirty (30) days after the day on which the Owner receives notice that the fine is assessed.

11.2.5 At the informal hearing described under Section 11.2.4, the Board shall:

(a) provide the Owner a reasonable opportunity to present the Owner's position to the Board; and

(b) allow the Owner, a member of the Board, or any other person involved in the hearing to participate in the hearing by means of electronic communication.

11.2.6 If an Owner timely requests an informal hearing under Section 11.2.4, no interest or late fees may accrue until after the Board conducts the hearing and the Owner receives a final written decision from the Board.

11.2.7 An Owner may appeal a fine assessed under this Section 11.2 by initiating a civil action no later than one hundred eighty (180) days after:

(a) if the Owner timely requests an informal hearing under Section 11.2.4, the day on which the Owner receives a final decision from the Board; or

(b) if the Owner does not timely request an informal hearing under Section 11.2.4, the day on which the time to request an informal hearing under Section 11.2.4 expires.

11.2.8 (a) Subject to Section 11.2.8(b) a Board may delegate the Board's rights and responsibilities under this Section 11.2 to a managing agent.

(b) A board may not delegate the Board's rights or responsibilities described in Section 11.2.5.

11.3 Tenants/Guests/Occupants

Each Owner is accountable and responsible for the behavior of thetenants, invitees, guests and/or other occupants of such Owner's Dwelling. Accordingly, any fines that are levied against such residents, tenants, invitees, guests and/or other occupants of any Dwelling shall be the sole responsibility of the Owner of that Dwelling.

ARTICLE 12 – BUDGET AND EXPENSES

12.1 Association Budget and Estimated Expenses

12.1.1 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year that begins on January 1st of each calendar year and ends on the subsequent December 31st of that same year. Not less than thirty (30) days prior to the annual Owners' meeting, the Board (or the Manager, if any, if so requested by the Board) shall prepare and furnish to the Owners an operating budget (the "**Annual Budget**") which shall set forth an itemization of expenditures for the upcoming fiscal year. The Board may furnish the Annual Budget to the Owners solely by posting a copy of the Annual Budget on the Association's website. Alternatively, the Board may choose to mail a copy of the Annual Budget to the Owners.

The Annual Budget shall be based upon estimated cash requirements by the Board to provide for the payment of all expenses growing out of or connected with the administration, operation and maintenance of the Project during such fiscal year. The Annual Budget shall itemize the estimated costs for any and all Common Expenses, anticipated receipts (if any), and any deficit or surplus from prior operating periods. The Annual Budget shall also include the Reserve Fund Line Item for such fiscal year as described under Section 12.2.

The Annual Budget shall serve as the supporting document for the Annual Assessment for the fiscal year to which the Annual Budget applies, and as a major guideline under which the Project shall be operated and managed during such fiscal year. The Annual Budget, and each line item therein, is intended as a management tool for the Board to meet the Common Expenses and cash needs of the Association for the applicable fiscal year. The actual amount of any given line item or category may exceed or be less than the amount that is set forth in the Annual Budget. Nothing herein or in the Annual Budget shall prevent the Board, in its discretion, from reallocating funds from one line item or category in the Annual Budget to another line item or category in order to meet actual expenses as they are incurred. Any such reallocation shall not require the Board to give prior notice to the Owners or obtain the approval of the Owners.

The Annual Budget also may, but is not required to, include a Reserve Fund budget that shows the total amounts that are intended to be deposited into the Reserve Fund during the upcoming fiscal year, as well as the total amounts that are intended to be disbursed from the Reserve Fund during such upcoming fiscal year, including the manner in which such disbursements are intended to be used. Any such Reserve Fund budget must be reasonably consistent with the determinations of the most recent reserve analysis.

12.1.2 Owner Disapproval. The proposed Annual Budget and Annual Assessments shall become effective as of the date of the annual Owners' meeting (and shall retroactively apply to the beginning of the fiscal year for which the Annual Budget was prepared) unless the Annual Budget is specifically disapproved by a vote of at least a Majority of the Owners either at the annual Owners' meeting or at a special meeting that is held and completed not later than forty-five (45) days following the date of the annual Owners' meeting.

Unless the Annual Budget is specifically disapproved by a Majority of the Owners the Annual Budget and Annual Assessments shall be deemed approved. Notwithstanding the foregoing, however, if the Annual Budget and Annual Assessments are disapproved by a Majority

of the Owners, or the Board fails for any reason to establish the Annual Budget and Annual Assessments for a particular fiscal year, until such time as a new Annual Budget and new schedule of Annual Assessments has been established, the Annual Budget and the Annual Assessments in effect for the previous fiscal year shall continue for the succeeding fiscal year.

12.1.3 Annual Budget Shortfall. If the sums estimated and budgeted for the Annual Budget, or any portion thereof, at any time prove inadequate for any reason the Board may, under the circumstances described under Section 13.4.1 impose a Special Assessment in order to remedy such shortfall.

12.2 Reserve Fund Line Item

The purpose of this Section 12.2 is to comply with Section 57-8a-211 of the Community Act, as may be periodically amended by the Utah legislature.

12.2.1 Determination of Reserve Fund Line Item. In calculating, formulating or determining its Annual Budget, the Association must include a "**Reserve Fund Line Item**" which shall be used to fund the Reserve Fund. The Reserve Fund Line Item shall be in: (A) an amount the Board determines, based upon the reserve analysis, to be prudent; or (B) a higher amount if the Board reasonably determines that such higher amount is required in order to properly maintain or replenish the Reserve Fund as a result of, for example and without limitation, an unexpected depletion of the Reserve Fund due to the repair, replacement, or restoration of Common Areas and/or Common Improvements that were not anticipated or accounted for as part of the Association's most recent reserve analysis.

12.2.2 Veto of Reserve Fund Line Item. No later than forty-five (45) calendar days after the day on which the Association adopts the Annual Budget, the Reserve Fund Line Item may be vetoed by a Majority of the Owners (at a special meeting called by the Owners for the purpose of voting whether to veto the Reserve Fund Line Item).

If the Owners veto the Reserve Fund Line Item as provided under this Section 12.2.2, and a Reserve Fund Line Item exists in a previously approved Annual Budget that was not vetoed, the Association shall continue to fund the Reserve Account in accordance with the Reserve Fund Line Item from the previously approved Annual Budget.

12.3 Common Expense Fund

With the exception of those amounts that may be set aside and deposited into any Reserve Fund(s), or any amounts the Board may elect to deposit into a separate special fund, the total amount of any and all Assessments paid by the Owners shall be deposited into the Common Expense Fund.

12.4 Reserve Analysis

12.4.1 Reserve Analysis Frequency. As required by the Community Act, the Board shall cause a reserve analysis to be conducted no less frequently than every six (6) calendar years; and subsequently review and, if necessary, update a previously conducted reserve analysis no less frequently than every three (3) calendar years.

12.4.2 Reserve Analysis Purpose. As set forth under Section 57-8a-211 of the Community Act, the purpose of the reserve analysis is to determine: (a) the need for a Reserve Fund to accumulate money to cover the cost of repairing, replacing, or restoring Common Areas and/or Common Improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the Annual Budget (including the Common Expense Fund) or other funds of the Association; and (b) the appropriate amount of the Reserve Fund.

12.4.3 Reserve Analysis Contents. The contents of the reserve analysis, and the manner in which the reserve analysis is reported to the Owners, must comply with the requirements of the Community Act, as may be periodically amended. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

12.5 Reserve Fund

12.5.1 General. The Association shall establish and maintain a Reserve Fund for the purpose of repairing, replacing and restoring Common Improvements that are intended for the use and benefit of the Owners of all Lots located in the entire Project. Examples of such Common Improvements include, for example but without limitation, Project signage or monuments, open space, mountain bike or walking trails, benches, picnic areas, and any Irrigation/Sprinkler Systems located on any Common Area.

12.5.2 Purpose of Reserve Fund. In addition to the purposes for which a Reserve Fund is to be established as described under Section 12.5.1, or any other provisions of this Declaration, the Reserve Fund may also be used to pay for any unexpected Common Expenses, provided the cost of such unexpected Common Expenses cannot reasonably be funded through the Annual Budget, or from the Common Expense Fund or other funds of the Association.

12.5.3 Funding of Reserve Fund. The Reserve Fund shall be funded via the Reserve Fund Line Item as described under Section 12.2 of this Declaration. As set forth under Section 13.4.2, the Reserve Fund may also be funded via Special Assessment(s) that are imposed against the Owners of all Lots located in the entire Project.

12.5.5 Use of Reserve Funds.

12.5.5.1 Use of Reserve Fund. As set forth under the Community Act, the Board may not use money in the Reserve Fund (i) for daily Association maintenance or administrative expenses, unless a Majority of the Owners vote to approve the use of such Reserve Fund monies for such purpose; or (ii) for any purpose other than those purposes for which the Reserve Fund was established.

12.5.6 Annual Presentation and Discussion of Reserve Fund. As required under the Community Act, the Association shall, at each annual meeting of the Owners or at a special meeting of the Owners called for the purpose of addressing the Reserve Fund: (i) present the reserve analysis; and (ii) provide an opportunity for the Owners to discuss reserves and vote on whether to fund such Reserve Funds and, if so, how to fund them and in what amount. The Association shall prepare and keep minutes of each such meeting held and indicate in the minutes any decision relating to funding any Reserve Fund.

12.6 Funds to be Maintained Separately

The Common Expense Fund and the Reserve Fund shall be kept in separate accounts, shall be established and deposited with a federally-insured bank or credit union, and shall be deposited into a checking, savings or certificate of deposit account. In the event the Board elects to establish and maintain any separate fund, a separate account shall be established for each such fund and deposited with a federally insured bank or credit union.

12.7 Recordkeeping

As required under the Acts, the Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred. Such records shall be available for examination by any Owner at convenient hours of weekdays no later than fourteen (14) calendar days after the Owner makes a written request to examine such records.

ARTICLE 13 – ASSESSMENTS

13.1 Owner Payment of Assessments

13.1.1 Assessments. Each Owner shall pay Assessments subject to and in accordance with the procedures set forth in this Article 13 or any other applicable provisions of the Governing Documents. As used in this Declaration, the term "**Assessments**" shall include Annual Assessments, Special Assessments, Reimbursement Assessments, and any other assessments as may be permitted under the Community Act or the Governing Documents.

13.1.2 Purpose of Assessments. Any and all Assessments provided for under this Declaration shall be used for the purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, including the maintenance of any real and personal property owned by the Association, and for administering and regulating the Project, all as may be more specifically authorized from time to time by the Board.

13.1.3 Obligation to Pay Assessments. Each Assessment shall be joint and several personal debts and obligations of the Owner(s) and contract purchaser(s) of Lots for which the same are assessed as of the time the Assessment is made and shall be collectible as such. Each Owner, by acceptance of a deed or as a party to any other type of conveyance of any Lot, vests in the Association or its agents the right and power to (a) bring all actions against him or her personally for the collection of any debts arising out of or related to any Assessments, or any other charges related to such Assessments; or (b) foreclose any lien arising out of or related to any Assessments, or any other charges related to such Assessments, in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.

13.1.4 No Waiver. No Owner may waive or otherwise exempt himself or herself from liability for the Assessments provided for herein, including, without limitation, non-use of Common Areas, non-use of any Common Improvements, and/or the abandonment of his or her Dwelling.

13.1.5 Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association, the Board or the Manager (if any) to take some action or perform some function required to be taken or performed by the Association, the Board or the Manager pursuant to the Governing Documents, or for any inconvenience to any Owner arising from or related to any maintenance or repairs occurring anywhere within the Project, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

13.1.6 Imposition of Assessments. The dollar amount of, and the purpose for, any Assessment shall be determined pursuant to the procedures set forth in the Acts and/or the Governing Documents. However, the Board has the sole authority and discretion to determine how and when any Assessment will be imposed upon, paid by and/or collected from the Owners.

13.1.7 Application of Payments. All payments received by the Association from Owners shall be applied in the following order: (i) Additional Charges, (ii) past due Assessments, (iii) currently due Assessments; and (iv) any remaining charges.

13.1.8 Account Status. The Association shall provide Owners with a timely accounting of the status of their accounts. Such accountings will be considered accurate unless challenged within ninety (90) calendar days of the posting of any item. After 90 calendar days, the costs incurred by the Association to review any item will be the responsibility of the individual Owner.

13.1.9 Statement of Assessments Due. Upon written request by any Owner, the Board shall furnish to such Owner a statement of Assessments due, if any, on his or her Lot. The Association may require the advance payment of a processing charge not to exceed $25.00 for the issuance of such statement. This written statement of Assessments due shall be conclusive in favor of any person who relies on such statement in good faith.

13.1.10 Superiority of Assessments. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which, insofar as it adversely affects the Association's lien for unpaid Assessments, each Owner by accepting a deed or other document of conveyance to a Lot hereby waives.

13.1.11 Declarant. Notwithstanding any language in the Governing Documents to the contrary, unless otherwise prohibited by the Acts or any applicable governmental law, rule or regulation, the Declarant shall not be obligated to pay Annual Assessments on any Lots (including any Vacant Lots) that are owned by the Declarant. However, the Declarant shall not be exempt from the payment of any Special Assessments that may be imposed by the Association or the Board or that may be otherwise required under the Governing Documents.

13.1.12 Vacant Lots. With regard to any Vacant Lots that are owned by an Owner (other than the Declarant) the Owner shall pay Fifty Percent (50%) of the Annual Assessments due and payable until such Vacant Lot is deemed an Improved Lot. However, the Owner of any such

Vacant Lot must pay the full amount of any Special Assessments or Reimbursement Assessments that may be imposed by the Association or the Board or that may be otherwise required under the Governing Documents.

13.2 Annual Assessments

Annual Assessments shall be levied by the Board against each Lot located in the entire Project in order to pay any and all Common Expenses that are not Neighborhood Expenses. All Annual Assessments shall be assessed to each Lot and the Owner(s) thereof in an amount equal to the Percentage Interest for such Lot.

13.3 Notice of Annual Assessments and Time for Payment

The Board shall notify each Owner in writing as to the amount of the proposed Annual Assessment against such Owner's Lot for the upcoming fiscal year no later than thirty (30) calendar days prior to January 1st of such upcoming fiscal year. Each Annual Assessment shall be payable in twelve (12) equal monthly installments, with each such installment due on the first day of each calendar month during the fiscal year to which the Annual Assessment relates.

The monthly installment of the proposed Annual Assessment shall become due and payable on the first day of January of the fiscal year to which the proposed Annual Assessment relates (the "**Intended Fiscal Year**") and shall continue to be due and payable on the first day of each subsequent calendar month unless or until the Annual Budget upon which the proposed Annual Assessment was based is disapproved by the Owners as described under Section 12.1.2. If such Annual Budget is disapproved, each Owner shall thereafter pay the monthly installment that was paid by such Owner under the Annual Budget of the previous fiscal year, and shall continue to pay such amount on the first day of each calendar month until such time as the Annual Budget for the Intended Fiscal Year has been approved. The Board shall determine the manner in which any discrepancies in monthly installments due and payable by each Owner for any Intended Fiscal Year (caused by delayed approval of the Annual Budget for that Intended Fiscal Year) will be resolved.

The failure of the Board to deliver timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Annual Assessment, or any other Assessment; however the date when the payment shall become due in such case shall be deferred to a date fifteen (15) calendar days after notice of such Assessment shall have been given to the Owner.

13.4 Special Assessments

In addition to Annual Assessments, the Board may, on behalf of the Association, periodically impose special assessments ("**Special Assessments**") pursuant to this Section 13.4.

13.4.1 Annual Budget Shortfall. If the sum estimated and budgeted for the Annual Budget, or any portion thereof, at any time proves inadequate for any reason the Board may impose a Special Assessment in order to remedy such shortfall.

13.4.2 Reserve Fund Shortfall. In the event of a shortfall in the Reserve Fund, the Board may impose against all Owners of the entire Project a Special Assessment to remedy such shortfall, provided the Board has first obtained an affirmative vote or written consent from a Majority of the Owners. Such Special Assessment shall be assessed to each Lot in an amount equal to the Percentage Interest for such Lot. If the Board is unable to obtain an affirmative vote or written consent from a Majority of the Owners, the Reserve Fund may only be replenished through the Reserve Fund Line Item of the Annual Budget, as more particularly described under Section 12.2.

13.4.3 No Authority to Incur Expenses. This Section 13.4 shall not be construed as an independent source of authority for the Association or the Board to incur expenses, but shall only be construed to prescribe the manner of assessing for any Annual Budget shortfall or any shortfall in any Reserve Fund(s).

13.4.4 Notice and Payment. Special Assessments shall be payable on such date(s) and over such time periods as the Board may determine. The Board, in its sole discretion, may allow any Special Assessment to be paid in installments. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners. However, no payment of any Special Assessment, or any portion of any Special Assessment, shall be due less than thirty (30) calendar days after such notice shall have been given. The failure of the Board to deliver prompt notice of any Special Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Special Assessment or any other Assessment.

13.5 Collection of Assessments / Failure to Pay

Each Owner shall be obligated to pay his or her Assessments to the Association on or before the due date as set forth under the Governing Documents or otherwise determined by the Board.

13.5.1 Delinquent Assessments. Any Assessment not paid when due shall be immediately deemed as delinquent, and a lien securing the obligation to pay such Assessment shall automatically attach to the Lot of the Owner(s) failing to timely pay such Assessment.

13.5.2 Late Fees and Accruing Interest. The Association's policies regarding late fees and/or accruing interest in connection with delinquent Assessment payments shall be determined by the Board and shall be set forth in the Rules and Regulations. Such policies shall be consistent with applicable laws, rules or regulations regarding the imposition of late fees and/or interest on delinquent Assessment payments.

13.5.3 Suspension of Right to Vote. At the discretion of the Board, the right of an Owner to vote on issues concerning the Association may be suspended if that Owner is delinquent in the complete payment of any Assessments, and has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written warning pursuant to Section 11.2.1.

13.5.4 Suspension of Right to Use Certain Amenities. At the discretion of the Board, an Owner's right to use certain Common Improvements may be suspended if that Owner is delinquent in the complete payment of any Assessments, and has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written warning pursuant to Section

11.2.1. Suspension of any Owner's right to use certain Common Improvements will be extended to the tenants, guests or any other occupants of such Owner's Dwelling.

13.5.5 Notice of Suspension. Before suspending any Owner's right to vote, or before suspending any Owner's right to access or use certain Common Improvements, the Board shall give written notice to such Owner. The notice shall state: (A) voting rights and/or right to access or use certain Common Improvements will be suspended if payment of the Assessment is not received within three (3) business days; (B) the amount of the Assessment(s) due, including any late fees, interest, and costs of collection; and (C) that the Owner has a right to request a hearing by submitting a written request to the Board within thirty (30) calendar days from the date the notice is received. If a hearing is requested, the Owner's right to vote or access or use certain Common Improvements may not be suspended until after the hearing has been conducted and a final decision has been reached by the Board.

13.5.6 Security Deposit. Any Owner who has been late in delivering payment of his or her Assessments more than twice during any given twelve (13) month period may be required by the Board to deliver to the Association and maintain a security deposit not in excess of three (3) months of estimated Assessments, which may be collected in the same manner as other Assessments. Such deposit shall be held in a separate fund, credited to such Owner, and such deposit monies may be used by the Board whenever such Owner is more than ten (10) calendar days delinquent in paying his or her Annual Assessment or any other Assessment.

13.6 Lien / Foreclosure

13.6.1 Lien. The Association shall have a lien on the interest of the Owner(s) of the Lot for (A) any delinquent Assessment, (B) fees, charges, and costs associated with collecting any delinquent Assessment, including court costs and reasonable attorney fees, late charges, interest, and any other amount the Association is entitled to recover under the Governing Documents, the Acts, or an administrative or judicial decision, and (C) any fine the Association may impose against the Owner of such Lot, provided that (i) the time for appeal described in Section 11.2.7 has expired and the Lot Owner did not file an appeal; or (ii) the Owner timely filed an appeal under Section 11.2.7 and the district court issued a final order upholding a fine imposed under Section 11.2.

The provisions of this Section 13.6.1, and any other provisions of this Declaration related to the imposition, collection or enforcement of liens, are intended to comply with applicable provisions of the Community Act, as well as Utah Code Section 38-12-102 and any other laws, rules or regulations related to liens. The Association and the Board shall at all times comply with any amendments to the Community Act or any other applicable provisions of the Utah Code that may govern the manner in which liens are imposed, collected and/or enforced.

The recording of this Declaration constitutes record notice and perfection of the lien described in this Section 13.6.1. A lien under this Subsection is not subject to Utah Code Annotated Title 78B, Chapter 5, Part 5, Utah Exemptions Act, as may be amended or supplemented. If an Assessment is payable in installments, the lien described in this Subsection is for the full amount of the Assessment from the time the first installment is due, unless the Association otherwise provides in the notice of Assessment. A lien under this Subsection has priority over each other lien and encumbrance on a Lot except:

(1) a lien or encumbrance recorded before this Declaration was recorded;

(2) a first or second security interest on the Lot secured by a deed of trust or mortgage that is recorded before a recorded notice of lien by or on behalf of the Association; or

(3) a lien for real estate taxes or other governmental assessments or charges against the Lot.

13.6.2 Foreclosure of Lien and/or Collection Action. If the delinquent Assessments remain unpaid, the Association may, as determined by the Board, institute suit to collect the amounts due and/or to foreclose the lien. Suit to recover a money judgment for the unpaid Assessments shall be maintainable without foreclosure or waiving the lien securing the same.

13.6.3 Foreclosure of Lien as Mortgage or Trust Deed. In order to enforce a lien for any delinquent Assessment, or any of the other fees, charges, costs or fines described under Section 13.6, the Association may cause a Lot to be sold through nonjudicial foreclosure as though the lien were a deed of trust, in the manner provided by Utah Code Annotated §57-1-24 through §57-1-27 or any other applicable law, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a Mortgage. For purposes of a nonjudicial or judicial foreclosure, the Association is considered to be the beneficiary under a trust deed and the Owner of the Lot being foreclosed is considered to be the trustor under a trust deed. An Owner's acceptance of the Owner's interest in a Lot constitutes a simultaneous conveyance of the Lot in trust, with power of sale, to the trustee designated as provided in this Section for the purpose of securing payment of all amounts due under this Declaration and the Acts. In any such judicial or nonjudicial foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Lot which shall become due during the period of any such judicial or nonjudicial foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power in behalf of the Association to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Lot in the name of the Association.

13.6.4 Appointment of Trustee. The Declarant hereby conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8-45 to the attorney of the Association, provided that he or she is a member of the Utah State Bar, as Trustee, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of Assessments under the terms of this Declaration.

Notwithstanding the above paragraph, if the Board elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Lot hereby irrevocably appoints the attorney of the Association, provided that he or she is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended or supplemented. In addition, each Owner hereby transfers in trust to said Trustee all of his or her right, title and interest in and to the Lot for the purpose of securing his or her performance of the obligations set forth herein.

13.6.5 Notice of Foreclosure. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice to the Owner of the Lot that is the intended subject of the nonjudicial foreclosure. The notice shall (A) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Lot to enforce the Association's lien for an unpaid Assessment; (B) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (C) be sent to the Owner by certified mail, return receipt requested; and (D) be in substantially the following form (or other form as the Community Act may recommend or require):

> NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE, Legacy Mountain Estates Owners Association, a Utah nonprofit corporation, the Association for the project in which your Dwelling is located, intends to foreclose upon your Dwelling and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your Dwelling and to collect the amount of an unpaid assessment against your Dwelling, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that "I demand a judicial foreclosure proceeding upon my Dwelling," or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is [insert the current address of the Association for receipt of a demand].

13.6.6 Rental Value. From the time of commencement of any action to foreclose a lien against a Dwelling for nonpayment of delinquent Assessments, the owner or purchaser of such Dwelling shall pay to the Association the reasonable rental value of the Dwelling to be fixed by the Board, and the plaintiff in any such foreclosure shall be entitled to the appointment of a receiver to collect the same, who may, if said rental is not paid, obtain possession of the Dwelling, refurbish it for rental up to a reasonable standard for rental Dwellings in that type of dwelling unit, rent the Dwelling or permit its rental to others, and apply rents first to costs of the receivership and attorney's fees thereof, then to costs of refurbishing the Dwelling, then to costs, fees and charges, of the foreclosure action, then to the payment of the delinquent Assessment charges.

13.6.7 One-Action Rule Inapplicable. As provided under the Acts, the one-action-rule provided in Utah Code Annotated Subsection 78B-6-901(1) shall not apply to the Association's judicial or non-judicial foreclosure of a lien for Common Expenses and/or any Assessment.

13.7 Reassessment of Delinquent Assessments

In the event that all or part of any Assessment (including any Annual Assessment or Special Assessment) or any other expenses of the Board cannot be promptly collected from the Owners or any other persons or entities liable for the payment of such Assessments or expenses pursuant to the Acts or the Governing Documents, the Board shall have the right and authority to apply and reassess and reallocate such uncollected Assessments or expenses to all Owners as a Common Expense, without prejudice to the Board's right and authority to the collection of such uncollected Assessments or expenses from the Owners or any other persons or entities liable for their payment.

13.8 Remedies Cumulative

The remedies provided to the Association under this Article 13 are cumulative and the Association may pursue any such remedies concurrently, as well as any other remedies which may be available under law although not expressed herein.

ARTICLE 14 – COMPLIANCE AND ENFORCEMENT

14.1 Enforcement

Each Owner shall comply with the provisions of the Governing Documents, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to the Governing Documents. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board on behalf of the Owners, or by the aggrieved Owner on his or her own. Reasonable fines may be levied and collected as an Assessment for violations of the Governing Documents. A schedule of fines may be adopted by the Board specifying the amounts of such fines, and any other procedures related to the levying of such fines.

The Association shall be entitled to an award of its attorneys' fees and costs in any action taken for the purpose of enforcing or otherwise implementing the terms of the Governing Documents, or for any action taken pursuant to the Governing Documents, if it prevails in such action, regardless of who instituted the action.

14.2 Remedies

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such documents, shall give the Board acting on behalf of the Association, the right, but not the obligation, 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 written notice:

(a) Subject to the provisions of this Declaration, to enter any Lot or any portion of the Common Area where such violation exists and to summarily correct, abate or remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of the provisions of the Governing Documents, 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;

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

(c) To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Board, a copy of which shall be delivered to each Owner, mailed to the mailing address of the Lot or Dwelling or mailed to the mailing address designated by the Owner in writing to the Association;

(d) To suspend the voting rights of any Owner, after notice and an opportunity to request a hearing, for any infraction of any of the published Rules and Regulations of the Association or the Governing Documents, including failure to timely pay an Assessment; and/or

(e) 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.

14.3 Action by Owners

Subject to any limitations that may be imposed under this Declaration, the Bylaws or applicable Utah law, an aggrieved Owner may bring an action against any other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

14.4 No Waiver of Strict Performance

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any Assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in a writing that has been signed by the Board.

ARTICLE 15 – INSURANCE / LIABILITY

15.1 Property Insurance

The Association shall maintain, to the extent reasonably available using typical insurance carriers and markets: (a) property insurance on Common Improvements that are owned, managed and/or controlled by the Association, if any, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and (b) liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. If the Association becomes aware that property insurance or liability insurance is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

15.2 General Liability Insurance

The Association shall obtain General Liability insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area (including Common Improvements) or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars ($1,000,000.00), or at some other higher amount as reasonably determined by the Board, covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

15.3 Insurance Coverage for Theft and Embezzlement of Association Funds

The Association shall obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three months of Annual Assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for theft or embezzlement of funds by: (a) officers, directors, or any other members of the Board of Directors, (b) any members of the Association, (c) employees and volunteers of the Association, (d) any Manager (if any), and (e) officers, directors, and employees of any Manager of the Association.

15.4 Directors and Officers Insurance

The Association shall obtain directors' and officers' liability insurance protecting current and past members of 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). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, (3) 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 (4) provide coverage for defamation. In the discretion of the Board, the policy may also include coverage for the Manager (if any) 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.

15.5 Association Personal Property

The Association may, in the Board's discretion, maintain insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

15.6 Workers' Compensation Insurance

The Board of Directors may, in the Board's discretion, purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Board of Directors deems appropriate.

15.7 Insurance Trustee

An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under a property insurance policy of the Association are payable to an Insurance Trustee that the Association designates or, if no Insurance Trustee is designated, to the Association, and may not be payable to a holder of a security interest. An Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Association, the Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. After such disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, the Owners, and lien holders.

15.8 Insurance Trustees; Power of Attorney

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "**Insurance Trustee**"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

15.9 Miscellaneous

15.9.1 Waiver of Liability. The Association and Board that acquires from an insurer the property insurance required in this Section is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

15.9.2 Election to Restore in Lieu of Cash Settlement. Each such policy shall provide that, notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

15.9.3 Name of the Insured. The named insured under each policy shall be in form and substance essentially as follows "Legacy Mountain Estates Owners Association, a Utah domestic nonprofit corporation, for the use and benefit of the individual Owners."

15.9.4 Certificate of Insurance. An insurer that issues any insurance policy under this Section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to the Association, an Owner, and a holder of a security interest, upon the Association's, an Owner's or the holder's written request.

15.9.5 Cancellation or Nonrenewal Subject to Procedures. A cancellation or nonrenewal of any insurance policy under this Paragraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

15.9.6 Qualifications of Insurance Carriers & General Coverage Requirements. The Association shall use insurance carriers licensed to do business in Utah and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or if not available, the most nearly equivalent rating.

15.9.7 Waiver of Subrogation. An insurer under a property insurance policy or liability insurance policy obtained under this Article waives the insurer's right to subrogation under the policy against any Owner or member of the Owner's household.

15.9.8 Additional Coverage. The provisions of the Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by the Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

15.9.9 Review of Insurance. The Board shall annually review (or cause a review) of the coverage and policy limits of all insurance on the Project and adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

ARTICLE 16 – EASEMENTS / ENCROACHMENTS

16.1 In General

There is hereby created a blanket, nonexclusive easement upon, across, over and under the entire Project for ingress, egress, installation, replacement, repair, and maintenance of all utilities, including, without limitation, water, sewer, telephone, Internet, electricity and any other utility services.

16.2 Association Functions

There is hereby reserved to the Association, or the Association's duly authorized agents and representatives, such nonexclusive easements upon, across, over and under the entire Project as are necessary to perform the duties and obligations of the Association as set forth in the Governing Documents. Such duties and obligations may include, for example and without limitation, the maintenance, repair and replacement of Common Improvements such as Project signage/monuments, decorative fencing or any Irrigation/Sprinkler Systems located on any Common Area. The Association is also hereby granted a nonexclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to the Governing Documents.

16.3 Governmental Public Services

In addition to the nonexclusive easements reserved to the Association pursuant to this Declaration, there shall also be granted, for the benefit of all Owners, a nonexclusive easement for county and federal public services, including but not limited to, the right of the police to enter upon any part of the Common Area for the purpose of enforcing the law and other purposes incident thereto. Weber County shall also have the easement and right of way over and on the Common Area for the purpose of repairing and replacing facilities or improvements therein and thereon at its option, in the event the Association fails and neglects to do so, and to have a lien therefor to guarantee replacement of the costs thereof against each of the Dwellings or Lots within the Project.

ARTICLE 17 – CONSENT IN LIEU OF VOTE

Subject to Subsection 16-6a-707 of the Utah Revised Nonprofit Corporation Act (as such Subsection may be amended from time to time) in any instance in which a vote of the Owners is required in order to authorize or approve any transaction, action, or event, such requirement may be fully satisfied by obtaining, with or without a meeting, written consent to such transaction, action, or event from Owners who collectively hold not less than the minimum voting power that would be necessary to authorize or authorize or approve the transaction, action, or event at a meeting at which all Owners entitled to vote on the matter were present and voted.

17.1 Sixty-Day Limit

All necessary written consents must be obtained prior to the expiration of sixty (60) calendar days from the time the first written consent is obtained.

17.2 Revocation of Written Consent

Any Owner giving such written consent may revoke his or her consent by a signed writing that: (a) describes the transaction, action, or event; (b) states that the Owner's prior consent is revoked; and (c) is received by the Association prior to the effectiveness or commencement of the transaction, action, or event.

17.3 Notice

If a transaction, action, or event is approved by such written consent of Owners without a meeting, written notice of the approval must be given to all Owners no later than ten (10) calendar days before consummation of the transaction, action, or event authorized by such written consent of Owners.

17.4 Statutory Requirements or Restrictions

The provisions of this Article 17 are subject to any applicable requirements or restrictions that may be set forth in the Nonprofit Corporation Act.

ARTICLE 18 – LIMITATION OF LIABILITY

18.1 No Personal Liability

So long as a Board member, Association officer, or member of any Association or Board committee has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 15.

18.2 Indemnification of Board Members

Each Board member, Association officer, or member of any Association or Board committee shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE 19 – AMENDMENT TO DECLARATION

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Consistent with the Declarant's duties, rights and obligations throughout the Governing Documents, prior to termination of the Period of Declarant's Control, the Declarant may unilaterally amend this Declaration for any purpose.

As provided under Section 57-8a-104 of the Utah Community Association Act, after the Period of Declarant's Control has expired, any proposed amendment must be approved by a majority of the Board prior to being presented to the Owners for their approval. After the Period of Declarant's Control has expired, amendments to this Declaration may be adopted at a meeting of the Owners if Owners holding at least sixty-seven (67%) percent of the voting rights vote in favor of such amendment, or without any meeting if all Owners have been duly notified and Owners holding at least sixty-seven (67%) percent of the voting rights consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the President of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the Recorder's Office and any other appropriate governmental offices. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

ARTICLE 20 – PERIOD OF DECLARANT'S CONTROL

The term Period of Declarant's Control is intended to be synonymous with the term "period of administrative control" as that term is used in the Community Act.

During the entire Period of Declarant's Control:

A. the Declarant shall have the authority to appoint or remove members of the Board;
B. The Declarant will have the sole authority to appoint, remove and/or replace any member of the Design Review Board;

C. the Declarant shall have the authority to exercise the authority assigned to the Association under the Governing Documents;

D. the actions or decisions of the Association and the Board must be approved by the Declarant before such actions or decisions become effective; and

E. the Declarant is exempt from the Rules and Regulations and any Association rulemaking procedures.

Termination of the Period of Declarant's Control shall not result in any loss or waiver whatsoever of Declarant's rights incident to Declarant's ownership of any Lots or any unbuilt and/or unsold Dwellings.

ARTICLE 21 – MISCELLANEOUS

21.1 Service of Process

Service of process for the purposes provided in the Acts may be made upon the offices of the President of the Association or upon the Manager of the Association, if any. The Board may at any time designate a new or different person, entity or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then President of the Association.

21.2 Delivery of Notices to the Association

All notices to the Association or the Board shall be sent in care of the Manager or, if there is no Manager, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time.

21.3 Delivery of Notices to the Owners

Pursuant to Section 57-8a-214 of the Community Act, except as otherwise specifically permitted under any provision of this Declaration or the Bylaws or except as otherwise required under the Acts, the Association may send notices to Owners via first-class mail, registered mail or email.

The Association may also post notices on the Association's website (if any), but only if such notice has also been delivered to the Owners via first-class mail, registered mail or email. The Association may not utilize the Association's website as the sole means of delivering notices to the Owners. The Association may not utilize text messaging or any other electronic transmission (as that term is defined under Section 16-6a-102 of the Nonprofit Corporation Act) to deliver notices.

Each Owner must provide the Secretary of the Association with an email address which the Association may use for electronic delivery of certain notices. Each Owner shall also provide the Secretary of the Association with a mailing address at which the Association may mail any notices that, pursuant to the provisions of this Declaration, the Bylaws or the Acts, may not be electronically delivered. The Secretary of the Association shall maintain each Owner's email address and mailing address in the Association's ownership records.

Any notice that is sent via first-class mail or registered mail shall be sent to the mailing address that is on file with the Association. Any notice that is delivered via first-class mail shall be deemed to have been delivered three (3) business days after a copy has been deposited in the United States mail, postage prepaid.

If an Owner has not provided the Association with a mailing address, any notices the Association wishes to mail to that Owner shall be delivered via first-class mail or registered mail to both (A) the mailing address for such Owner that is published on the Weber County Assessor's Office website and (B) the physical address of such Owner's Lot/Dwelling (if the two addresses are different).

An Owner may, by written demand to the Board, require that the Association abstain from delivering any notices to such Owner via email or any other electronic means and require that the Association only deliver notices to such Owner via first-class mail or registered mail.

If a Lot and/or Dwelling is jointly owned or the Lot and/or Dwelling has been sold under a land sale contract, notices shall be sent to a single mail address, of which the Board has been notified in writing by such parties. If no address has been given to the Board in writing, notices shall be sent to the mailing address that appears on the website for the Weber County Assessor's Office for to mailing address for the Owner's Lot and/or Dwelling

21.4 Delivery of Notices to Mortgagees

Upon written request to the Secretary of the Association, a Mortgagee, or deed of trust beneficiary of any Lot or Dwelling shall be entitled to be sent a copy of any notices respecting the Lot or Dwelling covered by his or her security instrument until the request is withdrawn or the security right discharged. Notices will only be sent to those Mortgagees on record with the Association as having requested such notifications. The Association is not responsible to search for entities that may be entitled to receive notification.

21.5 Declarant's Sales Program

21.5.1 Generally. Notwithstanding any language in the Governing Documents to the contrary, and unless otherwise clearly prohibited under the Community Act or any other applicable law, rule or regulation, until the date upon which Declarant has sold all Dwellings owned by Declarant the provisions of this Section 21.5 shall remain in full force and effect. Neither the Owners, the Association, nor the Board shall interfere with the completion of any improvements of the Project or the sale of Declarant's Dwellings, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of any Dwellings owned by Declarant.

21.5.2 Sales Office. Declarant shall have the right to maintain a sales office at any time. Such office may be located in one or more of the Dwellings ~~owned by the Declarant~~, one or more separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort.

21.5.3 Promotional. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Project.

21.5.4 Common Area Use. Declarant shall have the right to use the Common Areas of the Project in manner deemed by Declarant as reasonably necessary to facilitate sales.

21.5.5 Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices. Declarant shall also have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility that was placed on the Project for the purpose of aiding Declarant's sales effort.

21.6 Easements Reserved by Declarant

Declarant hereby reserves to itself and its assigns, and for the benefit of the Association and all the Owners, the following described perpetual non-exclusive easements over all portions of the Project:

(A) Construction and Marketing Easements and Related Rights.

(i) The right to, from time to time, construct, install, inspect, maintain, repair and replace any utilities or infrastructure to serve the Project including, without limitation, electricity, water, sewer, phone, communications cables, and storm water and drainage systems which may include detention and retention ponds for the Project and any land that may become part of the Project;

(ii) The right to, from time to time, construct, maintain and repair earth walls, slopes, retaining walls and other supports; and

(iii) The right to, from time to time, construct and maintain offices, prefabricated structures, booths or other structures for administrative, sales and promotional purposes relating to the Project during its development and marketing.

(B) Landscaping and Drainage Easements.

(i) The right to, from time to time, re-vegetate, landscape, beautify or maintain any portions of the Project to the extent deemed by Declarant or the Association as reasonably necessary to mitigate any undesirable visual impact of the Project; and

(ii) The right to, from time to time and to the extent permitted by Utah law, preserve, improve, maintain, restore and re-vegetate natural and man-made storm drainage or storm water detention features, and to convey or hold water in such features in order to adequately control surface water and/or control erosion.

21.7 Declarant's Rights Assignable

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering any Dwellings or Buildings in the Project title to which is vested in the Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to the Declarant (in its capacity as Declarant) herein.

21.8 Transfer of Management

Notwithstanding any language in the Governing Documents to the contrary, Declarant may, at any time during the Period of Declarant's Control, elect to transfer management of the Project to a Board elected by the Owners, but may also, at any time, relinquish and reclaim its reserved right to select the members of the Board.

21.9 Security Disclaimer

The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. Neither the Association, nor the Board shall in any way be considered insurers or guarantors of security within the Project, however; and neither the Association, nor the Board shall be held liable for any loss or

damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. Neither the Association nor the Board has made or shall make any express or implied representations or warranties to any Owner or to any residents, tenants, invitees, guests and/or other occupants of any Dwelling regarding any security measures that may be, or may have been, undertaken within the Project.

21.10 Owner Joint and Several Responsibility

If any Dwelling is owned by more than one Owner ("**Multi-Owner Dwelling**"), the Owners of such Multi-Owner Dwelling shall be "jointly and severally" responsible and liable for the performance and fulfillment of any Owner responsibilities, obligations and/or liabilities associated with such Multi-Owner Dwelling as set forth under the Governing Documents. By example, and without limitation of the previous sentence, if the Association were to impose a fine or Special Assessment against a Multi-Owner Dwelling, the Association may proceed to collect payment of such fine or Special Assessment from (A) any one Owner, (B) all Owners, or (C) less than all of the Owners of such Multi-Owner Dwelling.

21.11 Mechanics Liens

Liens for materials, labor or money against any Dwelling or Lot Owner or the Association are to be indexed in the public records under the name of the Dwelling or Lot Owner. With regard to a lien on multiple Dwellings or Lots for materials, labor or money provided to the Association or affecting the Common Area, a Dwelling or Lot Owner may pay his or her prorata share of the amount of any lien and that shall be sufficient to release the lien as to his or her Dwelling or Lot. Any person, entity or organization who elects to provide materials or perform labor at the Project shall do so subject to the terms, covenants, and conditions of this Section 21.11.

21.12 Severability

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Acts or as covenants affect the common plan.

21.13 Effective Date

This Declaration shall take effect upon recording.

21.14 Rules Against Perpetuities and Unreasonable Restraints

As provided under Section 57-8a-108 of the Utah Community Act, the rule against perpetuities and the rule against unreasonable restraints on alienation of real estate may not defeat any provision of the Governing Documents. Accordingly, no provision of this Declaration shall be deemed unlawful, void, or voidable by reason of any applicable law restricting the period of time that covenants running with the land, or conditions on land, may be enforced.

21.15 Liberal Construction

The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the Project consistent with applicable Utah law. It is intended and covenanted also that, insofar as it affects the Governing Documents and the Project, the provisions of the Acts referenced herein shall be liberally construed to effectuate the intent of the Governing Documents insofar as reasonably possible. In the event any provision of the Governing Documents is deemed as inconsistent with or illegal under any provision of the Acts (or any other applicable Utah law, rule or regulation) then the applicable provision(s) of the Acts (or any other applicable Utah law, rule or regulation) shall govern.

21.16 Consistent with Acts

Capitalized terms such as, but not limited to, "Association", "Common Area", "Common Expenses", and "Project", as used in this Declaration are intended to have the same meaning given in the Acts unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

21.17 Covenant Running with Land

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Acts, and operating independently of the Acts should the Acts be, in any respect, inapplicable.

21.18 "Person", etc.

When interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The term "mortgage" may be read to include deeds of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

21.19 Captions and Exhibits

Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of the substantive provisions hereof. The various exhibits referred to herein by reference are hereby incorporated herein as though fully set forth where such reference is made.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officer on the ____ day of _____, 2021.

LEGACY MOUNTAIN ESTATES, LLC
a Utah limited liability company

By: _____
Name: John Lewis
Title: _____

STATE OF UTAH)
: ss)
COUNTY OF WEBER)

On this _____ day of _____, in the year 2021, before me _____ a notary public, personally appeared _____John Lewis_____, in his capacity as President of Legacy Mountain Estates, LLC, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged he executed the same.

Witness my hand and official seal

_____ Notary Public

Exhibit "A"
to
Declaration of Covenants, Conditions And Restrictions
for Legacy Mountain Estates

Legal Description
of
Property

The real property that is subject to and burdened by this Declaration includes any and all real property (including, without limitation, any and all Lots and Common Area) and any easements or improvements located upon such real property (including, without limitation, any and all Dwellings, Common Improvements and Outdoor Owner Amenities) located in that certain residential subdivision located in Weber County, State of Utah, commonly known as "Legacy Mountain Estates" as identified and included in the following Plat Maps, as such Plat Maps may be substituted or amended:

The Lots and Common Areas included in the above legal description are identified by the following Weber County Parcel Numbers:

Exhibit "B"
to
Declaration of Covenants, Conditions And Restrictions
for Legacy Mountain Estates

Bylaws
of
Legacy Mountain Estates Owners Association

[See attached Bylaws consisting of _____ (_____) pages]