

ENT 198104:2020 PG 1 of 159
Jeffery Smith
Utah County Recorder
2020 Dec 11 05:06 PM FEE 340.00 BY MA
RECORDED FOR United West Title
ELECTRONICALLY RECORDED

WHEN RECORDED RETURN TO:

Wildflower Improvement Association
14034 S. 145 E. #204
Draper, UT 84020

WW-11503

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR WILDFLOWER IMPROVEMENT ASSOCIATION**

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND INTERPRETATION.....4
ARTICLE 2 THE ASSOCIATION.....10
ARTICLE 3 MANAGEMENT OF BOND PROCEEDS AND ASSESSMENTS.....14
ARTICLE 4 ASSESSMENTS.....21
ARTICLE 5 DURATION, AMENDMENT, SUPPLEMENT AND ANNEXATION28
ARTICLE 6 GENERAL PROVISIONS.....29

EXHIBIT “A” – LEGAL DESCRIPTION OF THE ASSESSED PROPERTY

EXHIBIT “B” – BYLAWS OF THE ASSOCIATION

EXHIBIT “C” – FINANCED IMPROVEMENTS

EXHIBIT “D” – ASSESSMENT METHODOLOGY REPORT

EXHIBIT “E” – INDENTURE

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
WILDFLOWER IMPROVEMENT ASSOCIATION**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WILDFLOWER IMPROVEMENT ASSOCIATION (this "**Declaration**") is adopted by **WILDFLOWER DEVELOPER, LLC**, a Utah limited liability company ("**Declarant**"), **WILDFLOWER IMPROVEMENT ASSOCIATION**, a Utah nonprofit corporation ("**Association**"), and with the consent and agreement of UMB Bank, n.a. ("**Bond Trustee**") with respect to the duties, rights and interests of each party hereunder.

PREAMBLE:

A. The real property made subject to this Declaration is more particularly described on Exhibit "A" attached hereto and made a part hereof (the "**Assessed Property**"). By executing and recording this Declaration, the Declarant and all undersigned owners of the Assessed Property declare that the property described in Exhibit "A", and any additional property made subject to this Declaration in the future by amendment or supplement, is subject to the terms, covenants, conditions and restrictions set forth in this Declaration.

B. The Association has been formed by the Declarant for the express purposes of acting as an association in accordance with the Utah Community Association Act for the purposes of implementing the terms and provisions of this Declaration with respect to the Assessed Property. The Members of the Association will be the Owners of the Parcels in the Assessed Property, provided that they will not have voting rights. Instead, Declarant shall act in lieu of a Board of Directors and shall control the Association during the Declarant Control Period.

C. The Association's Lien for Assessments created by the recording of this Declaration constitutes a senior lien and obligation upon each of the Parcels that forms a part of the Assessed Property, and shall be senior to all other indebtedness liens, including loans secured by a mortgage or deed of trust. While a Parcel remains encumbered by the Assessment Lien, lending sources for refinancing or other purposes, including for purchasers at a resale, may be limited. Before purchasing a Parcel, each Owner should determine whether and to what extent the Assessment Lien obligations hereunder may impact the ability of Owner to obtain loans from banks or other lending institutions in the customary loan markets.

D. Pursuant to the Development Plan, and certain other documents and approvals authorizing development, use and occupancy of Wildflower (collectively, the "**Entitlement Documents**"), various infrastructure improvements and facilities must be completed on the Property, including without limitation, roads, curbs and gutters, sidewalks, trails, landscaping, street lighting, signage, wet and dry utilities within roads, emergency and secondary access to the Assessed Property. Portions of the infrastructure improvements, along with certain open space and landscaping, may be dedicated to public agencies and the remainder of the infrastructure improvements may be owned by the Declarant, the Wildflower Master Association, one or more neighborhood associations, or others. The conveyance to one or more homeowners' associations of the privately-owned infrastructure improvements and the ownership and maintenance thereof, will be addressed in instruments separate and apart from this Declaration.

E. Prior to the construction of the residences and related improvements in Wildflower, Declarant needs to provide infrastructure improvements for the direct and special benefit of the Parcels to be contained within the Assessed Property, as described with estimates of costs to complete on Exhibit "C", including certain, sewer, water, roadway, storm drain, and utility improvements, along with other related improvements to benefit property within the boundaries of the Assessed Property ("**Financed Improvements**"). The Declarant intends to have the Financed Improvements started promptly after receipt of the Bond Proceeds.

F. Declarant will cause the Association to issue Special Assessment Bonds, Series 2020 (the "**Bonds**"), from which the proceeds (the "**Bond Proceeds**") will be used to (i) fund the Financed Improvements, (ii) fund a reserve account, and (iii) pay costs of issuance of the Bonds. In accordance with an Indenture of Trust and Pledge to be executed and delivered by the Association (the "**Indenture**"), the Bonds will have a repayment term of ten (10) years, and Association will service and repay the Bonds through the levying and collecting assessments (as more fully defined below, the "**Assessments**") in annual installments from the Owners of the Assessed Property. The Developer and the Owners will be responsible for the costs of the Financed Improvements that exceed the Bond Proceeds.

G. Included among the general powers of a Utah nonprofit corporation under the Utah Revised Nonprofit Corporation Act ("**Nonprofit Act**") is the power to issue bonds and to secure its obligations by pledge of property, assets or income. An assessment levied against real property by a nonprofit community association under the Association Act constitutes a debt of the Parcel owner collectible by the association and, where levied pursuant to a notice of assessment lien recorded by the Association, has priority over any security interests in the real property secured by a mortgage or trust deed recorded after an association's recorded notice of assessment lien.

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

I. Assessments will be levied against the Parcels within the Assessed Property by allocating the actual costs incurred of the Financed Improvements for each Neighborhood Improvement Area and then spreading these costs across all Parcels within each Neighborhood Improvement Area based on the ratio of the estimated projected assessed value of each Parcel within each Neighborhood Improvement Area to the total projected assessed value for the entire Neighborhood Improvement Area. The Assessments and the Annual Installments thereof for each of the Parcels will be calculated as shown on the Assessment Plan contained within the Assessment Methodology Report attached hereto as Exhibit "D" which is incorporated herein by this reference.

J. Declarant has formed the Association for nonprofit purposes pursuant to the Nonprofit Act, and solely for the following purposes: (1) issuing, selling and servicing the Bonds

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

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

L. Wildflower remains subject to the terms, conditions and restrictions contained in the Entitlement Documents, and the Owners of the Assessed Property are bound thereby. While development rights and entitlements are being pursued by Developer for certain portions of the Assessed Property, the Assessment obligations for each anticipated Parcel of that portion of the Assessed Property shall be satisfied and performed by its Owner. The Declaration and the Assessments levied herein, will have priority and be separate and apart and from any obligation that may attach to the Assessed Property from one or more associations that may be formed to own and manage the Assessed Property and/or Financed Improvements and to govern the Parcels therein.

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

ARTICLE 1
DEFINITIONS AND INTERPRETATION

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

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

1.1.2 ***“Administrator”*** means the Person appointed and charged by the Declarant with (i) tracking and allocating Assessments among the various Parcels held by the Owners, and reallocating the Assessments as the Parcels are platted, reconfigured, or sold for residential use, (ii) administering the invoicing and monitoring payment of the Assessments by Owners to Bond Trustee, as set forth herein, and (iii) administering the release of Parcels from the Declaration and from the Lien of Assessment as the Assessments are satisfied for the Parcels, including providing timely responses to Owner requests for Prepayment Amounts following a Prepayment Election by the Owner. The Administrator shall work under the direction of Declarant (or the Board, if constituted) as an authorized representative of the Association. Declarant has initially appointed Development Planning & Financing Group, Inc. as Administrator, but shall have the right to appoint a different Administrator from time to time in its sole discretion.

1.1.3 ***“Annual Installment”*** means payment of the annual installment amount of the Assessment owing with respect to each Parcel, as shown in the Assessment Plan which, if paid on the due date, will satisfy the obligations of the Owner of the Parcel under that Parcel’s Assessment until the following calendar year.

1.1.4 ***“Articles”*** means the Articles of Incorporation of the Association filed with the Utah Division of Corporations and Commercial Code.

1.1.5 ***“Assessed Property”*** means the real property that is included within that portion of Wildflower as initially described in Exhibit “A” and any additional land annexed into the Association and made subject to this Declaration. Portions of the Assessed Property may be divided into individual Parcels upon platting of subdivisions, pursuant to a Supplemental Declaration, showing the exact locations of the Parcels, but such subdivision shall not act to release the newly created Parcels from the terms and conditions of this Declaration.

1.1.6 ***“Assessment”*** means the charge imposed and levied pursuant to this Declaration by the Association against each Parcel, as set forth in the Assessment Plan, subject to reallocation by the Administrator upon the subdivision of a Parcel in accordance with the provisions of the Assessment Plan.

1.1.7 ***“Assessment Plan”*** means the “Assessment Plan” section of the Assessment Methodology Report, which is attached hereto as Exhibit “D” and is incorporated herein by this reference; provided, however, that the Declarant, with the recommendation and

advice of the Administrator, shall have the power to modify or supplement the Assessment Plan in order to satisfy the Association's obligations under the Indenture.

1.1.8 **"Association"** means the Wildflower Improvement Association, a Utah nonprofit corporation, organized and operating as a community association in accordance with the Association Act.

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

1.1.10 **"Association Trustee"** means the Person designated by Declarant or Bond Trustee in accordance with the Indenture, from time to time, to process and carry out on behalf of the Association any foreclosure of the Liens on the Parcels pursuant to the Declaration. The Association Trustee is also referred to at times as the Foreclosure Agent in the Indenture. The Association Trustee shall procure and, at all times relevant to the Indenture and this Declaration, maintain the qualifications for a trustee pursuant to Utah Code § 57-1-21(1)(a)(i) or (iv). The initial Association Trustee shall be The Richards Law Office, P.C.

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

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

1.1.13 **"Bond Obligation"** means the obligation to repay to the Bondholders the par amount of the Bonds in accordance with the debt servicing schedule of the Bonds as set forth in the Assessment Plan.

1.1.14 **"Bond Proceeds"** means the amount of monies financed by the Bonds to include the amounts intended for construction of the Financed Improvements and for financing and reserve costs.

1.1.15 **"Bonds"** means the Series 2020 Fixed Assessment Bonds as set forth in the Indenture to be financed by Assessments on each Parcel within the Assessed Property.

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

1.1.17 **"Bond Trustee"** means the Person identified by the Bondholders as duly appointed and authorized to act as trustee for the Bondholders under the Indenture, initially UMB Bank, n.a.

1.1.18 **“By-Laws”** means the Bylaws of the Association as adopted and amended from time to time. A copy of the Bylaws is attached hereto as Exhibit “B.” Declarant may from time to time amend the Bylaws without need to amend this Declaration.

1.1.19 **“City”** means Saratoga Springs, Utah.

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

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

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

1.1.23 **“Debt Service Reserve Requirement”** means, with respect to the Bonds, an amount initially equal to \$4,165,000 (subject to change pursuant to the executed Indenture), which amount shall be adjusted as prepayments are made.

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

1.1.25 **“Declarant Control Period”** means the period of time commencing on the date this Declaration is recorded and terminating on the date on which all Bond Obligations have been fully paid by the Association that are due under the Bonds and all Association obligations under the Indenture are satisfied.

1.1.26 **“Developer”** means DAI Managers, LLC, a Utah limited liability company, and its successors and assigns.

1.1.27 **“Development Plan”** means the master plan of development for Wildflower, as contained in development agreements with the City, which includes the scheme of development for all the Parcels and contemplated amenities for Wildflower, as may be amended from time to time.

1.1.28 **“Entitlement Documents”** means, collectively, the Development Plan, and such other documents, instruments or writings containing approvals (including conditions of approval) authorizing development, use and occupancy of Wildflower.

1.1.29 **“Equivalent Residential Units”** or **“ERUs”** means a dwelling, unit, or development that is equal to an average single-family residence in terms of the nature of its use or impact on an improvement to be provided in the Assessed Property.

1.1.30 **“Financed Improvements”** means those improvements to the Property being financed by means of the Bond Proceeds as set forth in Exhibit “C”.

1.1.31 **“Fund”** or **“Funds”** shall mean, collectively, the Assessment Fund, Cost of Issuance Fund, Construction Fund, Bond Fund and Reserve Fund, as each is more particularly described in Article 3, below.

1.1.32 **“Governing Documents”** means this Declaration, Articles, Bylaws, Plat, and any other written instrument by which the Association may exercise power, manage, maintain, or otherwise affect the Project and any amendments thereto properly authorized in accordance with the terms thereof.

1.1.33 **“Indenture”** means the Indenture of Trust and Pledge Agreement entered into between the Association and the Bond Trustee, attached hereto as Exhibit E and incorporated herein by this reference.

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

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

1.1.36 **“Master Association”** means the Wildflower Master Homeowners Association, Inc. The Master Association has the authority to enforce the provisions of the Master Declaration. All Owners shall also be members of the Master Association.

1.1.37 **“Master Declaration”** means the Master Declaration of Covenants, conditions and Restrictions for Wildflower recorded on February 23, 2018 as Entry Number 17973:2018 (“Master Declaration”). If there is a conflict between this Declaration and the Master Declaration, then the provision of this Declaration shall prevail. The Assessment Lien created by this Declaration shall be superior to the lien created by the Master Declaration.

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

1.1.39 **“Membership Termination Event”** shall mean with respect to any Parcel, and each Owner thereof, the occurrence of any one of the following events: (a) the Owner

of the Parcel causes to be delivered the Prepayment Amount to Bond Trustee following a timely making of a Prepayment Election, (b) the Association, following an Assessment Default, sells the Parcel by foreclosure or acquires a Parcel by foreclosure (or deed-in-lieu thereof) and delivers fee title to the Bondholders (or to the Bond Trustee on behalf of the Bondholders) in accordance with Section 4.17 of this Declaration in full satisfaction of the Bond Obligation allocated to such Parcel, or (c) the termination of this Declaration following full satisfaction of all Bond Obligations by the Association.

1.1.40 **“Neighborhood Improvement Area”** means one or more Parcels within the Assessed Property that are anticipated to be developed in the same general time period. The Parcels within a Neighborhood Improvement Area will be assessed according to the Assessment Plan.

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

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

1.1.43 **“Parcel”** means a property identified by either a tax map identification number assigned by the Utah County Assessor for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, and attached condominium units.

In the case of a Parcel of land intended by the Development Plan for future subdivision into individual lots, that Parcel shall be subject to Assessments calculated under the Assessment Plan and shall be deemed to contain the number of ERUs determined by the Assessment Plan until such time as a final subdivision plat is recorded with the County. Upon recordation of a subdivision plat, each new lot shall be considered a Parcel and subject to Assessments, in accordance with the allocations set forth under the Assessment Plan.

Portions of the real property initially included as Assessed Property that will hereafter become common area parcels, parcels of real property dedicated to the City or to any other governmental authority, parcels containing common area amenities, commercial parcels and parcels of real property owned in fee simple title by a homeowners’ association will not, upon such parcellation, be considered Parcels for purposes of Assessment or any other purpose under the Declaration.

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

1.1.45 **“Prepayment Amount”** as more fully described in Section 4.9, shall be the amount of payment, as calculated by the Administrator following a Prepayment Election, necessary to fully satisfy and redeem the Bond Obligation allocated to such Parcel.

1.1.46 **“Prepayment Election,”** as more fully described in Section 4.9, shall refer to the election of a Parcel Owner, prior to any Annual Installment due date, to make a prepayment of the allocated Bond Obligation to cause a release of the Lien from such Owner’s Parcel.

1.1.47 **“Qualified Investments”** shall have the meaning set forth in the Indenture.

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

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

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

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

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

1.1.53 **“Supplemental Declaration”** shall mean a supplement to this Declaration that is executed by Declarant and the Owner of the subject Parcel(s) and is recorded concurrently with the platting or annexation of a Parcel that details the revised number and configuration of Parcels that will continue to be subject to Assessments and sets forth the Assessment allocation rate for each newly created Parcel.

1.1.54 **“Wildflower”** means the master-planned residential development being developed by the Developer and Declarant pursuant to the Entitlement Documents in Utah County and each phase thereof including all land, structures, and improvements thereon including the Parcels, roads, open spaces and Common Areas.

1.2 INTERPRETATION.

1.2.1 **General Rules.** This Declaration shall be liberally construed to effectuate its purpose of creating a means of funding the Financed Improvements for the benefit of the Parcels within the Assessed Property. Except for judicial construction, the Declarant or Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefitted or bound by the covenants and provisions hereof. As used in this Declaration, the singular includes the plural and the plural the singular. The masculine, feminine and neuter each includes the other, unless the context dictates otherwise. Any reference in this Declaration to time of performance of obligations or to elapsed time means consecutive calendar days, months or years, as applicable, unless otherwise expressly provided.

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

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

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

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

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

ARTICLE 2 THE ASSOCIATION

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

exercised by Declarant, in lieu of a Board of Directors, and the Association shall be Declarant-controlled during the entire existence of the Association.

2.2 ASSOCIATION MEMBERSHIP. Each Owner, upon receiving conveyance of title to a portion of the Assessed Property that includes a Parcel shall be a Member of the Association solely by virtue of the Owner's ownership of the Parcel(s). Each Owner, as a Member of the Association, has an obligation to pay Assessments for each Parcel it owns and is entitled to receive the special benefit of the Financed Improvements, which Financed Improvements are anticipated to provide value to that Parcel in an amount equivalent to, or greater than, the Assessment amount. The Membership, along with its attendant duties and obligations, shall continue as to each Parcel in the Assessed Property until a Membership Termination Event occurs with respect to such Parcel. Following a Membership Termination Event for a Parcel, the Parcel shall no longer be part of the Assessed Property or otherwise encumbered by this Declaration. Members shall not have voting rights.

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

2.3.1 Own and Dispose of Foreclosed Property. The power and duty to accept title to and ownership of those portions of the Assessed Property for which foreclosure is pursued in connection with a Parcel for which an Assessment Default has occurred. Except for the foregoing, the Association shall not own or maintain any real property or real property interests. In particular, the Association shall not own or maintain the Financed Improvements, any Common Areas, or any of the amenities portions of the Assessed Property following platting of Parcels, all of which shall instead, upon completion, be conveyed by Declarant or the applicable Owner, to either governmental authorities, the Master Association, a neighborhood association, or other community associations within Wildflower that may be formed by Declarant.

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

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

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

2.3.5 Pledge of Assessments and Lien of Parcels. The power and duty to pledge the Assessments for the Parcels for the repayment of the Bond Obligation under the Bonds

and to secure the payment of those Assessments by means of a first priority lien on the Parcels of the Assessed Property pursuant the Indenture and Declaration.

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

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

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

2.3.9 **Issuance of Deed of Trust.** The power to convey the Assessed Property in trust with power of sale, in coordination with the Parcel Owners the Assessed Property, to the Bond Trustee as beneficiary for the purpose of securing payments and obligations arising under the Indenture.

2.3.10 **Insurance.** The power and duty to procure and maintain such insurance policies and coverages as the Declarant deems prudent on behalf of the Association, including without limitation (a) commercial general liability insurance protecting the Association against loss, damage, third party claims or causes of action to the extent that Association engages in activities or maintains property for which the Association or its employees, officers, directors, agents, contractors or representatives could have liability for injuries to persons or loss or damage to the property or property interest of another, (b) errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as Declarant deems advisable, insuring the Association's directors (or Declarant acting in lieu thereof) and officers against any liability for any act or omission in carrying out their obligations hereunder, and (c) such other policies or coverages that Declarant may determine are appropriate in the interest of the Association and its Membership to procure.

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

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

2.4.2 **No Reserve Analysis Required.** Declarant shall not be required to conduct a reserve analysis under the Association Act at Utah Code § 57-8a-211. The Association does not intend to own any long-term assets that are subject to wear or waste.

2.4.3 **No Annual Budget/Annual Administrative Report.** Declarant shall not be required to prepare an annual budget under Utah Code § 57-8a-215. In lieu of the preparation of a budget, Declarant shall cause the Administrator to prepare annually an Annual Administrative Report that sets forth (a) the current status of all Assessments for the Assessed Property, including the principal amount owed by the Owners of each Parcel, (b) the balances held in each Fund, and (c) such other information as may be relevant to the Assessments to be levied against the Owners.

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

2.4.5 **Administration of Indenture.** Declarant shall cause the Association to carry out all of its duties and obligations under the Indenture and as set forth in this Declaration, including those relating to the Funds required to be established and administered and relating to the Assessments required to be imposed and administered. Upon the platting of a Parcel, or any portion thereof, Declarant and each Owner of Parcels platted by such subdivision shall execute and cause to be recorded a Supplemental Declaration as described in Section 5.4 showing the revised configuration of Parcels, and allocating or re-allocating (as applicable) the Bond Obligation substantially consistent with the allocations under the Assessment Plan that will continue to be subject to the Assessment Lien upon the Assessed Property established hereunder.

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

2.4.7 **Adopt Supplemental Declaration.** Declarant shall have the right to adopt and execute for recordation, any Supplemental Declaration as described in Section 5.4, below.

2.4.8 **Amendment of the Declaration.** Declarant may amend the Declaration as may be necessary and proper to carry out the express provisions and purposes of the Declaration and to conform to Utah law in doing so. Declarant shall have the sole power to amend the Declaration without Owner vote.

2.4.9 **Termination of the Association.** Declarant shall have the power to terminate the Association once the Bond Obligation is completely satisfied as set forth in the

Indenture and in this Declaration. This termination power shall be unilateral and shall not require a vote of the Owners unless required by Utah Nonprofit law.

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

2.5 **ASSOCIATION TRUSTEE.** The Association Trustee shall undertake all duties and responsibilities of a trustee under the Association Act for the benefit of the Association. The Association Trustee acknowledges and agrees that the Association Trustee shall act consistent with the duties and obligations set forth in this Declaration, and the Indenture as the "trustee" required by Utah law to carry out judicial and nonjudicial foreclosures on the Liens of Parcels which are delinquent under the Declaration and the Association Act. The Association Trustee agrees to and at all times will be a qualified licensed trustee under Utah law as required by the Association Act in Utah Code §§ 57-8a-212, 57-8a-302 and under the qualifications provisions for trustee sales in Utah Code § 57-1-21(a)(a)(i) or (iv). The Bond Trustee may replace Association Trustee or the Administrator at anytime, upon request of the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding (subject to the indemnity provisions provided in the Indenture) by an instrument or concurrent instruments in writing signed by such Bondholders, or by their attorneys in fact, duly authorized, appointing a successor Association Trustee or Administrator, as applicable. At the direction of the Association, or Bond Trustee given from time to time on the occasion of an Assessment payment default by the Owner of a Parcel, and in compliance with this Declaration, the Indenture and the Association Act (including at Utah Code § 57-8a-302), the Association Trustee agrees to proceed with foreclosures in full compliance with the applicable provisions and procedures of the trustee sales provisions in Utah Code §§ 57-1-24 through 57-1-34. Declarant hereby conveys and warrants pursuant to Utah Code §§ 57-1-20 and 57-8a-302 to the Association Trustee, with power of sale, the Parcels and all improvements to the Parcels for the purpose of securing payment of the Assessments under the terms of this Declaration and consistent with the rights, obligations and privileges of the Bond Trustee, and Bondholders as set forth in the Indenture.

ARTICLE 3 MANAGEMENT OF BOND PROCEEDS AND ASSESSMENTS

3.1 **MANAGEMENT OF FUNDS.** Pursuant to the Indenture, upon issuance of the Bonds, the Association shall deposit the Bond Proceeds into the custody of the Bond Trustee and, to the extent that the Association may directly receive payment of the Assessments, the Association shall transfer the Assessments to the Bond Trustee. Pursuant to the Indenture, the Bond Trustee

shall allocate the Bond Proceeds and Assessments to the various Funds established pursuant to the Indenture (Construction Fund, Assessment Fund, Reserve Fund, Bond Fund, and Cost of Issuance Fund) for the various Bond Components in the amounts set forth in the Indenture for the uses and according to the procedures set forth in the Indenture and in this Declaration. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, constituting part of the Assessed Property, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest: (i) the Bond Obligation in the amount set forth in the Indenture and the apportionment thereof to the Parcels in accordance with the Assessment Plan, (ii) the allocation of the Bond Proceeds among the various Funds and accounts in the proportions or amounts set forth or as otherwise authorized in the Indenture, and (iii) the allocation of the Assessments to the various Funds as set forth in the Indenture.

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

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

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

3.1.4 **Perfection of Security Interest.** Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the creation by the Indenture of a valid and binding pledge and assignment of security interest in all of the Assessments and all other

applicable funds and moneys pledged under the Indenture in favor of the Bond Trustee as security for payment of the Bonds, enforceable by the Bond Trustee in accordance with the terms thereof, with no right to any other security interest in the Assessments so long as the Bonds remain outstanding. Following the recordation of any final subdivision plat or other instrument subdividing any Parcel containing lots, the Association shall have the right to execute and record a notice of the Lien for Assessments against each lot, a Supplemental Declaration, and may also require Owners to execute and record an instrument confirming the Lien for Assessments with respect to such constituent subdivided lots or other Parcels.

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

3.2 **CONSTRUCTION FUND.** Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Construction Fund ("**Construction Fund**"). Pursuant to the Indenture, the Bond Trustee will establish within the Construction Fund a Series 2020 Construction Account for the Bonds.

3.2.1 **Deposit of Bond Proceeds for Financed Improvements.** Immediately upon receipt of the Bond Proceeds from the Association, the Bond Trustee shall deposit into the Construction Fund the Bond Proceeds in the full amount estimated for the cost of the Financed Improvements.

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

3.2.3 **Declarant Requisition.** Declarant shall provide a written requisition to the Bond Trustee in substantially the form as contained in the Indenture (a *“Requisition”*) itemizing and substantiating claims for payments of amounts due and owing for construction of the Financed Improvements. The Requisition shall specify the person or entity to whom the payment is owed and the item of Financed Improvement to which it is attributable, and Declarant shall verify that the amount set forth is due and owing and constitutes a cost of acquisition and/or construction of the Financed Improvements that does not exceed the estimated cost for that element of the Financed Improvements identified and itemized on Exhibit “C” of this Declaration. Declarant shall include copies of reports of all required governmental inspections and governmental approvals of the Financed Improvement together with the Requisition where available.

3.2.4 **Bond Trustee Payment.** Provided the Association is not in default under the Indenture, monies deposited in the Construction Fund shall be disbursed by the Bond Trustee to pay the costs of the Financed Improvements (up to but not to exceed the amount of the estimated cost of that item of the Financed Improvements set forth on Exhibit “C” of this Declaration) upon the Bond Trustee confirmation that the Requisition is complete and accurate. The Bond Trustee shall approve the Requisition unless Bond Trustee can immediately determine from inquiry of applicable governmental authorities that the item of Financed Improvement is incomplete or insufficiently guaranteed by Developer. Bond Trustee shall disburse the funds within ten (10) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after Bond Trustee receipt of a written requisition by Declarant; provided that Declarant shall have delivered with such requisition either (a) a certificate of completion from the project engineer certifying that the work has been completed in strict accordance with applicable plans and specifications, or (b) the City, relevant governmental authority, or public utility has accepted any public or public utility infrastructure. In making such payments, the Bond Trustee may rely upon the information submitted in the Requisition. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee payment to Developer of the estimated costs of the items of the Financed Improvements upon Developer completion or Developer guaranty of completion. Such payments shall be presumed to be made properly and the Bond Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursement are being made from the Construction Fund, except to the extent necessary to confirm the association of the disbursement with the applicable item of the Financed Improvements. Should Developer not need the entire estimated costs of an item of the Financed Improvements, the Bond Trustee shall reallocate the estimated costs to a different item upon request by Declarant. Declarant and the Bond Trustee shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

3.2.5 **Developer Certification.** Developer shall deliver to the Bond Trustee within ninety (90) days after the Bond Trustee payment of each Requisition from the Construction Fund stating: (i) that the portion of the Financed Improvements paid for has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, or that the Developer has posted an improvement bond (or other guaranty) therefor in an amount satisfactory to the applicable government entity; and (ii) that the Financed Improvements have been fully paid for or guaranteed and no claim or claims exist against the Developer or against such Financed

Improvements out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event that Developer intends to contest such claim or claims, in which event such claim or claims shall be described to the Bond Trustee. In the event the certificate filed with the Bond Trustee shall state that there is a claim or claims, in controversy which create or might ripen into a lien, Developer shall file a similar certificate with the Bond Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

3.2.6 **Unused Bond Proceeds.** Pursuant to the Indenture, upon completion of or bonding (or other guaranty) for each item of the Financed Improvements to be financed with the Bond Proceeds and payment of all costs and expenses incident thereto and the filing by Declarant with the Bond Trustee of the required certifications, Declarant may direct that any balance remaining in the Construction Fund for that item not reallocated to another item be deposited in the Bond Fund, to be applied to pay interest next falling due with respect to the Bonds or to redeem Bonds with any remaining funds. Notwithstanding the foregoing, each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the obligation of the Bond Trustee to use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default under the Indenture to the extent there are no available funds held under the Indenture.

3.3 **ASSESSMENT FUND.** Pursuant to the Indenture, upon issuance of the Bonds, Declarant shall create and establish a fund in the name of the Association and in the custody of the Bond Trustee referred to as the Assessment Fund ("**Assessment Fund**"). The Bond Trustee shall be entitled to receive into the Assessment Fund all of Owners' payments of Assessments, including Assessments collected by the Association or Association Trustee from the foreclosure sale of delinquent properties, in the Assessment Fund. The Bond Trustee shall transfer all such amounts within ten (10) days after receipt for deposit in the Funds and accounts in the specified order of priority set forth in the Indenture, each priority being fully paid before the balance of said amounts are applied to any lower priority Fund or obligation and no payment being made on any priority if said amounts have been exhausted in the payment of higher priorities. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee deposit of Assessments according to the priorities set forth in the Indenture, as follows:

3.3.1 **Annual Installments.** First, all Annual Installments (i) in the amount needed to pay the principal of and interest on the Bonds on each Interest Payment Date and at maturity or upon mandatory sinking fund redemption shall be deposited by Bond Trustee in the Bond Fund, with the Annual Installments intended to be used to make the payments on the Bonds on the following Interest Payment Date, (ii) in the amount attributable to the Administrator's fee (which shall be capped at \$50,000 per year with 2% annual escalation) shall be deposited by the Bond Trustee in the Administrative Costs Account in the Bond Fund and then remitted annually to the Administrator (and to the extent Annual Installments are not sufficient for (i) and (ii) in whole, such amount shall be distributed pro rata.), and (iii) such other reasonable and customary amounts as may be necessary and appropriate to manage and administer the Association and its operations.

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

3.3.3 **Foreclosure Sale Proceeds.** Third, all monies received from the foreclosure or Association Trustee sale of delinquent property shall be deposited by Bond Trustee first to the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption; and second, an amount sufficient to replenish the Reserve Fund for draws made thereon to pay principal of or interest on Bonds when due or to reimburse the respective account for the Reserve Fund for any monies used thereunder for foreclosure costs; and all remaining money shall be deposited in the Redemption Account within the Bond Fund to redeem Bonds pursuant to the Indenture.

3.4 **RESERVE FUND.** Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Reserve Fund ("**Reserve Fund**"). Pursuant to the Indenture, Bond Trustee will establish within the Reserve Fund a Series 2020 Reserve Account for the Bonds which shall secure only the Bonds.

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

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

3.4.3 **Maintenance of Debt Service Requirement.** Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest maintenance of sufficient funds in the Series 2020 Reserve Account to fund the Debt Service Reserve Requirement, and to the Bond Trustee's transfer of such funds in the Account in excess of that on an annual basis on a date that is not earlier than thirty (30) days prior to the first Interest Payment Date of each year to the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due (and to the pro rata reduction of Annual Installments resulting from any such transfer), as set forth in the Indenture.

3.4.4 **Prepaid Parcel Transfer Requirement.** Notwithstanding anything to the contrary contained in the Indenture, pursuant to the Indenture, in the event the Association receives a prepayment in full of the entire Assessment on a Parcel, each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Bond Trustee transfer of monies from the Reserve Fund to the Bond Fund Redemption Account in an amount equal to that Parcel's pro rata share of the Debt Service Reserve Requirement (taking into account any outstanding delinquencies with respect to that Parcel), as instructed in writing by Declarant in the amount specified by the Administrator. Those monies, together with the prepayment of Assessments, shall be used to redeem the series of Bonds related to such prepayment, as set forth in the Indenture. The new Debt Service Reserve Requirement with respect to the Bonds will then be decreased by the amounts transferred from the Reserve Fund to the Redemption Fund.

3.4.5 **Final Payment of All Bonds.** The Association shall instruct in writing the Bond Trustee remit to the Owners pro rata any moneys on deposit in the Series 2020 Reserve Account not applied by the Bond Trustee to the final payment of the Bonds.

3.4.6 **Deficiency in Reserve Account.** Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Association's replenishment of the Series 2020 Reserve Account from proceeds received from the sale of delinquent property if at any time the amount on deposit in the Series 2020 Reserve Account is less than the Debt Service Reserve Requirement with respect to the Bonds, upon notice thereof by the Bond Trustee, as set forth in the Indenture. As set forth in the Indenture, the Association shall not be required to replenish the Series 2020 Reserve Account to the Debt Service Reserve Requirement except as funds become available from the Assessments and the enforcement thereof.

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

3.6 **BOND FUND.** Pursuant to the Indenture, upon issuance of the Bonds, the Bond Trustee shall create and establish a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Bond Fund ("*Bond Fund*"). Within the Bond Fund, Bond Trustee shall create an Administrative Costs Account ("*Administrative Costs Account*") and a Redemption Account ("*Redemption Account*"). The Bond Trustee shall make deposits to the Bond Fund when received, as follows (i) the amounts obtained from Assessments provided for in Section 3.3 above; (ii) moneys transferred from the Reserve Fund as provided for in Section 3.4 above; (iii) all other monies received by Bond Trustee hereunder when accompanied by directions from the Person depositing such monies that such monies are to be paid into the Bond Fund. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it

is so expressed in such deed or instrument, expressly consents to and waives its right to contest Bond Trustee's withdrawal of sufficient monies from the Bond Fund to pay principal of and interest on the Bonds as the same become due on each Interest Payment Date and at maturity or upon earlier redemption and to make such monies so withdrawn available to the Paying Agent for the purpose of paying such principal and interest.

ARTICLE 4 ASSESSMENTS

4.1 **DETERMINATION OF COSTS OF IMPROVEMENTS.** The estimated acquisition, construction and installment costs of the Financed Improvements within the Assessed Property, including capitalized interest costs, overhead costs, administrative costs, costs of funding reserves, underwriter's discount, and debt issuance costs, is **\$34,578,397**, as more particularly shown in the Indenture and on Exhibit "C" attached hereto. Such amount to be levied as the Bond Obligation is within the appraised value of the Assessed Property and is thus allowed as an encumbrance pursuant to Utah Code § 16-6a-1201. In the event that the Bond Proceeds are insufficient to complete the Financed Improvements, the Association shall in no event be obligated to fund the completion of any Financed Improvements not funded by the Bond Proceeds, but instead Developer acknowledges and agrees that it shall be obligated to bear the costs of Financed Improvements that exceed the costs estimate or available Bond Proceeds.

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

4.3 **LEVY OF ASSESSMENTS.** Declarant does hereby create and levy Assessments against the Assessed Property and each individual Parcel therein in the amounts specified in the Assessment Plan for each Parcel. The amount of Assessments levied upon each Parcel of the Assessed Property, and which have been allocated to Parcels on the basis of a calculation of estimated value, reflects an equitable and proportional share of the benefits each Parcel shares in the Financed Improvements pursuant to Utah Code § 57-8a-201. The Assessments are debts of the respective Owners of the Assessed Property and the Parcels therein upon the date of creation and levy, which is the recording date of this Declaration.

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

issued to fund the Financed Improvements; (g) an amount sufficient to fund a reserve fund; and (h) any other costs necessary for the Association to meet its obligations under the Indenture.

4.5 **METHOD AND RATE OF ASSESSMENTS.** The Assessment amount to be allocated to each benefitted Parcel within the Assessed Property is determined based upon a method of calculation utilizing the estimated build-out value of each Parcel in proportion to the total value of the Neighborhood Improvement Area the Parcel is located. These rates, estimates, and calculations are contained in the Assessment Methodology Report attached as Exhibit D.

- **Table IV-B** of the Assessment Plan summarizes the allocation of the Assessments relating to each Neighborhood Improvement Area of the Assessed Property.
- **Appendix A** of the Assessment Plan details the Assessments and Annual Installments for each Parcel located in each Neighborhood Improvement Area.
- The Declarant and/or Administrator shall have the authority to adjust the Assessment allocations as permitted in the Assessment Plan.

4.6 **REALLOCATION OF ASSESSMENTS UPON DIVISION OF A PARCEL.** Upon the division of any Parcel, the Administrator shall reallocate the Assessment for the Parcel among the newly divided Parcels according to the following formula:

$$A = B \times (C / D)$$

“A” means the Assessment for a newly created Parcel.

“B” means the Assessment for the original Parcel prior to its division.

“C” means the Assessment for the lot type applicable to the Parcel created by the subdivision determined by reference to Table IV-B of the Assessment Methodology Report.

“D” means the sum of the Assessments for all of the Parcels created by the division.

If the resulting Assessment for a Parcel created by a division exceeds the Assessment for the lot type applicable to such Parcel as shown in Table IV-B of the Assessment Methodology Report, then the excess amount shall be prepaid as a Mandatory Prepayment.

Once a Parcel has an Assessment amount applied to it, and then such Parcel proceeds to be subdivided, in no event will the new division cause the sum of the Assessment amounts for the newly created Parcels to be greater than the Assessment for the original Parcel prior to its subdivision.

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to the Assessment Methodology Report.

4.7 **PAYMENT OF ASSESSMENTS.** The annual installment payments of the Assessments (the “*Annual Installments*”) shall be in substantially equal amounts, subject, however, to adjustment as described herein. Interest on the unpaid balance of the Assessments shall accrue at the same rate or rates as shall be borne by the Bonds, plus an annual administrative cost incurred by the Association in an amount reasonably required to administer the Association’s obligations hereunder and under the Indenture, including without limitation, any direct out-of-pocket costs of the Association related to the administration and collection of the Assessments. The Administrator shall administer reallocation, invoicing and collection of the Assessments for the Association under the direction and supervision of Declarant. The Administrator shall send an invoice to the Owners of each Parcel annually setting forth the Annual Installment amount due under the applicable Assessment and indicating the remaining balance then due under the Assessment. The Administrator may reduce Annual Installments coming due on the next Annual Installment date pro rata as a result of any transfer from the Series 2020 Reserve Account due to moneys held in excess of the Debt Service Reserve Requirement. The due date for the Annual Installment shall be determined by the Administrator as necessary for the Association to remain in compliance with the payments required under the Indenture.

4.8 **AFFIRMATIVE COVENANT TO PAY ASSESSMENTS.** Declarant imposes on each Owner and each Parcel an affirmative covenant and obligation to pay to the Association all Assessments (including each and every Annual Installment thereof) in respect of the Parcel. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, acknowledges that the Financed Improvements confer a special benefit on their Parcel(s) that exceeds the amount of the Assessments on their Parcel(s). Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, shall be obligated and agrees to pay all Assessments applicable to the Parcels owned (including all Annual Installments when due), regardless of their nature, including but not limited to any then past due installment payments in accordance with the provisions of this Declaration and consents and agrees to the Association Lien rights hereunder against the Parcels owned by the Owner. Each Owner, by acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, simultaneously conveys the Parcel(s) in trust, with power of sale, to the Association Trustee for the purpose of securing payment of all amounts due under the Declaration. By acceptance of a deed or other instrument conveying title to a Parcel, whether or not it is so expressed in such deed or instrument, each Owner (a) ratifies, confirms, accepts, agrees to, and approves the determinations and findings of the Administrator described in the Assessment Methodology Report from which the Assessment Plan was derived, including the special benefits and assessment methodology of the Assessment Plan contained therein, and (b) expressly waives the rights to contest, challenge or have a hearing on the methods used to calculate Assessments, the amounts of Assessments, the timing and manner of payments for the Assessments or the use of the Assessments; whether for the identified Financed Improvements or for similar infrastructure or improvements of similar value to the Assessed Properties providing a direct and special benefit to and enabling residential development of the Assessed Properties. Each Owner waives any right or claim to (i) challenge or audit the expenditure or allocation of Bond Proceeds for the Financed Improvements or any such similar infrastructure or improvements, and (ii) contest such expenditure or allocation by any one of the Association and Declarant. The liability for Assessments is personal to the Owner and may not be avoided by waiver of the use of Financed Improvements or by the abandonment of the Parcel for which the Assessments are made. Neither

the liability for Assessments nor the amount of Assessments shall be reduced or avoided due to the fact that all or any portions of the Financed Improvements are not completed. No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged failure of the Association or the Declarant to take some action or perform some function required to be taken or performed by the Association or Declarant under this Declaration, the Articles or the Bylaws or for inconvenience or discomfort arising from the making of repairs to or maintenance of the Financed Improvements, or from any action taken to comply with any law or with any order or directive of any municipal or other governmental authority.

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

4.10 MANDATORY PREPAYMENTS. Upon the sale or transfer of any portion of the Assessed Property to an Owner not related to the Declarant or Developer ("*Residential Lot Sale*"), all Assessments relating to such Parcel shall become immediately due and payable. The monies received shall be placed in the Bond Fund account and the Bond Trustee shall utilize the funds obtained through mandatory prepayments arising from Residential Lot Sales for redemption of the 2020 Bonds pursuant to processes set forth in this Declaration and the Indenture.

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

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

the Parcel the amount calculated by the Administrator by which the new Assessment amount for the Parcel exceeds the original Assessment amount allocated thereto.

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

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

4.11 **LIEN OF ASSESSMENT.** The Assessments and any part of them (including Annual Installments), any interest accruing thereon, and the Special Processing Charges, trustee's fees, attorneys' fees, and other costs of collection therewith shall constitute a lien against the Parcels subject to such Assessment as of the recording of this Declaration ("**Lien**"), in compliance with Utah law. Until released, the Lien shall have priority over any assessment owed to the Master Association or any other association of which the Parcel is a part and over any other lien or encumbrance that may be recorded on the affected property after the date of recording of this Declaration, including any trust deed, mortgage, mechanic's, or materialman's lien; provided, however, that the Lien shall not have priority over a lien for general property taxes. The Lien shall apply without interruption, change in priority, or alteration in any manner to any reduced payment obligations, and any interest, Special Processing Charges, and cost on it are paid or released set forth in this Declaration. The Lien for the Assessment shall include such fees, charges and costs imposed by the Declaration or adopted by the Association and associated with the Association's or the Association Trustee's efforts to collect any late or unpaid installment of the Assessment or with foreclosing upon the Lien, including without limitation, pre-litigation costs, special administrative expenses, court costs and reasonable attorney's fees, late charges, interest and any other amounts ("**Special Processing Charges**").

4.12 **RELEASE OF ASSESSMENT LIEN.** A release of the Lien for any affected property will be delivered by Declarant to the Owner at the time the Assessment balance for such affected property is paid in full, as calculated by the Administrator pursuant to the Assessment Plan and this Declaration. Notwithstanding the foregoing, when an Owner (including Declarant or Developer) seeks to prepay the Assessment(s) for a portion of a Parcel or only a portion of the Parcels owned by that Owner ("**Release Parcel(s)**") and the release is simply to clear title for the Release Parcels but is not in connection with a pending sale of the Release Parcel(s) to the home buying public, the release shall be subject to the following conditions: (a) the Owner shall submit the legal description of the Release Parcel(s), and if the Release Parcel(s) have not been subdivided the Administrator shall determine the total ERUs allocated to the Release Parcel(s) based on the percentage of assessed value of the Release Parcel(s) to the percentage of assessed value in the

Parcel from which the Release Parcel(s) were formed, or any other industry standard methodology for such calculation; (b) the Owner shall prepay all the Assessments applicable to the Release Parcel(s), as calculated by the Administrator pursuant to Sections 4.9 and 4.10 herein, less the proportionate share of any previously paid regularly scheduled Annual Installments of the Assessment applicable to the Release Parcel(s) as determined in clause (a); and (c) the release of the Lien as to the Release Parcel(s) upon payment of the amount determined pursuant to clause (b), above, shall not be permitted except as otherwise provided in this clause (c), if the fair market value of the balance of the Parcel, after release of the Release Parcel(s), is less than four times the sum of (i) the remaining unpaid Assessment on the balance of the Parcel, plus (ii) any other unpaid assessment liens or property tax liens on the balance of the Parcel (such fair market value to be determined by a certified appraiser acceptable to the Administrator). If the Administrator determines that the proposed release of the Release Parcel(s) does not comply with the requirements of clause (c), such release may still be permitted if the Owner prepays an additional portion of the Assessment for the remainder of the Parcel in order to release the Liens from the Release Parcel(s), such additional amount to be determined by the Administrator as complying with the requirements of clause (c). Prepayments of Assessments shall be applied as provided in the Indenture of Trust under which the Bonds are issued. As prepayments are paid and applied against the payment of the Assessments applicable to the Release Parcel(s), the Release Parcel(s) may be released from the lien of the Assessments levied against the Release Parcel(s) and the Assessments levied against the balance of the Parcel owned by the Owner may remain unpaid.

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

4.14 DEFAULT NOTICE AND SALE. Upon any default in the payment of Assessments by the Owner of a Parcel (an “*Assessment Default*”), the Association Trustee shall give notice in writing of the default to that Owner, and any mortgagee or lienholder of record on the Parcel (the “*Mortgagee*”), by delivery of written “Notice of Assessment Default” to the address shown by the last available completed real property assessment rolls of the County for the owner and on the recorded security instrument for the Mortgagee. The Notice of Assessment Default shall be in the manner and with the language required by the Community Act. Notice shall

be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the Owner as shown on the last completed real property assessment rolls of the County and to the Mortgagee at the address provided for in the recorded security instrument, or at such other address or manner as shall be required by the Association Act. The notice shall provide for a period of thirty (30) days in which the Owner must pay in full the past-due Assessments in order to avoid acceleration of the Bond Obligation allocated to such Parcel and foreclosure of the Lien. After the thirty (30) days have expired, the Association Trustee, on behalf of the Association, may immediately initiate a sale of the designated Parcel as provided in the Association Act either (i) in the manner provided for nonjudicial foreclosure, or (ii) in the manner provided for judicial foreclosure. If, at the sale, no Person bids and pays the full amount due on the Assessments (including, without limitation, the full amount of the accelerated Bond Obligation allocated to such Parcel) plus interest and costs, the Parcel may be acquired by the Association by credit bid for those amounts and conveyed to the Bondholders in accordance with Section 4.17, below. Should any of the Assessed Property be divided into individual condominium Parcels the procedure described above shall also apply to the individual condominium Parcels and not to the overall condominium property.

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

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

4.17 ASSOCIATION CONVEYANCE OF FORECLOSED PARCELS. If the Association acquires a Parcel at a foreclosure sale, the Association shall immediately convey that Parcel to the Bond Trustee (or an entity designee) on behalf of the Bondholders in accordance with the election made under the Indenture, which conveyance shall occur by delivery of a quitclaim deed to be prepared by the Association Trustee. The Association shall have no obligation to pay any Assessment installments attributable to such Parcel during the temporary period of ownership thereof following foreclosure. The quitclaim deed shall state that the Parcel is conveyed "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind, in

full satisfaction of all outstanding Assessment obligations related to such Parcel under the Declaration and Indenture. Upon transfer of the foreclosed Parcels to the Bondholders, the Bondholders shall not be entitled to any of the Funds held with respect to such Parcels, and the Bond Trustee shall adjust and reallocate any Funds associated therewith, including any pro rata reduction in prospective Bond Obligations that may result therefrom.

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

4.20 MORTGAGEE RIGHTS AND REMEDIES. Notwithstanding any provision to the contrary hereunder, the Administrator shall also notify the Mortgagee on any Parcel where the Assessment is delinquent and prior to declaring an Assessment Default. The Administrator shall also provide Mortgagee an opportunity to cure any delinquency or default related to an Assessment prior to exercising any collection or foreclosure rights hereunder. No foreclosure executed by the Association or its designee hereunder shall extinguish the lien rights of a Mortgagee established prior in time without full and final satisfaction of the underlying debt.

ARTICLE 5

DURATION, AMENDMENT, SUPPLEMENT AND ANNEXATION

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

5.2 DECLARANT AMENDMENTS. During the Declarant Control Period, Declarant may unilaterally amend or supplement this Declaration by recording a written instrument signed by Declarant for any purpose that would not materially adversely affect the Association's ability to perform its payments obligations under the Indenture including, but not limited to any reductions in Owner's assessment obligations or the elimination of any collection or enforcement remedies against Owners. Declarant's right to amend shall be construed liberally and shall include without

limitation, the right to amend and/or restate this Declaration in part or in its entirety, the right to change or update any exhibit or portion of an exhibit to conform to final subdivision plats and as-built conditions of the Assessed Property, or for any other purpose in order to effectuate the purposes described herein for the funding of the Financed Improvements for the benefit of the Assessed Property, in Declarant's sole discretion.

5.3 OWNER AMENDMENTS. After all of the Bonds are repaid and after the Declarant Control Period has expired, this Declaration may be amended subject to the consent of at least sixty-seven percent (67%) of the voting power of the Association. Following the Declarant Control Period, the "voting power" of each Member shall be determined on the basis of a ratio of the Assessment allocated to such Member's Parcel as it bears to the aggregate total of all Assessments of all Members of the Association.

5.3.1 Certification of Amendments. With respect to any amendment enacted after the Declarant Control Period and requiring the approval of the Membership, a copy of each amendment shall be signed and sworn to by at least two (2) officers of the Association that the requisite number of Members have either voted for or consented in writing to any termination or amendment adopted as provided above.

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

ARTICLE 6 GENERAL PROVISIONS

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

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

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

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

* * * *

IN WITNESS WHEREOF, the undersigned has executed and adopted this Declaration on behalf of the Association as of this 11th day of December, 2020.

DECLARANT:

WILDFLOWER DEVELOPER, LLC,
a Utah limited liability company,

By: [Signature]

Print Name: Nathan Shipp

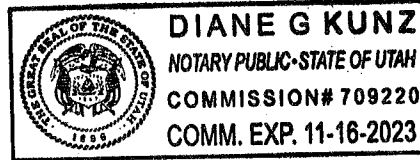
Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On this 11th day of December, 2020, personally appeared before me Nathan Shipp, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the Manager of Wildflower Developer and that said document was signed by him/her in behalf of said company and executed with all necessary authority.

Witness my hand and official seal.

[Signature]
(notary signature)



The Association hereby acknowledges and agrees to the terms and provisions of the Declaration this 11th day of December, 2020.

ASSOCIATION:

WILDFLOWER IMPROVEMENT ASSOCIATION,
a Utah nonprofit corporation

By: _____ 

Print Name: Nathan Shipp

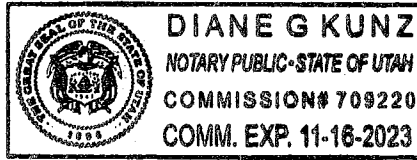
Title: Authorized Representative

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On this 11th day of December, 2020, personally appeared before me Nathan Shipp, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the Authorized Representative of Wildflower Improvement Association and that said document was signed by him/her in behalf of said corporation and executed with all necessary authority.

Witness my hand and official seal.


(notary signature)



The following property owner consents to the recording of and agrees to be bound by this Declaration this 11th day of December, 2020.

TANUKI INVESTMENTS, LLC
a Utah limited liability company

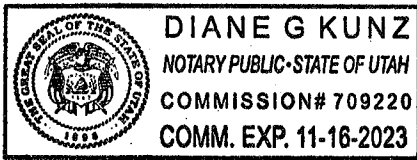
Signature: [Signature]

Name: Nathan Shipp

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of Tanuki Investments, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.



Notary Public: [Signature]

The following property owner consents to the recording of and agrees to be bound by this Declaration this 11th day of December, 2020.

LENNAR HOMES OF UTAH, INC.
a Delaware corporation

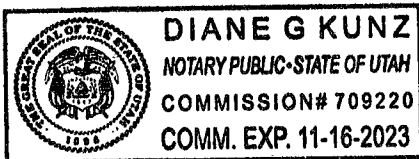
Signature: [Signature]

Name: Matthew Anderson

Title: VP LAND

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Matthew Anderson who by me being duly sworn, did say that she/he is an authorized representative of Lennar Homes of Utah, Inc., and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.



Notary Public: [Signature]

The following property owner consents to the recording and agrees to be bound by of this Declaration this 11th day of December, 2020.

SUNRISE 3, LLC
a Utah limited liability company

Signature: _____

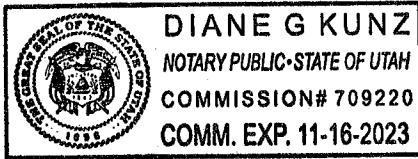
Name: Nathan Shipp

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of Sunrise 3, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: [Signature]



The following property owner consents to the recording and agrees to be bound by of this Declaration this 11th day of December, 2020.

WF 2 UTAH, LLC
a Utah limited liability company

Signature: _____

Name: Nathan Shipp

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of WF 2 Utah, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: [Signature]



The following property owner consents to the recording of and agrees to be bound by this Declaration this 11th day of December, 2020.

CLH HOLDINGS, LLC
a Utah limited liability company

Signature: _____

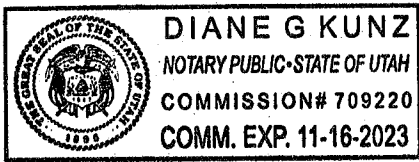
Name: Nathan Shipp

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of CLH Holdings, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: [Signature]



The following property owner consents to the recording of and agrees to be bound by this Declaration this 11th day of December, 2020.

EASY PEASY, LLC
a Utah limited liability company

Signature: [Signature]

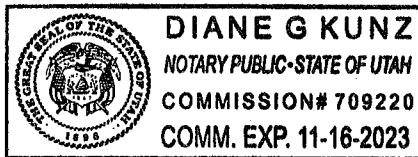
Name: Bryan Flamm

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Bryan Flamm who by me being duly sworn, did say that she/he is an authorized representative of Easy Peasy, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: [Signature]



The following property owner consents to the recording of and agrees to be bound by this Declaration this 11th day of December, 2020.

WILDFLOWER MASTER HOMEOWNERS ASSOCIATION, INC.

a Utah nonprofit corporation

Signature: _____

Name: Nathan Shipp

Title: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of Easy Peasy, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public: _____

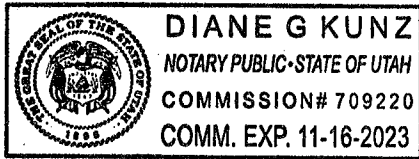


EXHIBIT "A"

LEGAL DESCRIPTION OF THE ASSESSED PROPERTY

WILDFLOWER VILLAGE 1

A portion of the Southeast Quarter of Section 3 and the Southwest Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at the Northwest Corner of Plat "W", Harvest Hills Subdivision, located N89°36'52"E along the Section Line 2078.63 feet and North 927.92 feet from the South Quarter Corner of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence S26°33'37"W along the westerly line of Plats "W & R/S", Harvest Hills Subdivisions 1040.70 feet; thence S89°36'29"W along Plats "Z, AA & CC" Harvest Hills Subdivisions 478.85 feet; thence N28°34'14"E 102.00 feet; thence N80°48'05"W 105.00 feet; thence N0°00'23"W 249.42 feet; thence along the arc of a 15.00 foot radius curve to the right 24.07 feet through a central angle of 91°56'13" (chord: N45°57'43"E 21.57 feet); thence N0°46'29"W 56.06 feet; thence northwesterly along the arc of a 15.00 foot radius non-tangent curve to the right (radius bears: N1°55'50"E) 23.45 feet through a central angle of 89°34'36" (chord: N43°16'52"W 21.13 feet); thence N89°38'39"W 66.01 feet; thence southwesterly along the arc of a 15.00 foot radius non-tangent curve to the right (radius bears: N88°35'02"W) 23.19 feet through a central angle of 88°35'02" (chord: S45°42'29"W 20.95 feet); thence West 514.73 feet; thence along the arc of a 467.00 foot radius curve to the right 225.32 feet through a central angle of 27°38'39" (chord: N76°10'41"W 223.14 feet); thence N62°21'21"W 294.10 feet; thence N17°21'21"W 49.03 feet to the proposed easterly right-of-way line of Mountain View Corridor; thence along said right-of-way line the following three (3) courses: northeasterly along the arc of a 8140.00 foot radius non-tangent curve to the left (radius bears: N61°10'55"W) 1272.73 feet through a central angle of 8°57'30" (chord: N24°20'20"E 1271.43 feet) to a point of reverse curve; thence along the arc of a 750.00 foot radius curve to the right 974.95 feet through a central angle of 74°28'49" (chord: N57°06'00"E 907.74 feet); thence S85°39'35"E 354.42 feet; thence S2°25'24"W 117.54 feet; thence S4°32'34"W 56.00 feet; thence southeasterly along the arc of a 3804.16 foot radius non-tangent curve to the left (radius bears: N4°32'34"E) 10.72 feet through a central angle of 0°09'41" (chord: S85°32'16"E 10.72 feet); thence S7°40'08"E 130.23 feet; thence N87°14'57"W 115.30 feet; thence S84°02'00"W 48.82 feet; thence S48°41'07"W 204.09 feet; thence S43°41'22"E 70.13 feet; thence S32°26'26"E 86.02 feet; thence S22°11'58"E 25.42 feet; thence N65°46'36"E 112.60 feet; thence S27°34'53"E 158.97 feet; thence northeasterly along the arc of a 534.00 foot radius non-tangent curve to the left (radius bears: N27°34'53"W) 21.13 feet through a central angle of 2°16'02" (chord: N61°17'06"E 21.13 feet); thence S25°38'07"E 121.13 feet; thence S74°36'50"W 139.30 feet; thence S46°45'06"W 179.13 feet; thence S47°55'41"E 91.36 feet; thence along the arc of a 15.00 foot radius curve to the left 23.56 feet through a central angle of 90°00'00" (chord: N87°04'19"E 21.21 feet); thence N42°04'19"E 439.19 feet; thence along the arc of a 867.00 foot radius curve to the left 376.42 feet through a central angle of 24°52'34" (chord: N29°38'02"E 373.47 feet); thence S72°48'15"E 166.00 feet; thence southwesterly along the arc of a 1033.00 foot radius non-tangent curve to the right (radius bears: N72°48'15"W) 19.30 feet through a central angle of 1°04'14" (chord: S17°43'52"W 19.30 feet); thence S71°44'01"E 147.83 feet; thence S14°13'06"W 83.83 feet; thence S25°22'42"W 256.92 feet; thence S42°49'20"W 27.38 feet; thence S56°49'37"E 71.42 feet; thence S89°42'02"E 238.69 feet; thence N61°07'24"E 124.95 feet; thence northwesterly along the arc of a 707.76 foot radius non-tangent curve to the right (radius bears: N61°07'24"E) 30.77 feet through a central angle of 2°29'26" (chord: N27°37'53"W 30.76 feet); thence N63°36'50"E 100.00 feet; thence S29°57'01"E 75.57 feet; thence S34°59'15"E 31.24 feet to the East line of the Southeast Quarter of said Section 3; thence S0°05'10"E along said Section Line 158.75 feet; thence N89°51'58"E 521.45 feet; thence S43°24'09"W 221.49 feet; thence S32°15'17"E 30.97 feet; thence N43°24'09"E 210.06 feet; thence S14°06'25"E 62.42 feet; thence S8°10'50"W 312.20 feet; thence N89°58'51"W 1093.15 feet to the point of beginning.

Which contains Wildflower Village 1 North, Plats E-2, F-2, and F-3.

Except the Following Described Parcel:

A portion of the Southeast Quarter of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N89°36'52"E along the Section Line 1219.41 feet and North 1395.79 feet from the South Quarter Corner of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N20°22'10"W 74.82 feet; thence northwesterly along the arc of a 535.79 foot radius non-tangent curve to the right (radius bears: N27°17'58"E) 362.62 feet through a central angle of 38°46'39" (chord: N43°18'43"W 355.74 feet); thence N47°55'41"W 143.72 feet; thence N65°56'59"W 126.03 feet; thence northeasterly along the arc of a 652.00 foot radius non-tangent curve to the right

(radius bears: S55°14'52"E) 99.87 feet through a central angle of 8°46'34" (chord: N39°08'25"E 99.77 feet); thence S29°54'24"E 131.40 feet; thence S47°55'41"E 143.72 feet; thence southeasterly along the arc of a 535.79 foot radius non-tangent curve to the right (radius bears: S18°04'00"W) 362.62 feet through a central angle of 38°46'39" (chord: S52°32'40"E 355.74 feet); thence S75°29'13"E 74.82 feet; thence southwesterly along the arc of a 685.00 foot radius non-tangent curve to the left (radius bears: S41°47'23"E) 146.77 feet through a central angle of 12°16'36" (chord: S42°04'19"W 146.49 feet) to the point of beginning.

Also Except the Following Described Parcel:

A portion of the Southeast Quarter of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N89°36'52"E along the Section Line 1245.52 feet and North 998.79 feet from the South Quarter Corner of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N9°31'47"E 170.56 feet; thence N37°23'31"E 179.13 feet; thence S47°55'41"E 91.36 feet; thence along the arc of a 15.00 foot radius curve to the right 23.56 feet through a central angle of 90°00'00" (chord: S2°55'41"E 21.21 feet); thence S42°04'19"W 307.31 feet to the point of beginning.

Also Except the Following Described Parcel:

A portion of the Southeast Quarter of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N89°36'52"E along the Section Line 1432.02 feet and North 1105.64 feet from the South Quarter Corner of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N42°04'19"E 274.12 feet; thence S53°11'31"E 118.13 feet; thence southeasterly along the arc of a 55.00 foot radius non-tangent curve to the left (radius bears: S79°56'41"E) 90.89 feet through a central angle of 94°40'57" (chord: S37°17'09"E 80.89 feet); thence S39°36'35"W 223.64 feet; thence northwesterly along the arc of a 30.00 foot radius non-tangent curve to the right (radius bears: N53°56'41"E) 11.21 feet through a central angle of 21°24'38" (chord: N25°21'01"W 11.15 feet) to a point of reverse curve; thence along the arc of a 55.00 foot radius curve to the left 123.24 feet through a central angle of 128°23'04" (chord: N78°50'14"W 99.03 feet); thence N47°55'41"W 111.49 feet; to the point of beginning.

WILDFLOWER VILLAGE 2

A portion of the Southwest Quarter of Section 10 and the Northwest Quarter of Section 15, Township 5 South, Range 1 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point located thence N0°20'24"E along the Section line 780.58 feet and East 532.33 feet from the Southwest Corner of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N5°03'04"E 758.58 feet; thence along the arc of a 467.50 foot radius curve to the right 190.05 feet through a central angle of 23°17'32" (chord: N16°41'50"E 188.75 feet) to a point of reverse curve; thence along the arc of a 622.50 foot radius curve to the left 358.10 feet through a central angle of 32°57'36" (chord: N11°51'48"E 353.18 feet); thence N4°37'00"W 19.62 feet; thence along the arc of a 15.00 foot radius curve to the right 20.94 feet through a central angle of 80°00'00" (chord: N35°23'00"E 19.28 feet) to the proposed Southerly right-of-way line of Wild Hills Boulevard; thence along said right-of-way line the following three (3) courses: N75°23'00"E 448.32 feet; thence along the arc of a 1095.00 foot radius curve to the right 114.94 feet through a central angle of 6°00'51" (chord: N78°23'26"E 114.88 feet); thence N81°23'51"E 115.77 feet; thence S8°56'42"E 158.48 feet; thence along the arc of a 2134.50 foot radius curve to the left 438.89 feet through a central angle of 11°46'52" (chord: S14°50'08"E 438.12 feet) to a point of reverse curve; thence along the arc of a 3340.00 foot radius curve to the right 347.70 feet through a central angle of 5°57'53" (chord: S17°44'37"E 347.54 feet); thence S14°45'41"E 360.32 feet; thence S12°37'19"E 483.05 feet; thence N77°22'41"E 60.00 feet to the proposed Westerly right-of-way line of Mountain View Corridor; thence along said right-of-way line the following two (2) courses: S12°37'19"E 280.18 feet; thence along the arc of a 1800.00 foot radius curve to the right 268.03 feet through a central angle of 8°31'54" (chord: S8°21'22"E 267.78 feet) to the south line of said section 10; thence N89°52'02"W along said section line 586.49 feet; thence S0°07'58"W 38.03 feet; thence N89°51'57"W 315.33 feet; thence N0°08'03"E 771.40 feet; thence N84°56'56"W 564.91 feet to the point of beginning.

Except the Following Described Parcel:

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED N0°20'24"E ALONG THE SECTION LINE 1156.70 FEET AND EAST 1685.26 FEET FROM THE SOUTHWEST CORNER OF SECTION 10, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; THENCE S14°45'41"E 170.34 FEET; THENCE S12°37'19"E 127.80 FEET; THENCE S72°14'36"W 55.68 FEET; THENCE ALONG THE ARC OF A 541.50 FOOT RADIUS CURVE TO THE LEFT 681.51 FEET THROUGH A CENTRAL ANGLE OF 72°06'38" (CHORD: S36°11'17"W 637.42 FEET); THENCE S0°07'58"W 364.94 FEET; THENCE ALONG THE ARC OF A 12.00 FOOT RADIUS CURVE TO THE RIGHT 18.85 FEET THROUGH A CENTRAL ANGLE OF 90°00'05" (CHORD: S45°08'01"W 16.97 FEET); THENCE N89°51'57"W 223.33 FEET; THENCE N0°08'03"E 771.40 FEET; THENCE N54°41'01"E 422.56 FEET; THENCE N13°51'11"W 97.62 FEET; THENCE N72°14'36"E 284.58 FEET TO THE POINT OF BEGINNING.

WILDFLOWER VILLAGE 3A

A Portion of the Southwest Quarter and the Northwest Quarter of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning on the proposed Westerly right-of-way line of Mountain View Corridor, said point being located S0°11'02"W along the Quarter Section Line 1167.17 feet and West 1275.92 feet from the North Quarter Corner of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence along said right-of-way line the following two (2) courses: Southeasterly along the arc of a 5312.50 foot radius non-tangent curve to the left (radius bears: S82°08'10"E) 1558.53 feet through a central angle of 16°48'32" (chord: S0°32'26"E 1552.95 feet); thence S8°56'42"E 336.57 feet to the proposed Southerly right-of-way line of Wild Hills Boulevard; thence along said right-of-way line the following three (3) courses: S81°23'51"W 175.77 feet; thence along the arc of a 1095.00 foot radius curve to the left 114.94 feet through a central angle of 6°00'51" (chord: S78°23'26"W 114.88 feet); thence S75°23'00"W 448.32 feet; thence along the arc of a 15.00 foot radius curve to the left 20.94 feet through a central angle of 80°00'00" (chord: S35°23'00"W 19.28 feet); thence S85°23'00"W 83.00 feet; thence N4°37'00"W 28.31 feet; thence along the arc of a 15.00 foot radius curve to the left 26.18 feet through a central angle of 100°00'00" (chord: N54°37'00"W 22.98 feet); thence S75°23'00"W 26.32 feet; thence N14°37'00"W 107.00 feet; thence N75°23'00"E 54.54 feet; thence along the arc of a 15.00 foot radius curve to the left 20.94 feet through a central angle of 80°00'00" (chord: N35°23'00"E 19.28 feet); thence N4°37'00"W 6.91 feet; thence along the arc of a 316.00 foot radius curve to the right 17.98 feet through a central angle of 3°15'37" (chord: N2°59'11"W 17.98 feet); thence N1°21'22"W 35.70 feet; thence Northeasterly along the arc of a 250.00 foot radius non-tangent curve to the right (radius bears: N88°37'39"E) 51.77 feet through a central angle of 11°51'51" (chord: N4°33'34"E 51.68 feet); thence Northeasterly along the arc of a 150.00 foot radius non-tangent curve to the right (radius bears: S79°29'31"E) 92.90 feet through a central angle of 35°29'11" (chord: N28°15'05"E 91.43 feet) to a point of reverse curve; thence Northeasterly along the arc of a 83.00 foot radius non-tangent curve to the left (radius bears: N44°03'10"W) 43.73 feet through a central angle of 30°11'03" (chord: N30°51'19"E 43.22 feet); thence Northeasterly along the arc of a 172.00 foot radius non-tangent curve to the left (radius bears: N74°11'22"W) 24.82 feet through a central angle of 8°16'09" (chord: N11°40'33"E 24.80 feet); thence N84°56'56"W 88.63 feet; thence N5°03'04"E 1124.22 feet; thence S84°56'56"E 96.33 feet; thence N9°37'56"E 45.99 feet; thence N5°03'04"E 55.71 feet; thence N84°56'56"W 100.00 feet; thence N5°03'04"E 417.20 feet; thence N89°37'56"E 20.75 feet; thence N0°22'04"W 56.00 feet; thence N89°37'56"E 5.00 feet; thence N0°22'04"W 110.00 feet; thence N89°37'56"E 450.00 feet; thence S0°22'04"E 110.00 feet; thence N89°37'56"E 35.00 feet; thence N0°22'04"W 110.00 feet; thence N89°37'56"E 90.00 feet; thence S0°22'04"E 110.00 feet; thence N89°37'56"E 5.00 feet; thence S0°22'04"E 56.00 feet; thence N89°37'56"E 22.26 feet to the point of beginning.

Which contains Wildflower Village 3A, Plats A-1A, B-1A, B-3A, A-2, B-2, B-7, and B-8.

Except the Following Described Parcel:

A portion of the Southwest Quarter of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located S0°11'02"W along the Quarter Section Line 2960.62 feet and West 1232.83 feet from the North Quarter Corner of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence S5°53'49"E 8.00 feet; thence Southwesterly along the arc of a 992.00 foot radius non-tangent curve to the left (radius

bears: S6°20'32"E) 165.06 feet through a central angle of 9°32'01" (chord: S78°53'27"W 164.87 feet); thence along the arc of a 1228.50 foot radius curve to the left 69.53 feet through a central angle of 3°14'34" (chord: S72°30'10"W 69.52 feet) to a point of reverse curve; thence along the arc of a 1188.00 foot radius curve to the right 93.35 feet through a central angle of 4°30'07" (chord: S73°07'57"W 93.32 feet); thence S75°23'00"W 5.86 feet; thence along the arc of a 1188.00 foot radius curve to the right 116.43 feet through a central angle of 5°36'56" (chord: S78°11'28"W 116.39 feet); thence S80°59'56"W 116.54 feet; thence along the arc of a 1228.50 foot radius curve to the left 100.09 feet through a central angle of 4°40'05" (chord: S78°39'54"W 100.06 feet); thence S76°19'51"W 12.24 feet; thence N13°40'09"W 9.97 feet; thence N75°23'00"E 12.68 feet; thence along the arc of a 1228.50 foot radius curve to the left 166.34 feet through a central angle of 7°45'29" (chord: N71°30'16"E 166.22 feet) to a point of reverse curve; thence along the arc of a 943.95 foot radius curve to the right 278.80 feet through a central angle of 16°55'22" (chord: N76°05'13"E 277.79 feet); thence N84°32'54"E 225.11 feet to the point of beginning.

WILDFLOWER VILLAGE 4

A Portion of the Northwest Quarter of Section 10 and West Half of Section 3, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located S0°11'02"W along the Quarter Section Line 878.36 feet and West 1231.42 feet from the North 1/4 Corner of Section 10, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence S86°44'46"W 525.85 feet; thence N53°15'32"W 146.54 feet; thence N5°03'04"E 1104.33 feet; thence N46°47'34"E 146.78 feet; thence N5°09'34"E 143.60 feet; thence S84°56'56"E 34.13 feet; thence N4°40'41"E 62.78 feet; thence S85°19'19"E 71.44 feet; thence N4°57'34"E 199.94 feet; thence N85°06'52"W 24.91 feet; thence N4°53'08"E 175.39 feet; thence N28°31'31"W 157.81 feet; thence N44°03'14"E 138.50 feet; thence N45°56'46"W 82.42 feet; thence along the arc of a 379.50 foot radius curve to the right 53.53 feet through a central angle of 8°04'54" (chord: N41°54'19"W 53.49 feet); thence N77°34'24"W 4.67 feet; thence northwesterly along the arc of a 382.50 foot radius non-tangent curve to the right (radius bears: N52°40'25"E) 368.37 feet through a central angle of 55°10'45" (chord: N9°44'12"W 354.30 feet); thence N17°51'10"E 53.00 feet; thence along the arc of a 332.50 foot radius curve to the right 166.50 feet through a central angle of 28°41'30" (chord: N32°11'55"E 164.77 feet) to a point of reverse curve; thence along the arc of a 9.00 foot radius curve to the left 13.04 feet through a central angle of 83°01'12" (chord: N5°02'05"E 11.93 feet); thence N36°28'32"W 15.97 feet; thence along the arc of a 232.50 foot radius curve to the right 168.51 feet through a central angle of 41°31'35" (chord: N15°42'44"W 164.85 feet); thence N5°03'04"E 539.19 feet; thence S84°56'56"E 47.50 feet; thence N5°03'04"E 81.97 feet; thence N52°17'16"E 203.46 feet; thence northwesterly along the arc of a 229.50 foot radius non-tangent curve to the right (radius bears: N52°17'16"E) 118.21 feet through a central angle of 29°30'42" (chord: N22°57'23"W 116.91 feet); thence N84°56'56"W 106.11 feet; thence N5°03'04"E 1077.50 feet; thence N50°29'22"E 40.46 feet; thence N89°52'43"E 620.55 feet; thence S84°27'09"E 72.55 feet; thence S76°04'30"E 60.66 feet; thence S69°28'04"E 60.64 feet; thence S23°46'17"W 150.36 feet; thence northwesterly along the arc of a 370.50 foot radius non-tangent curve to the left (radius bears: S23°46'17"W) 124.77 feet through a central angle of 19°17'44" (chord: N75°52'36"W 124.19 feet); thence along the arc of a 12.00 foot radius curve to the left 18.73 feet through a central angle of 89°25'28" (chord: S49°45'48"W 16.89 feet); thence S5°03'04"W 863.23 feet; thence along the arc of a 229.50 foot radius curve to the right 96.23 feet through a central angle of 24°01'28" (chord: S17°03'48"W 95.53 feet) to a point of reverse curve; thence along the arc of a 12.00 foot radius curve to the left 16.18 feet through a central angle of 77°13'56" (chord: S9°32'26"E 14.98 feet) to a point of reverse curve; thence along the arc of a 329.50 foot radius curve to the right 306.83 feet through a central angle of 53°21'11" (chord: S21°28'48"E 295.86 feet); thence S5°11'47"W 142.52 feet; thence S73°18'11"E 192.54 feet; thence S16°41'49"W 82.65 feet; thence along the arc of a 530.00 foot radius curve to the left 175.53 feet through a central angle of 18°58'33" (chord: S7°12'32"W 174.73 feet) to a point of reverse curve; thence along the arc of a 780.00 foot radius curve to the right 298.97 feet through a central angle of 21°57'40" (chord: S8°42'05"W 297.14 feet); thence along the arc of a 60.00 foot radius curve to the right 30.66 feet through a central angle of 29°16'24" (chord: S34°19'08"W 30.32 feet); thence S48°57'20"W 9.40 feet; thence southeasterly along the arc of a 979.50 foot radius non-tangent curve to the right (radius bears: S57°27'59"W) 703.88 feet through a central angle of 41°10'24" (chord: S11°56'49"E 688.83 feet) to a point of reverse curve; thence along the arc of a 220.50 foot radius curve to the left 38.03 feet through a central angle of 9°52'59" (chord: S3°41'54"W 37.99 feet); thence S1°14'35"E 48.73 feet; thence along the arc of a 170.50 foot radius curve to the left 130.58 feet through a central angle of 43°52'53" (chord: S23°11'02"E 127.41 feet) to the proposed westerly right-of-way line of Mountain View Corridor; thence along said westerly right-of-way line southwesterly along the arc of a 1085.00 foot radius non-tangent curve to the right (radius bears: N67°06'15"W 69.80 feet through a central angle of 3°41'10" (chord: S24°44'20"W 69.79 feet); thence northwesterly along the arc of a 229.50 foot radius non-tangent curve to the right (radius bears: N40°43'24"E) 192.40 feet

through a central angle of 48°02'00" (chord: N25°15'36"W 186.81 feet); thence N1°14'35"W 59.01 feet; thence along the arc of a 279.50 foot radius curve to the right 48.21 feet through a central angle of 9°52'59" (chord: N3°41'54"E 48.15 feet) to a point of reverse curve; thence along the arc of a 920.50 foot radius curve to the left 690.22 feet through a central angle of 42°57'44" (chord: N12°50'29"W 674.17 feet) to a point of reverse curve; thence along the arc of a 529.50 foot radius curve to the right 365.21 feet through a central angle of 39°31'08" (chord: N14°33'47"W 358.02 feet); thence N5°11'47"E 380.49 feet; thence N84°48'13"W 100.00 feet; thence N5°11'47"E 50.00 feet; thence N0°21'04"E 50.80 feet; thence N16°10'13"W 50.31 feet; thence N33°07'30"W 50.23 feet; thence N50°07'33"W 50.59 feet; thence N31°20'35"E 100.00 feet; thence northwesterly along the arc of a 270.50 foot radius non-tangent curve to the left (radius bears: S31°20'35"W) 124.13 feet through a central angle of 26°17'32" (chord: N71°48'10"W 123.04 feet); thence N84°56'56"W 25.77 feet; thence S5°03'04"W 27.80 feet; thence S32°20'06"E 255.14 feet; thence S5°03'04"W 539.74 feet; thence S12°31'38"W 149.29 feet; thence S31°31'35"W 153.12 feet; thence S61°43'13"W 345.55 feet; thence S23°44'44"W 97.10 feet; thence S70°41'06"E 64.80 feet; thence N81°16'58"E 252.00 feet; thence S73°52'22"E 126.13 feet; thence S34°23'52"E 282.26 feet; thence S5°05'22"E 481.45 feet; thence S10°21'17"W 165.99 feet; thence S84°54'38"W 130.00 feet; thence S5°05'22"E 116.52 feet; thence N84°54'38"E 36.29 feet; thence S59°45'18"E 191.23 feet to the proposed westerly right-of-way line of Mountain View Corridor; thence along said westerly right-of-way line southwesterly along the arc of a 4000.00 foot radius non-tangent curve to the left (radius bears: S61°07'45"E) 1370.55 feet through a central angle of 19°37'54" (chord: S19°03'18"W 1363.86 feet); thence S9°14'21"W 32.39 feet to the point of beginning.

WILDFLOWER VILLAGE 7

A portion of the Southeast Quarter and the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning on the proposed Southeasterly right-of-way line of Wild Hills Boulevard, said point being located S0°20'24"W 1262.09 feet along the Section Line and West 463.41 feet from the East Quarter Corner of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence Southwesterly along the arc of a 865.50 foot radius non-tangent curve to the right (radius bears: N45°43'21"W) 945.27 feet through a central angle of 62°34'35" (chord: S75°33'57"W 898.98 feet) to the West line of the Southeast Quarter of the Southeast Quarter of said Section 9; thence N0°06'28"W along said west line 162.50 feet to the Northwest corner thereof; thence N89°45'47"W along the south line of the Northwest quarter of the Southeast Quarter of said Section 9, 160.09 feet to the intersection with the east line of Belle Spring Mine No. 1 as defined on that dependent resurvey conducted under the direction of the Bureau of Land Management, the official plat thereof being on file in the office of the Bureau of Land Management dated September 17, 2002; thence along the boundary of Belle Spring Mine No. 1 the following two (2) courses: S0°17'40"W 82.66 feet to Corner No. 3 of Belle Spring Mine No. 1 (not monumented); thence N73°21'20"W 54.23 feet; thence northwesterly along the arc of a 1004.50 foot radius non-tangent curve to the left (radius bears: S28°06'58"W) 190.94 feet through a central angle of 10°53'28" (chord: N67°19'45"W 190.65 feet) to a point of reverse curve; thence along the arc of a 865.50 foot radius curve to the right 621.09 feet through a central angle of 41°06'57" (chord: N52°13'01"W 607.85 feet) to a point of reverse curve; thence along the arc of a 873.50 foot radius curve to the left 164.52 feet through a central angle of 10°47'29" (chord: N37°03'17"W 164.28 feet); thence S60°58'36"W 403.64 feet to the intersection with the West line of Belle Spring Mine No. 1; thence N0°17'40"E along said West line 50.76 feet to Corner No. 3 of Belle Spring No. 6 (monument not found); thence N73°21'20"W 17.98 feet to the intersection with the Quarter Section Line; thence S0°33'34"E along said Quarter Section Line 64.97 feet; thence S60°58'36"W 476.73 feet; thence N84°16'21"W 947.46 feet; thence N5°43'39"E 228.50 feet; thence S84°16'21"E 68.75 feet; thence N5°43'30"E 68.00 feet; thence S84°16'21"E 199.90 feet; thence N87°25'32"E 40.10 feet; thence N66°06'24"E 41.16 feet; thence N60°58'36"E 120.00 feet; thence; S29°01'24"E 68.00 feet; thence N60°58'36"E 302.64 feet; thence along the arc of a 170.50 foot radius curve to the left 114.84 feet through a central angle of 38°35'25" (chord: N41°40'53"E 112.68 feet); thence along the arc of a 80.00 foot radius curve to the left 23.87 feet through a central angle of 17°05'54" (chord: N13°50'14"E 23.79 feet); thence N5°17'16"E 98.27 feet; thence along the arc of a 12.00 foot radius curve to the left 18.85 feet through a central angle of 90°00'00" (chord: N39°42'44"W 16.97 feet) to the proposed Southerly right-of-way line of Wild Hills Boulevard; thence N84°42'44"W along said right-of-way line 30.00 feet; thence N5°17'16"E 95.00 feet) to the proposed Northerly right-of-way line of Wild Hills Boulevard; thence along said right-of-way line the following two (2) courses: S84°42'44"E 340.19 feet; thence along the arc of a 968.50 foot radius curve to the right 199.24 feet through a central angle of 11°47'12" (chord: S78°49'07"E 198.89 feet) to a point of reverse curve; thence along the arc of a 12.00 foot radius curve to the left 18.46 feet through a central angle of 88°08'40" (chord: N63°00'09"E 16.69 feet); thence N18°55'49"E 180.94 feet; thence along the arc of a 100.50 foot radius curve to the left 170.12 feet through a central angle of 96°59'03" (chord: N29°33'43"W 150.52 feet); thence N78°03'15"W 144.67 feet; thence N11°56'45"E 62.00 feet;

thence S78°03'15"E 157.26 feet; thence along the arc of a 162.50 foot radius curve to the right 142.49 feet through a central angle of 50°14'20" (chord: S52°56'05"E 137.96 feet); thence N62°11'05"E 46.97 feet; thence S68°21'29"E 52.93 feet; thence S66°12'15"E 45.97 feet; thence S64°17'01"E 42.22 feet; thence S62°26'41"E 42.22 feet; thence S60°36'20"E 42.22 feet; thence S58°46'00"E 42.22 feet; thence S56°55'40"E 42.22 feet; thence S55°05'20"E 42.22 feet; thence S53°15'00"E 42.22 feet; thence N37°40'14"E 21.45 feet; thence N69°35'32"E 212.47 feet; thence S20°24'28"E 69.00 feet; thence N69°35'32"E 84.23 feet; thence along the arc of a 10.0 foot radius curve to the left 7.95 feet through a central angle of 45°34'23" (chord: N46°48'21"E 7.75 feet); thence N69°35'32"E 60.19 feet; thence along the arc of a 71.00 foot radius curve to the right 43.11 feet through a central angle of 34°47'29" (chord: N86°59'17"E 42.45 feet); thence S75°36'59"E 59.61 feet; thence along the arc of a 71.00 foot radius curve to the right 68.41 feet through a central angle of 55°12'31" (chord: S48°00'43"E 65.80 feet); thence S20°24'28"E 39.99 feet; thence along the arc of a 17.00 foot radius curve to the left 26.70 feet through a central angle of 90°00'00" (chord: S65°24'28"E 24.04 feet); thence N69°35'32"E 63.35 feet; thence S20°24'28"E 39.00 feet; thence S69°35'32"W 28.81 feet; thence S20°24'28"E 68.00 feet; thence S69°35'32"W 720.00 feet; thence S55°23'27"W 52.41 feet; thence southeasterly along the arc of a 968.50 foot radius non-tangent curve to the right (radius bears: S47°49'45"W) 39.14 feet through a central angle of 2°18'57" (chord: S41°00'47"E 39.14 feet); thence N72°30'38"E 869.08 feet; thence N86°31'14"E 485.57 feet; thence S5°33'17"E 274.44 feet; thence S25°13'56"E 108.66 feet; thence S41°30'14"E 533.10 feet to the point of beginning.

WILDFLOWER VILLAGE 8

A portion of the Southwest Quarter of Section 9 and the Southeast Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N0°33'08"E along the Section Line 68.06 feet and West 519.19 feet from a BLM aluminum pipe and cap monument marking the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N1°07'39"E 118.50 feet; thence N1°42'09"W 59.07 feet; thence northeasterly along the arc of a 12.00 foot radius non-tangent curve to the left (radius bears: N1°07'39"E) 21.53 feet through a central angle of 102°47'04" (chord: N39°44'07"E 18.75 feet) to a point of reverse curve; thence along the arc of a 229.50 foot radius curve to the right 51.21 feet through a central angle of 12°47'04" (chord: N5°15'53"W 51.10 feet); thence N1°07'39"E 520.59 feet; thence N1°09'47"W 100.08 feet; thence N1°07'39"E 161.92 feet; thence along the arc of a 12.00 foot radius curve to the left 18.94 feet through a central angle of 90°25'23" (chord: N44°05'03"W 17.03 feet); thence N0°42'16"E 95.00 feet to the proposed Southerly right-of-way line of Wild Hills Boulevard; thence along said right-of-way line the following Six (6) courses: S89°17'44"E 427.79 feet; thence along the arc of a 1147.50 foot radius curve to the right 544.11 feet through a central angle of 27°10'05" (chord: S75°42'42"E 539.03 feet) to a point of reverse curve; thence along the arc of a 1152.50 foot radius curve to the left 558.29 feet through a central angle of 27°45'17" (chord: S76°00'18"E 552.84 feet); thence S89°52'56"E 627.93 feet; thence along the arc of a 3047.50 foot radius curve to the right 275.00 feet through a central angle of 5°10'13" (chord: S87°17'50"E 274.91 feet); thence S84°42'44"E 228.48 feet; thence S5°17'16"W 95.00 feet; thence S84°42'44"E 30.00 feet; thence along the arc of a 12.00 foot radius curve to the right 18.85 feet through a central angle of 90°00'00" (chord: S39°42'44"E 16.97 feet); thence S5°17'16"W 98.27 feet; thence along the arc of a 80.00 foot radius curve to the right 23.87 feet through a central angle of 17°05'54" (chord: S13°50'14"W 23.79 feet); thence along the arc of a 170.50 foot radius curve to the right 114.84 feet through a central angle of 38°35'25" (chord: S41°40'53"W 112.68 feet); thence S60°58'36"W 302.64 feet; thence N29°01'24"W 68.00 feet; thence S60°58'36"W 120.00 feet; thence S66°06'24"W 41.16 feet; thence S87°25'32"W 40.10 feet; thence N84°16'21"W 199.90 feet; thence S5°43'30"W 68.00 feet; thence N84°16'21"W 68.75 feet; thence S5°43'39"W 228.50 feet; thence N84°16'21"W 416.00 feet; thence N68°25'52"W 251.54 feet; thence southwesterly along the arc of a 229.50 foot radius non-tangent curve to the right (radius bears: N42°50'38"W) 52.73 feet through a central angle of 13°09'52" (chord: S53°44'18"W 52.61 feet); thence S58°42'37"E 64.45 feet; thence S1°07'39"W 169.50 feet; thence N88°52'21"W 1152.00 feet to the point of beginning.

Except the Following Described Parcel:

A portion of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N0°33'08"E along the Section Line 278.85 feet and East 381.19 feet from a BLM aluminum pipe and cap monument marking the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N1°07'39"E 339.00 feet; thence N44°09'41"W 76.46 feet; thence northeasterly along the arc of a 179.50 foot radius non-tangent curve to the left (radius bears: N44°25'09"W) 34.50 feet through a central angle of 11°00'48" (chord: N40°04'27"E 34.45 feet); thence N34°34'03"E

63.04 feet; thence along the arc of a 12.00 foot radius curve to the right 20.69 feet through a central angle of 98°46'58" (chord: N83°57'32"E 18.22 feet); thence along the arc of a 470.50 foot radius curve to the right 184.45 feet through a central angle of 22°27'44" (chord: S35°25'07"E 183.28 feet) to a point of reverse curve; thence along the arc of a 329.50 foot radius curve to the left 194.06 feet through a central angle of 33°44'41" (chord: S41°03'36"E 191.27 feet) to a point of reverse curve; thence along the arc of a 12.00 foot radius curve to the right 16.65 feet through a central angle of 79°30'05" (chord: S18°10'54"E 15.35 feet); thence S21°34'08"W 64.10 feet; thence along the arc of a 170.50 foot radius curve to the right 206.99 feet through a central angle of 69°33'31" (chord: S56°20'54"W 194.51 feet); thence N88°52'21"W 80.64 feet to the point of beginning.

WILDFLOWER VILLAGE 9

A portion of Northwest Quarter and the Southwest Quarter of Section 9 and the Northeast Quarter and Southeast Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:
Beginning at a point located N89°18'02"W along the Quarter Section Line 2794.86 feet and North 369.83 feet from the East Quarter Corner of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N88°43'25"W 807.15 feet; thence N56°18'39"W 17.33 feet; thence southwesterly along the arc of a 338.50 foot radius non-tangent curve to the right (radius bears: N70°17'25"W) 59.04 feet through a central angle of 9°59'33" (chord: S24°42'21"W 58.96 feet); thence S29°42'08"W 39.73 feet; thence along the arc of a 111.50 foot radius curve to the left 241.07 feet through a central angle of 123°52'29" (chord: S32°14'07"E 196.78 feet) to a point of reverse curve; thence along the arc of a 738.50 foot radius curve to the right 430.93 feet through a central angle of 33°25'59" (chord: S77°27'22"E 424.84 feet); thence S60°44'22"E 187.30 feet; thence along the arc of a 561.50 foot radius curve to the left 169.68 feet through a central angle of 17°18'52" (chord: S69°23'48"E 169.04 feet); thence S78°03'15"E 21.62 feet; thence S11°56'45"W 68.00 feet; thence N78°03'15"W 21.62 feet; thence along the arc of a 629.50 foot radius curve to the right 190.23 feet through a central angle of 17°18'52" (chord: N69°23'48"W 189.51 feet); thence N60°44'22"W 127.31 feet; thence S20°39'59"W 424.10 feet to the proposed Northerly right-of-way line of Wild Hills Boulevard; thence along said right-of-way line the following Six (6) courses: N84°42'44"W 160.54 feet; thence along the arc of a 3047.50 foot radius curve to the left 275.00 feet through a central angle of 5°10'13" (chord: N87°17'50"W 274.91 feet); thence N89°52'56"W 627.93 feet; thence along the arc of a 1152.50 foot radius curve to the right 558.26 feet through a central angle of 27°45'13" (chord: N76°00'20"W 552.82 feet) to a point of reverse curve; thence along the arc of a 1147.50 foot radius curve to the left 544.14 feet through a central angle of 27°10'10" (chord: N75°42'39"W 539.06 feet); thence N89°17'44"W 345.81 feet; thence N20°27'52"E 168.15 feet; thence N69°32'08"W 82.03 feet; thence along the arc of a 386.50 foot radius curve to the right 863.38 feet through a central angle of 127°59'21" (chord: N5°32'27"W 694.74 feet) to a point of reverse curve; thence along the arc of a 12.00 foot radius curve to the left 17.60 feet through a central angle of 84°01'20" (chord: N16°26'33"E 16.06 feet); thence N25°34'07"W 30.33 feet; thence along the arc of a 1170.50 foot radius curve to the left 127.91 feet through a central angle of 6°15'39" (chord: N28°41'57"W 127.84 feet); thence N31°49'47"W 49.39 feet; thence along the arc of a 12.00 foot radius curve to the left 18.66 feet through a central angle of 89°05'29" (chord: N76°22'31"W 16.84 feet); thence N30°55'16"W 59.00 feet; thence N59°04'44"E 10.83 feet; thence N30°55'16"W 165.04 feet; thence N76°47'40"E 507.57 feet; thence S88°41'14"E 408.41 feet; thence S1°22'33"W 115.45 feet; thence S88°37'27"E 30.00 feet; thence N1°22'33"E 115.48 feet; thence S88°39'15"E 1440.17 feet; thence S1°22'33"W 116.23 feet; thence S88°37'27"E 30.00 feet; thence N1°22'33"E 116.16 feet; thence S88°31'42"E 836.84 feet; thence S0°34'00"E 578.52 feet; thence S89°26'00"W 115.00 feet; thence S13°22'54"E 30.77 feet; thence N89°26'00"E 108.18 feet; thence S0°34'00"E 213.00 feet to the point of beginning.

Except the Following Described Parcel:

A portion of Northwest Quarter of Section 9 and the Northeast Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:
Beginning at a point located N89°18'02"W along the Quarter Section Line 3727.70 feet and North 169.60 feet from the East Quarter Corner of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N89°52'56"W 338.19 feet; thence N77°28'24"W 332.68 feet; thence N83°11'45"W 172.79 feet; thence S67°45'09"W 318.41 feet; thence S22°14'51"E 115.00 feet; thence S67°45'09"W 54.37 feet; thence along the arc of a 129.50 foot radius curve to the left 23.21 feet through a central angle of 10°16'09" (chord: S62°37'04"W 23.18 feet); thence N32°31'00"W 99.49 feet; thence N76°50'35"W 259.34 feet; thence N89°52'39"W 294.13 feet; thence S1°04'50"W 123.50 feet; thence northwesterly along the arc of a 370.50 foot radius non-tangent curve to the right (radius bears: N1°04'50"E) 125.35 feet through a central angle of 19°23'02" (chord: N79°13'39"W 124.75 feet); thence N69°32'08"W 85.02 feet; thence N20°27'52"E 120.00 feet; thence N67°49'05"W 81.99 feet; thence N50°48'17"W 71.38 feet; thence N30°59'45"W 71.38

feet; thence N11°11'09"W 71.39 feet; thence N8°37'30"E 71.39 feet; thence N28°26'08"E 71.39 feet; thence N48°14'46"E 71.39 feet; thence N68°00'03"E 70.99 feet; thence N87°04'21"E 78.17 feet; thence S88°50'13"E 463.08 feet; thence N1°09'47"E 120.00 feet; thence S88°50'13"E 124.32 feet; thence S1°09'47"W 129.35 feet; thence S88°50'13"E 119.55 feet; thence S24°14'49"E 199.80 feet; thence S85°21'55"E 264.01 feet; thence N79°20'35"E 228.98 feet; thence S86°14'27"E 504.37 feet; thence S67°40'56"E 106.07 feet; thence S29°42'08"W 22.01 feet; thence along the arc of a 179.50 foot radius curve to the left 168.37 feet through a central angle of 53°44'35" (chord: S2°49'50"W 162.27 feet) to the point of beginning.

WILDFLOWER VILLAGE 10

A portion of the Southeast Quarter and the Southwest Quarter and the Northeast Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N0°33'08"E along the Section Line 68.06 feet and West 519.19 feet from a BLM aluminum pipe and cap monument marking the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N88°52'21"W 1559.84 feet; thence southwesterly along the arc of a 1052.50 foot radius non-tangent curve to the left (radius bears: S87°51'10"E) 14.36 feet through a central angle of 0°46'54" (chord: S1°45'23"W 14.36 feet); thence N88°46'16"W 1129.24 feet; thence N1°13'44"E 684.51 feet; thence N7°54'25"E 573.82 feet; thence S82°05'35"E 204.72 feet; thence S73°30'30"E 136.36 feet; thence S39°21'34"E 105.05 feet; thence S28°22'58"W 15.97 feet; thence S58°38'02"E 279.54 feet; thence S70°25'50"E 649.31 feet; thence northeasterly along the arc of a 1147.50 foot radius non-tangent curve to the right (radius bears: S47°23'19"E) 137.77 feet through a central angle of 6°52'45" (chord: N46°03'03"E 137.69 feet); thence N84°28'16"W 200.86 feet; thence N74°02'57"W 228.43 feet; thence N67°58'11"W 228.18 feet; thence N58°56'43"W 260.43 feet; thence N26°12'01"W 173.65 feet; thence N63°47'59"E 100.00 feet; thence N59°55'28"E 59.14 feet; thence S26°12'03"E 76.52 feet; thence N42°31'27"E 61.40 feet; thence N44°10'12"E 54.04 feet; thence N45°42'40"E 54.04 feet; thence N47°15'07"E 54.04 feet; thence N48°47'34"E 54.04 feet; thence N50°20'01"E 54.04 feet; thence N51°52'28"E 54.04 feet; thence N53°24'55"E 54.04 feet; thence N54°57'23"E 54.04 feet; thence N56°29'50"E 54.04 feet; thence N58°02'17"E 54.04 feet; thence N59°34'44"E 54.04 feet; thence N61°04'20"E 54.82 feet; thence S27°39'36"E 114.06 feet; thence N62°20'24"E 30.00 feet; thence N27°39'36"W 114.00 feet; thence N63°34'20"E 56.44 feet; thence N65°10'14"E 55.66 feet; thence N66°45'27"E 55.66 feet; thence N68°20'40"E 55.66 feet; thence N69°55'53"E 55.66 feet; thence N71°31'06"E 55.66 feet; thence N73°06'20"E 55.66 feet; thence N16°06'04"W 14.49 feet; thence N14°36'55"E 168.67 feet; thence N55°18'29"E 313.02 feet; thence N76°47'40"E 294.55 feet; thence S88°39'23"E 131.07 feet; thence S16°02'34"W 143.96 feet; thence S73°57'26"E 30.00 feet; thence N16°02'34"E 169.32 feet; thence N62°20'00"E 101.94 feet; thence N76°47'40"E 12.84 feet; thence S30°55'16"E 165.04 feet; thence S59°04'44"W 10.83 feet; thence S30°55'16"E 59.00 feet; thence southeasterly along the arc of a 12.00 foot radius non-tangent curve to the right (radius bears: S30°55'16"E) 18.66 feet through a central angle of 89°05'29" (chord: S76°22'31"E 16.84 feet); thence S31°49'47"E 49.39 feet; thence along the arc of a 1170.50 foot radius curve to the right 127.91 feet through a central angle of 6°15'39" (chord: S28°41'57"E 127.84 feet); thence S25°34'07"E 30.33 feet; thence along the arc of a 12.00 foot radius curve to the right 17.60 feet through a central angle of 84°01'20" (chord: S16°26'33"W 16.06 feet) to a point of reverse curve; thence along the arc of a 386.50 foot radius curve to the left 863.38 feet through a central angle of 127°59'21" (chord: S5°32'27"E 694.74 feet); thence S69°32'08"E 82.03 feet; thence S20°27'52"W 168.15 feet; thence N89°17'44"W 81.98 feet; thence S0°42'16"W 95.00 feet; thence southeasterly along the arc of a 12.00 foot radius non-tangent curve to the right (radius bears: S0°42'16"W) 18.94 feet through a central angle of 90°25'23" (chord: S44°05'03"E 17.03 feet); thence S1°07'39"W 161.92 feet; thence S1°09'47"E 100.08 feet; thence S1°07'39"W 520.59 feet; thence along the arc of a 229.50 foot radius curve to the left 51.21 feet through a central angle of 12°47'04" (chord: S5°15'53"E 51.10 feet) to a point of reverse curve; thence along the arc of a 12.00 foot radius curve to the right 21.53 feet through a central angle of 102°47'04" (chord: S39°44'07"W 18.75 feet); thence S1°42'09"E 59.07 feet; thence S1°07'39"W 118.50 feet to the point of beginning.

Except the Following Described Parcel:

A portion of the Southeast Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located N0°33'08"E along the Section Line 536.59 feet and West 1434.41 feet from a BLM aluminum pipe and cap monument marking the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence N88°52'21"W 529.89 feet; thence northeasterly along the arc of a 1052.50 foot radius non-tangent curve to the right (radius bears: S62°23'47"E) 743.34 feet

through a central angle of $40^{\circ}27'57''$ (chord: $N47^{\circ}50'11''E$ 727.99 feet); thence $S1^{\circ}07'39''W$ 499.18 feet to the point of beginning.

Also Except the Following Described Parcel:

A portion of the Southeast Quarter and the Southwest Quarter of Section 8, Township 5 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

Beginning at a point located $N0^{\circ}33'08''E$ along the Section Line 697.91 feet and West 2683.65 feet from a BLM aluminum pipe and cap monument marking the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 9, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence $N88^{\circ}46'16''W$ 2.92 feet; thence $N1^{\circ}13'44''E$ 20.00 feet; thence $N88^{\circ}46'16''W$ 163.00 feet; thence $S1^{\circ}13'44''W$ 20.00 feet; thence $N88^{\circ}46'16''W$ 33.50 feet; thence $N7^{\circ}54'25''E$ 171.32 feet; thence $S82^{\circ}05'35''E$ 192.00 feet; thence $N7^{\circ}54'25''E$ 111.16 feet; thence $S58^{\circ}38'02''E$ 85.06 feet; thence $N31^{\circ}21'58''E$ 20.00 feet; thence $S58^{\circ}38'02''E$ 10.50 feet; thence along the arc of a 20.00 foot radius curve to the right 27.17 feet through a central angle of $77^{\circ}49'47''$ (chord: $S19^{\circ}43'08''E$ 25.13 feet); thence $S19^{\circ}11'45''W$ 154.94 feet; thence along the arc of a 82.00 foot radius curve to the right 103.09 feet through a central angle of $72^{\circ}01'59''$ (chord: $S55^{\circ}12'45''W$ 96.43 feet) to the point of beginning.

EXHIBIT "B"**BYLAWS OF
WILDFLOWER IMPROVEMENT ASSOCIATION**

These BYLAWS (the "Bylaws") OF WILDFLOWER IMPROVEMENT ASSOCIATION ("Association") will be effective upon recording of that certain Declaration of Covenants, Conditions and Restrictions for Wildflower Improvement Association (the "Declaration") in the Utah County Recorder's Office pursuant to the Utah Community Association Act and the Utah Revised Nonprofit Corporation Act (referred collectively herein as the "Acts").

RECITALS

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

It is intended that the Declarant will govern the Association during the period commencing upon the Association's formation and continuing through repayment in full of the Bonds and full satisfaction of the Bond Indenture (the "Declarant Control Period"). During the Declarant Control Period, Declarant shall have all powers and authority normally reserved to a board of directors to establish and execute the policies and functions of the Association, and responsibilities for oversight of the Association's day-to-day affairs. However, at any time, Declarant may elect or determine to form and establish (and appoint the members of) a Board of Directors to manage the Association in its stead. In that event, the Declarant shall have an exclusive power of appointment of the board of directors until the expiration of the Declarant Control Period.

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

These Bylaws are adopted to complement the Declaration, to further define the rights of the Association and the Owners, to provide for the ability to effectively govern and operate the Association and finance the Financed Improvements and other costs for development of assessed properties comprising the development known as Wildflower.

**ARTICLE I
DEFINITIONS**

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

ARTICLE II APPLICATION

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

ARTICLE III OWNERS

3.1 **Owner Benefits/Rights.** The Financed Improvements will provide a direct and special benefit for each Parcel to provide infrastructure and facilitate development. To ensure repayment of the Bonds, the Association will be controlled, governed and operated by the Declarant, in lieu of a Board of Directors, during the Association's entire existence, subject to Declarant's option to create a Board of Directors. Except as may be required by law, the Declaration or these Bylaws, Owners of Parcels will be the only Members of the Association upon becoming and for as long as they own a Parcel within the Assessed Property, but, with the exception of Declarant, will not have voting rights or any other rights to control the Association. As set forth in the Declaration, Owners of Parcels will cease being Members of the Association upon payment in full or other complete satisfaction of the Parcel's Assessment obligation and Lien. These Bylaws apply only to Owners who are Members as set forth in the Declaration during their period of membership in the Association.

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

3.3 **Special Meetings.** During Declarant control, Special Meetings may only be called by the Declarant. If a Board of Directors is established by Declarant which requires Owner voting for the Board, Special Meetings of the Owners may be called by a majority of the Board, the Declarant, the President or upon the written request of Owners holding not less than forty percent (40%) of the voting interests of the Association. Any written request for a Special Meeting presented by the Owners shall be delivered to the President or Declarant and shall include the original signature of each Owner affirmatively supporting such request along with a complete statement of the purpose of the meeting on each page containing signatures. The President shall then call, provide notice of, and conduct a Special Meeting within 45 days of receipt of the Owner request.

3.4 **Place of Meetings.** The Declarant or Board may designate any place in Wasatch County that is reasonably convenient for the Owners as the place of meeting for any Owner

meeting. In addition, the Association may hold and conduct Owner meetings through any type of electronic means that allows Owners to communicate orally in real time including telephone and video conferencing.

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

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

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

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

3.9 **Proxies.** Owners who have a right to vote on any matter pursuant to law or the Governing Documents shall be entitled to vote in person or by proxy at each meeting provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been signed by the Owner or by the Owner's attorney. A proxy may be written on paper or received via email, facsimile, text, or any other electronic or physical means. A signature as required herein shall mean any indication that the document is from and consented to by the person who is purported to have sent it. If a Parcel is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Parcel or the Owner's attorney when duly authorized in writing. A proxy given by an Owner to any person who represents

the Owner at meetings of the Association shall be in writing, dated, and signed by such Owner. Such instrument may allow the proxy to vote on any issue arising at any particular meeting or meetings, or may set forth the specific matters or issues upon which the proxy is authorized to act. Proxies shall be filed with the Secretary (or with such other officer or person who may be acting as Secretary of the meeting) before the meeting is called to order. The Secretary, or the Declarant shall record all proxies in the meeting minutes.

3.10 **Votes**. Owners who have a right to vote on any matter pursuant to law or the Governing Documents shall be entitled to vote on each matter submitted to an Owner vote, in person or by proxy, the number of votes appertaining to the Parcel of such Owner, as set forth in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by Owners, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, or the Declaration. When a Parcel is jointly owned, any Owner may exercise the vote for such Parcel on behalf of all Co-Owners of the Parcel. In the event of two (2) conflicting votes by Co-Owners of a Parcel, no vote shall be counted for that Parcel. In no event shall fractional or cumulative votes be exercised with respect to any Parcel. Only those Owners whose accounts with the Association are not more than thirty (30) days delinquent shall be entitled to vote.

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

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

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

ARTICLE IV
DECLARANT GOVERNANCE; BOARD OF DIRECTORS

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

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

4.3 **Number and Qualifications.** Any Board of Directors required to be elected shall be composed of three (3) persons. Board members must be at least 18 years old and must be an Owner or the spouse of an Owner of a Parcel in the Project. No two (2) Board members may be Owners of the same Parcel or be business partners if the business is related to their ownership of a Parcel. If an Owner is a corporation, partnership, limited liability company, or trust, an officer, partner, member, manger, agent, trustee, or beneficiary of such Owner may be a Board member. If a Board member ceases to meet any required qualifications during the Board member's term, such person's membership on the Board shall automatically terminate.

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

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

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

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

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

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

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

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

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

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

4.13 **Board Action.** Notwithstanding noncompliance with any provision within these Bylaws, Board action is binding and valid unless set aside by a court of law. A person challenging

the validity of a Board action for failure to comply with these Bylaws may not bring the challenge more than sixty (60) days after the Board has taken the action in dispute.

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

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

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

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

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

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

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

ARTICLE V OFFICERS

5.1 **Officers.** Except for the Administrator identified in the Declaration, Officers shall not be required during Declarant control. Notwithstanding the foregoing, the Declarant (or following Declarant's formation of a Board, the Board) may establish additional officers of the Association, which may include a President, Secretary, Treasurer, and such other officers as may be appointed by Declarant or the Board. Sections 5.3 through 5.9, below, shall be effective ONLY upon formation of a Board of Directors by the Declarant.

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

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

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

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

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

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

5.8 **Secretary.** The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, Rules, or any resolution the Board may require. The Secretary shall also act in the place of the President in the event of the President's absence or inability or refusal to act.

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

ARTICLE VI INDEMNIFICATION

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

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

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

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

ARTICLE VII AMENDMENTS

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

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

ARTICLE VIII
MISCELLANEOUS PROVISIONS

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

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

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

* * * *

IN WITNESS WHEREOF, the Declarant has executed and adopted these Bylaws on behalf of the Association this 11th day of December, 2020.

DECLARANT:

WILDFLOWER DEVELOPER, LLC,
a Utah limited liability company

By: _____

Name: Nathan Shipp

Its: Manager

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

On the 11th day of December, 2020, personally appeared before me Nathan Shipp who by me being duly sworn, did say that she/he is an authorized representative of Wildflower Developer, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.



Notary Public: [Signature]

EXHIBIT "C"

FINANCED IMPROVEMENTS

Project Improvement	Total Cost
Roadway Improvements	\$11,851,492
Sewer Improvements	\$6,414,572
Water Improvements	\$11,655,339
Storm Drain Improvements	\$1,972,680
Utilities	\$2,684,313
Total Project Improvements	\$34,578,397

EXHIBIT "D"

ASSESSMENT METHODOLOGY REPORT

**Wildflower at Saratoga
Springs**

Special Assessment Methodology Report

December 11, 2020

Section I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

In connection with the development of the Wildflower at Saratoga Springs master planned community ("the Project"), DAI Managers, LLC ("the Developer") will be levying Special Assessments ("the HOA Special Assessments") through its Homeowner's Association ("the Owner's Association"). This Preliminary Special Assessment Methodology Report ("the Report" or "AMR") has been prepared to accompany this process and to provide additional information to current and future owners of property within the Project.

The Assessment Roll for the Project is attached hereto as Appendix A and is addressed in **Section VII** of this Report. The Special Assessments as shown on the Assessment Roll is based on the method for establishing and levying the Special Assessments described in **Sections IV** and **VI** of this Report.

B. Definitions

Capitalized terms shall have the meanings ascribed to them as follows:

"Actual Cost(s)" means, with respect to a Project Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Project Improvement as specified in a payment request in a form that has been reviewed and approved by the Special Assessment Administrator. Actual Costs may include (a) the costs incurred for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Project Improvement, (b) the costs incurred in preparing the construction plans for such Project Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Project Improvement, (d) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to such Project Improvement (e) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of such Project Improvement, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (g) all payments for Administrative Expenses.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the HOA Special Assessments, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the HOA Special Assessments and preparing the Assessment Roll, (iii) computing, levying, collecting

and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the record of Special Assessments, including payments, reallocations and/or cancellations of the Special Assessments or Annual Installments thereof, (v) investing or depositing the Special Assessments or other monies, (vi) complying with the Indenture and other related documents associated with respect to the Bonds, (vii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (ix) administering the construction of the Project Improvements.

"Administrator" means an employee of the Owner's Association or third party designee of the Owner's Association who shall have the responsibilities provided for herein, in an Indenture relating to the Bonds or in any other agreement approved by the Owner's Association and the Developer.

"Annual Installment" means, with respect to the Assessed Property, each annual payment of: (i) the Special Assessment (including the principal of and interest on), as shown on the Assessment Roll attached hereto as **Appendices A-1, A-2, A-3, A-4 and A-5**, as applicable, or in a Report Update, and calculated as provided in **Section VI** of this AMR and (ii) Administrative Expenses.

"Annual AMR Update" has the meaning set forth in **Section V** of this Report.

"Assessment Methodology Report" means this Wildflower at Saratoga Springs Special Assessment Methodology Report.

"Assessed Property" or **"Assessed Properties"** means property on which Special Assessments have been levied as shown on the Assessment Roll attached hereto as **Appendix A**, (as may be updated each year by the Annual AMR Update) and which includes any and all Parcels within the Project other than Non-Benefited Property.

"Assessment Roll" means as applicable, the Assessment Roll, included in this AMR as **Appendix A**, as may be updated, modified or amended from time to time in accordance with the procedures set forth herein, including updates prepared in connection with the issuance of Bonds or in connection with any Annual AMR Update.

"Delinquent Collection Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent Special Assessment, or an Annual Installment thereof, which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees.

"Developer" means DAI Managers, LLC.

"Equivalent Residential Units" or "ERUs" means a dwelling, unit, or development that is equal to an average single-family residence in terms of the nature of its use or impact on an improvement to be provided in the assessment area.

“Future Neighborhood Improvement Areas” means those Neighborhood Improvement Areas to be defined and developed after the Neighborhood Improvement Areas, and within the boundaries of the Project but which are not subject to development at this time.

“Future Neighborhood Improvement Area Bonds” means bonds issued to fund Future Neighborhood Improvement Area Improvements (or a portion thereof) in a Future Neighborhood Improvement Area that are secured by Special Assessments levied on Assessed Property within such Future Neighborhood Improvement Area. In connection with Future Neighborhood Improvement Area Bonds, Special Assessments related to such Future Neighborhood Improvement Area Bonds will be levied only on property located within the applicable Future Neighborhood Improvement Area to finance Project Improvements which will benefit such Future Neighborhood Improvement Area.

“Future Neighborhood Improvement Area Improvements” means those Project Improvements which will confer a special benefit on the related Future Neighborhood Improvement Area.

“HOA Bonds” means the Series 2020 Fixed Assessment Bonds and any Future Neighborhood Improvement Area Bonds.

“Indenture” means an indenture of trust, trust agreement, ordinance or similar document between the Owner’s Association and the Trustee setting forth the terms and other provisions relating to a series of Bonds, as modified, amended, and/or supplemented from time to time.

“Lot” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, or other uses), as determined by the Administrator. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots based on the front footage of the Lot, as determined by the Administrator.

“Neighborhood Improvement Area #1” means one or more Parcels within the Project that are anticipated to be developed in the same general time period and owned by common ownership. The Parcels within a Neighborhood Improvement Area other than the Non-Benefited Property will be assessed in connection with the issuance of HOA Bonds for the Project Improvements.

“Neighborhood Improvement Area #1 Assessed Property” means all Parcels within the Neighborhood Improvement Area #1 other than Non-Benefited Property and listed in the Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #1 Improvements are levied.

“Neighborhood Improvement Area #1 Improvements” means those Project Improvements that confer a benefit on Neighborhood Improvement Area #1 and are described in **Section III.C**; and, that are to be financed with a portion of the HOA Bonds.

“Neighborhood Improvement Area #2” means one or more Parcels within the Project that are anticipated to be developed in the same general time period and owned by common ownership. The Parcels within Neighborhood Improvement Area #2 other than the Non-Benefited Property will be assessed in connection with the issuance of HOA Bonds for the Project Improvements.

“Neighborhood Improvement Area #2 Assessed Property” means all Parcels within Neighborhood Improvement Area #2 other than Non-Benefited Property and listed in the Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #2 Improvements are levied.

“Neighborhood Improvement Area #2 Improvements” means those Project Improvements that confer a benefit on Neighborhood Improvement Area #2 and are described in **Section III.C**; and, that are to be financed with a portion of the HOA Bonds.

“Neighborhood Improvement Area #3” means one or more Parcels within the Project that are anticipated to be developed in the same general time period and owned by common ownership. The Parcels within Neighborhood Improvement Area #3 other than the Non-Benefited Property will be assessed in connection with the issuance of HOA Bonds for the Project Improvements.

“Neighborhood Improvement Area #3 Assessed Property” means all Parcels within Neighborhood Improvement Area #3 other than Non-Benefited Property and listed in the Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #3 Improvements are levied.

“Neighborhood Improvement Area #3 Improvements” means those Project Improvements that confer a benefit on Neighborhood Improvement Area #3 and are described in **Section III.C**; and, that are to be financed with a portion of the HOA Bonds.

“Neighborhood Improvement Area #4” means one or more Parcels within the Project that are anticipated to be developed in the same general time period and owned by common ownership. The Parcels within Neighborhood Improvement Area #4 other than the Non-Benefited Property will be assessed in connection with the issuance of HOA Bonds for the Project Improvements.

“Neighborhood Improvement Area #4 Assessed Property” means, for any year, all Parcels within Neighborhood Improvement Area #4 other than Non-Benefited Property and listed in the Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #4 Improvements are levied.

“Neighborhood Improvement Area #4 Improvements” means those Project Improvements that confer a benefit on Neighborhood Improvement Area #4 and are described in **Section III.C**; and, that are to be financed with a portion of the HOA Bonds.

“Non-Benefited Property” means Parcels within the boundaries of the Project that accrue no special benefit from the Project Improvements, which may include Project Property. Property identified as Non-Benefited Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to **Section VI.E** or **Section VI.F**, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in **Section VI.G**.

“Owner(s)” means Tanuki Investments, LLC, Lennar Homes of Utah, Inc., Sunrise 3, LLC, WF 2 Utah, LLC, CLH Holdings, LLC, and Easy Peasy, LLC.

“Owner’s Association” means the Wildflower at Saratoga Springs Homeowner’s Association or its affiliates and/or designees.

“Owner’s Association Property” means property within the boundaries of the Project that is owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, to the Owner’s Association established for the benefit of a group of homeowners or property owners within the Project.

“Parcel” means a property identified by either a tax map identification number assigned by the Utah County Assessor for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County.

“Prepayment Costs” mean interest and Administrative Expenses, to the extent not paid in an Annual Installment, plus any additional amounts due pursuant to the Indenture related to the HOA Bonds, if any, reasonably expected to be incurred by or imposed as a result of any prepayment of an Assessment and the HOA Bonds secured by such Assessment, each to the date of prepayment and to the extent each is allowable by law.

“Project Improvements” means improvements listed in **Section III.A** of this AMR.

“Property” means the approximately 525.67 acres of property depicted and described by metes and bounds on Exhibit A and is legally described in **Appendix B** to this Report and is depicted in **Table II.A** of this Report.

“Public Property” means real property, right-of-way and easements located within the boundaries of the Project owned by or irrevocably offered for dedication to the federal government, the State of Utah, Utah County, the City of Saratoga Springs, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, prescription, or by plat.

“Series 2020 Fixed Area Assessment Bond Improvements” means the sum of the Neighborhood Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, the Neighborhood Improvement Areas #3 Improvements and the Neighborhood Improvement Area #4 Improvements.

“Special Assessment” means the assessment levied against a Parcel imposed as approved by the Owner’s Association and the Developer and as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel created by such subdivision or reduction according to the provisions hereof.

“Trustee” means the trustee as specified in an Indenture, and any successor thereto permitted under such Indenture.

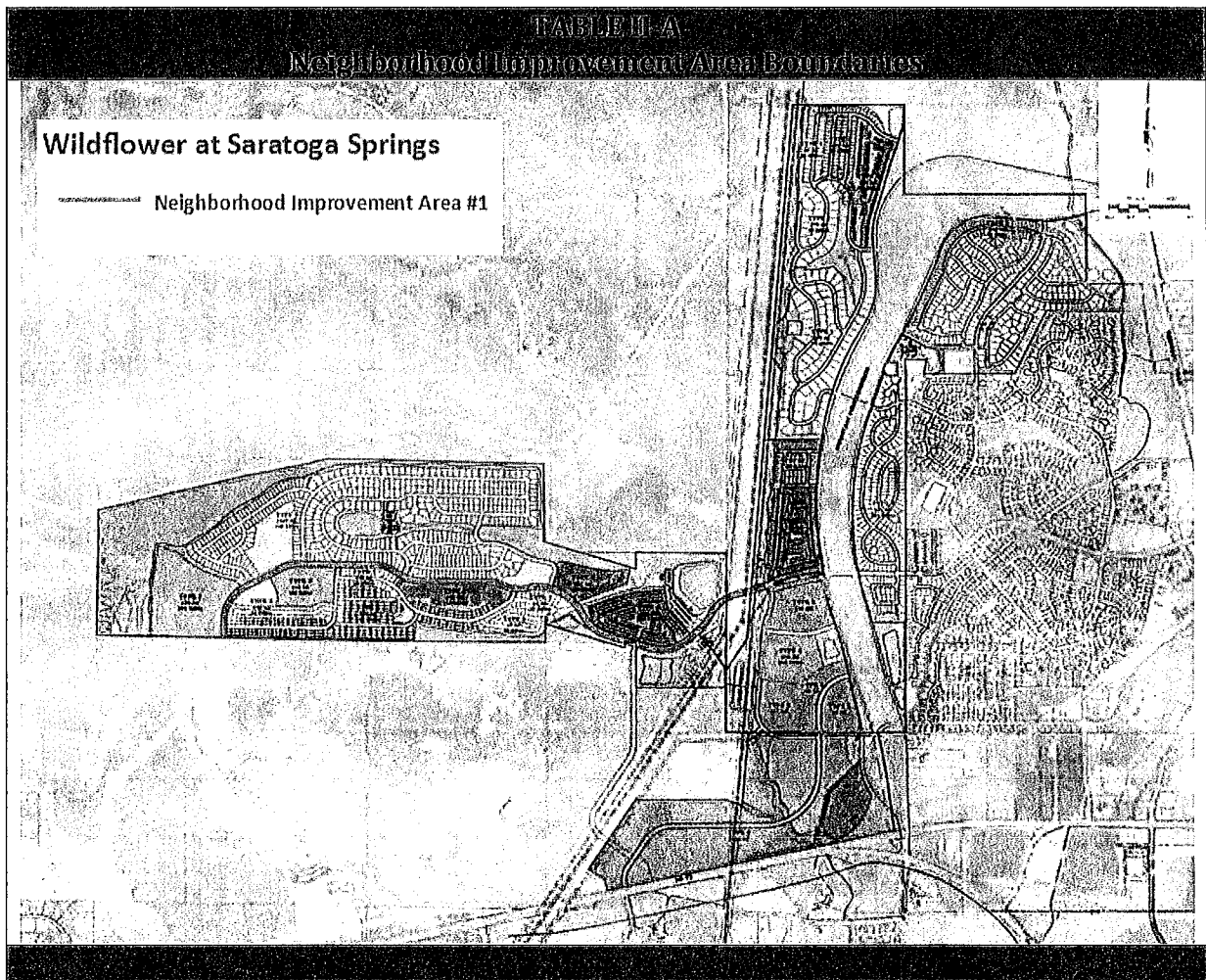
Section II

PROPERTY INCLUDED IN THE PROJECT

A. Property Located in Neighborhood Improvement Area #1

The Neighborhood Improvement Area #1 consists of approximately 127.28 acres projected to consist of 301 ERUs for single family residential lots, 210 ERUs for multifamily units, and 33.84 acres of commercial development all to be developed and benefited by the Project Improvements described in **Section III.A**.

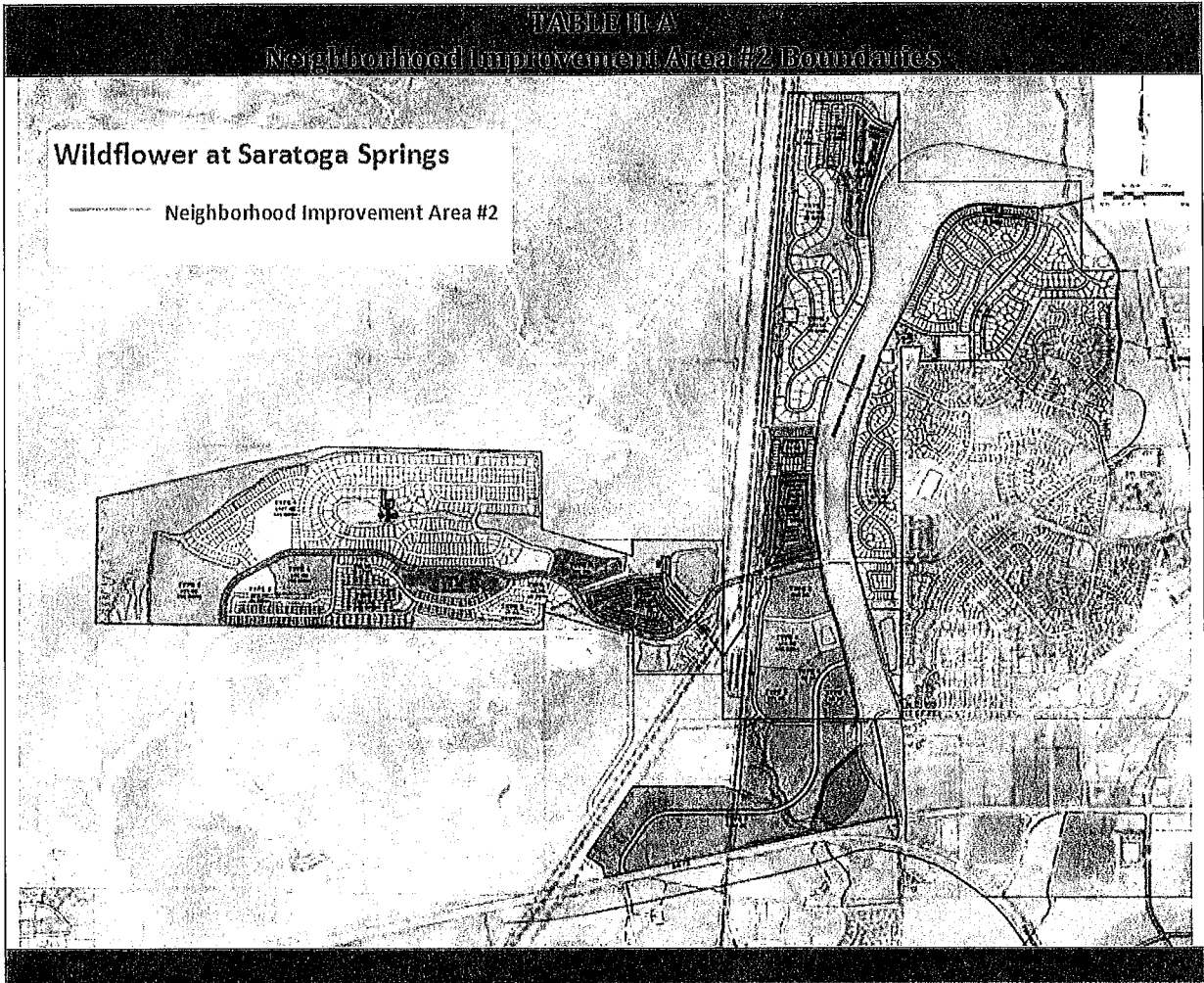
A map of the property within the Neighborhood Improvement Area #1 is shown in **Table II-A**. Legal descriptions for all Parcels within the Project are included in **Appendix B**.



B. Property Located in Neighborhood Improvement Area #2

The Neighborhood Improvement Area #2 consists of approximately 32.86 acres projected to consist of 270 ERUs for single family residential lots all to be developed and benefited by the Project Improvements described in **Section III.A**.

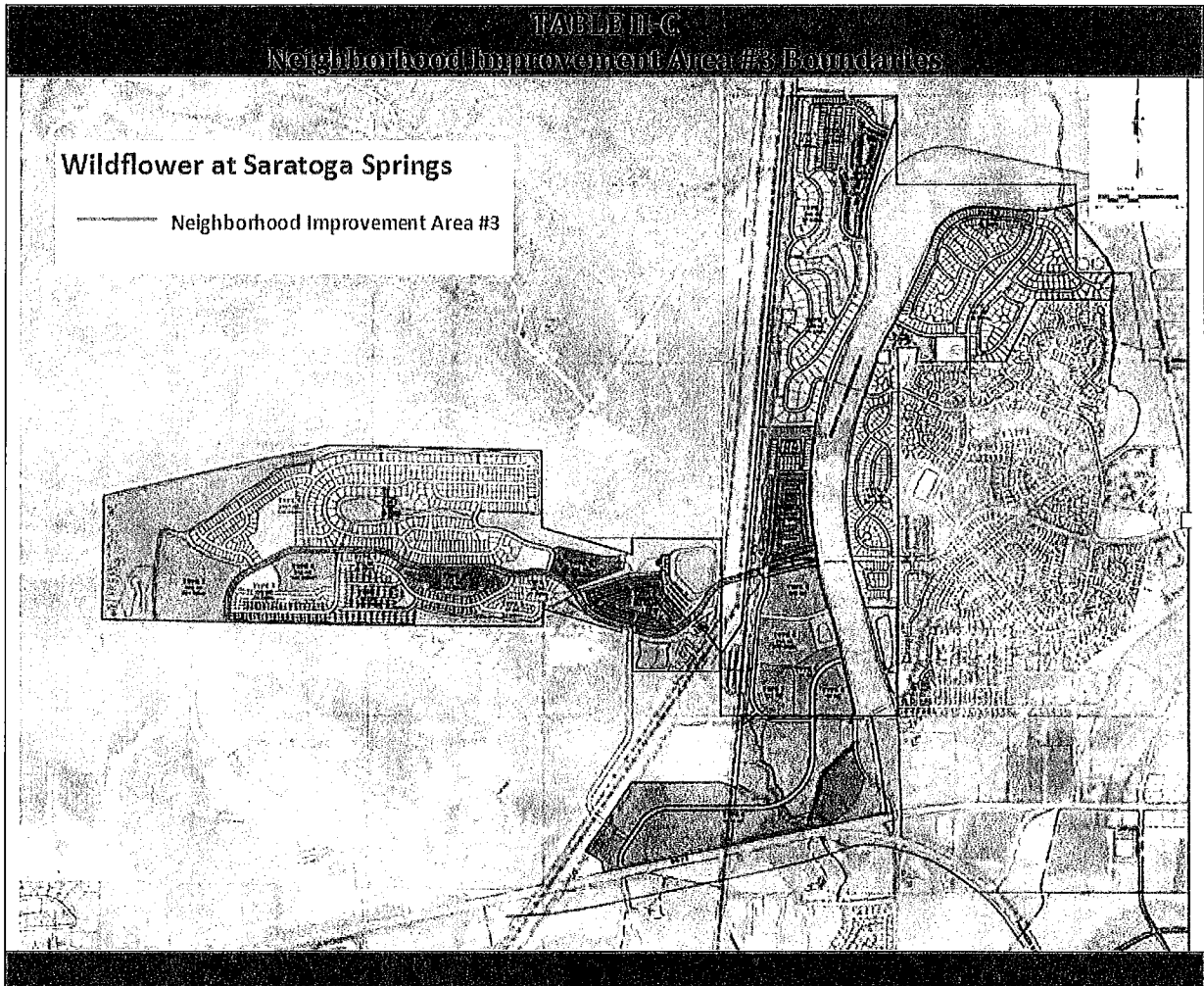
A map of the property within the Neighborhood Improvement Area #2 is shown in **Table II-B**. Legal descriptions for all Parcels within the Project are included in **Appendix B**.



C. Property Located in Neighborhood Improvement Area #3

The Neighborhood Improvement Area #3 consists of approximately 78.62 acres projected to consist of 219 ERUs for single family residential lots all to be developed and benefited by the Project Improvements described in **Section III.A**.

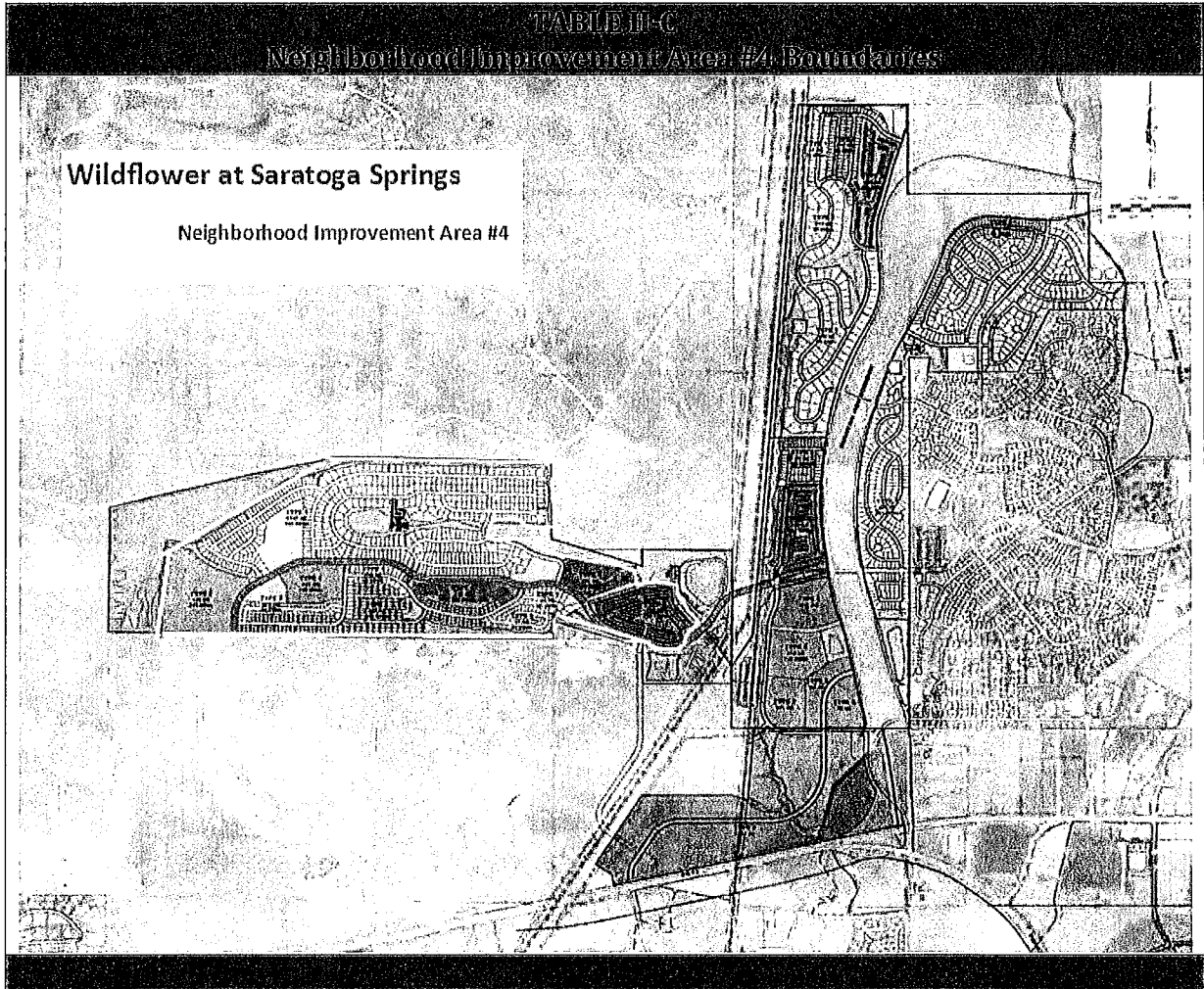
A map of the property within the Neighborhood Improvement Area #3 is shown in **Table II-C**. Legal descriptions for all Parcels within the Project are included in **Appendix B**.



D. Property Located in Neighborhood Improvement Area #4

The Neighborhood Improvement Area #4 consists of approximately 286.9 acres projected to consist of 1,770 ERUs for single family residential lots all to be developed and benefited by the Project Improvements described in **Section III.A**.

A map of the property within the Neighborhood Improvement Area #4 is shown in **Table II-D**. Legal descriptions for all Parcels within the Project are included in **Appendix B**.



E. Property Included in Future Neighborhood Improvement Areas

As Future Neighborhood Improvement Areas are developed and in connection with the issuance of any Future Neighborhood Improvement Area Bonds, this Report will be amended to add additional tables to show the addition of such Future Neighborhood Improvement Area.

Section III

DESCRIPTION OF THE PROJECT IMPROVEMENTS

A. Descriptions and Costs of the Series 2020 Fixed Assessment Bond Improvements

The Actual Cost for the Series 2020 Fixed Assessment Bond Improvements are described in **Table III-A** below. The Actual Costs to construct the Series 2020 Fixed Assessment Bond Improvements are \$34,578,397. The Actual Costs shown in **Table III-A** may be revised in Annual AMR Updates.

The Actual Costs for Series 2020 Fixed Assessment Bond Improvements are to be funded from (i) the proceeds of the HOA Bonds, and (ii) from funds contributed by the Developer, all as described herein.

Table III-A Series 2020 Fixed Assessment Bond Improvements					
Description	NIA #1	NIA #2	NIA #3	NIA #4	Total
<i>Project Improvements</i>					
Roadway Improvements	\$ 1,402,785	\$ 94,662	\$ -	\$ 10,354,045	\$ 11,851,492
Sewer Improvements	\$ 1,896,269	\$ -	\$ 1,170,494	\$ 3,347,809	\$ 6,414,572
Water Improvements	\$ 3,101,119	\$ 1,320,948	\$ 1,661,609	\$ 5,571,662	\$ 11,655,339
Storm Drain Improvements	\$ 1,206,145	\$ 450,617	\$ 93,461	\$ 222,457	\$ 1,972,680
Utilities	\$ 2,684,313	\$ -	\$ -	\$ -	\$ 2,684,313
Total Project Improvements	\$ 10,290,631	\$ 1,866,228	\$ 2,925,565	\$ 19,495,973	\$ 34,578,397

Note: Actual Costs provided by DAI. The figures shown in Table III-A may be revised in Annual AMR Updates, and may be reallocated between line items so long as the Total Project Improvements amount does not change.

A description of the Series 2020 Fixed Assessment Bond Improvements follows:

Roadway Improvements

The road improvements (the “Roadway Improvements”) consist of the construction of perimeter road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way which benefit Neighborhood Improvement Areas #1, #3 and #4 Property. The roadway improvements will be constructed according to City standards.

Sewer Improvements

The wastewater improvement consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to each Neighborhood Improvement Area Property. The wastewater improvements will be constructed according to City standards.

Water Improvements

The water improvements consist of construction and installation of waterlines, mains, pipes, valves and appurtenances, necessary for the water distribution system that will service Neighborhood Improvement Areas #1, #2 and #4 Property. The water improvements will be constructed according to City standards.

Stormdrain Improvements

The stormdrain improvements consist of the construction of detention ponds and appurtenances thereto to appropriately control and convey storm water to each Neighborhood Improvement Area. The stormdrain improvements will be constructed according to City standards.

Utilities

The utility improvements consist of the utility, infrastructure and circulation plans of the Wildflower ARCP and Master Utility Plan; include adequately sized utilities, services, and roadway networks to meet demands; and mitigates the fair-share of off-site impacts. These improvements properly integrate utility, infrastructure, open spaces, pedestrian and bicycle systems, and amenities with adjacent properties.

B. Future Neighborhood Improvement Area Improvements

As Future Neighborhood Improvement Areas are developed and Future Neighborhood Improvement Area Bonds are issued, this Report will be amended to identify the specific Future Neighborhood Improvement Area Improvements that confer a special benefit to the property inside each Future Neighborhood Improvement Area (e.g. a **Table III-B** will be added to show the costs for the specific Future Neighborhood Improvement Area Improvements financed within the specific Future Neighborhood Improvement Area being developed.)

Section IV
ASSESSMENT PLAN

A. Introduction

The timetable for the development of Future Neighborhood Improvement Areas are difficult to establish at this time and, as such, the benefit conferred by Future Neighborhood Improvement Area Improvements, if any, cannot be determined with absolute certainty. Accordingly, it is hereby understood and acknowledged by the Owner’s Association and the Developer that the Special Assessments associated with the Neighborhood Improvement Area Bond are the only Special Assessments that can be addressed with reasonable certainty in this Report. As a result, this Report will need to be amended by the Owner’s Association and the Developer, if and when a Future Neighborhood Improvement Area is developed and Future Neighborhood Improvement Area Bonds, if any, are issued.

B. Allocation of Actual Costs of the Series 2020 Fixed Assessment Bond Improvements

The Series 2020 Fixed Assessment Bond Improvements will provide a special benefit to the Property, other than the Non-Benefited Property, in each Neighborhood Improvement Area and the Property, other than the Non-Benefited Property. The Actual Costs of the Series 2020 Fixed Assessment Bond Improvements, are, therefore, allocated to the each Neighborhood Improvement Area Assessed Property, based on the specific costs as benefitting each Improvement Area as determined by the Developer as shown in **Table IV-A**.

Table IV-A Cost Allocation of Series 2020 Fixed Assessment Bond Improvements									
Project Improvement	Total Cost (a)	NIA #1		NIA #2		NIA #3		NIA #4	
		% Allocation	Share of Costs	% Allocation	Share of Costs	% Allocation	Share of Costs	% Allocation	Share of Costs
Roadway Improvements	\$ 11,851,492	11.8%	\$ 1,402,785	0.8%	\$ 94,662	0.0%	\$ -	87.4%	\$ 10,354,045
Sewer Improvements	\$ 6,414,572	29.6%	\$ 1,896,269	0.0%	\$ -	18.2%	\$ 1,170,494	52.2%	\$ 3,347,809
Water Improvements	\$ 11,655,339	26.6%	\$ 3,101,119	11.3%	\$ 1,320,948	14.3%	\$ 1,661,609	47.8%	\$ 5,571,662
Storm Drain Improvements	\$ 1,972,680	61.1%	\$ 1,206,145	22.8%	\$ 450,617	4.7%	\$ 93,461	11.3%	\$ 222,457
Utilities	\$ 2,684,313	100.0%	\$ 2,684,313	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Project Improvements	\$ 34,578,397	29.8%	\$ 10,290,631	5.4%	\$ 1,866,228	8.5%	\$ 2,925,565	56.4%	\$ 19,495,973

(a) See table III-A for details.

C. Allocation of Actual Costs of Future Improvement Area Improvements

As Future Neighborhood Improvement Areas are developed and Future Neighborhood Improvement Area Bonds are issued, this Report will be amended to identify the specific Future Neighborhood Improvement Area Improvements that confer a benefit to the property inside such Future Neighborhood Improvement Areas (e.g. **Table IV-B** will be created and amended to show the allocation of Actual Costs for Future Neighborhood Improvement Area Improvements.)

D. Special Assessment Methodology

The Actual Costs may be assessed against Assessed Property by the Owner's Association and the Developer, whether developed or undeveloped, so long as the benefit conferred upon the Assessed Property by the Project Improvements equals or exceeds the amount of the Special Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

- *Assessment Methodology for the Neighborhood Improvement Areas*

For purpose of this Report, it has been determined by the Owner's Association and the Developer that the Actual Costs of the portion of the Neighborhood Improvement Area Projects to be financed with the HOA Bonds shall be allocated to each Neighborhood Improvement Area Assessed Property by spreading the Special Assessment across all Lots within each Neighborhood Improvement Area based on the ratio of the estimated projected assessed value of each Lot within each Neighborhood Improvement Area to the total projected assessed value for each Neighborhood Improvement Area. **Table IV-B** summarizes the allocation of the Special Assessments relating to the each Neighborhood Improvement Area, for the Assessed Property.

Based on the costs provided by the Developer and allocated to each Improvement Area, it has been determined that the benefit to each Neighborhood Improvement Area Assessed Property from each Neighborhood Improvement Area's Project Improvements is at least equal to the Special Assessments levied on each Neighborhood Improvement Area Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located in each Neighborhood Improvement Area are shown on the Assessment Roll, attached as **Appendix A**, and no Special Assessment shall be changed except as authorized by this Report. **Table IV-B** summarizes the initial allocation of the Special Assessment relating to the HOA Bonds for each Neighborhood Improvement Area Assessed Property.

Table IV-B
Series 2020 Final Assessment and Bonds
Assessment Allocation

Village/Plat	ERUs	Developable Acres	Appraised Value/ERU/SF	Appraised Lot Value	Projected AV per ERU	Projected Assessed Value	Total Assessment	Average Annual Installment	Assessment Per ERU	Assessment Per Acre	Average Annual Installment Per ERU	Average Annual Installment Per Acre	Equivalent Tax Rate (per \$100/Taxable Value)
NIA #1													
Plats E-2 to E-6 SF	114	30.64	60,000	6,840,000	369,129	42,080,725	1,760,241	211,263	15,441	\$7,449	1,853	6,895	\$ 0.91
Plats F-2 to F-9 SF	187	50.26	50,000	9,350,000	462,871	86,556,842	3,620,682	434,552	19,362	72,039	2,324	8,646	\$ 0.91
Plat G-1 Multifamily	210	12.5	32,000	6,720,000	274,125	57,566,158	2,407,999	289,006	11,467	192,025	1,376	23,047	\$ 0.91
Plat 2-A Commercial	-	12.8	8	4,250,000	100	55,756,800	2,332,313	279,923	-	182,212	-	21,869	\$ 0.50
Plat G-4 Commercial	-	3.0	15	1,950,000	100	13,242,240	553,924	66,482	-	182,212	-	21,869	\$ 0.50
Plat G-5 Commercial	-	9.0	6	2,350,000	100	39,204,000	1,639,908	196,821	-	182,212	-	21,869	\$ 0.50
Plat G-6 Commercial	-	9.0	6	2,350,000	100	39,204,000	1,639,908	196,821	-	182,212	-	21,869	\$ 0.50
Subtotal	511	127.28		\$ 33,820,000		\$ 333,610,765	\$ 13,954,974	\$ 1,674,857		\$ 109,640	\$ 3,278	\$ 13,159	\$ 0.67
NIA #2													
Plats B and C SF	270	32.86	\$ 38,500	\$ 10,400,000	\$ 274,125	\$ 74,013,632	\$ 2,273,924	\$ 272,916	\$ 8,422	\$ 69,201	\$ 1,011	\$ 8,305	\$ 0.67
NIA #3													
Village 4 Type 1, 2	219	78.62	\$ 48,500	\$ 10,620,000	\$ 416,000	\$ 91,103,998	\$ 2,799,004	\$ 335,935	\$ 12,781	\$ 35,602	\$ 1,534	\$ 4,273	\$ 0.67
NIA #4													
Type 1, 3, and 4 SF	488	53.55	40,000	19,520,000	416,000	203,007,995	6,237,050	748,567	12,781	116,472	1,534	13,979	\$ 0.67
Type 1, 2, 3, and 4 SF	1,282	233.36	32,000	41,000,000	416,000	533,311,987	16,385,038	1,966,522	12,781	70,214	1,534	8,427	\$ 0.67
Subtotal	1,770	286.9		\$ 60,520,000		\$ 736,319,982	\$ 22,622,088	\$ 2,715,089					\$ 0.67
Total	2,770	525.67		\$ 115,360,000		\$ 1,235,048,376	\$ 41,650,000	\$ 4,998,807	\$ 15,036	\$ 79,232	\$ 1,805	\$ 9,509	\$ 0.67

Footnotes:
 (a) Per RRR Appraisal Draft Dated 9/30/20
 (b) Per Real Estate Analytics 2020 Market Study
 (c) Per Real Estate Analytics 2020 Market Study
 Note: Estimated based on information available as of 9/30/2020 through the year (future counts and estimated unimproved land value may vary from the data shown above. All land assessments are based on the Assessment Roll, subject to updates by the Project Company to the terms of the Report and any other documents associated with the Bonds. All above estimates are based on the 2020 Assessment Roll, subject to updates by the Project Company to the terms of the Report and any other documents associated with the Bonds.

• *Assessment Methodology for Future Neighborhood Improvement Areas*

When and if the Future Neighborhood Improvement Areas are developed and the issuance of Future Neighborhood Improvement Area Bonds are contemplated, this Report will be amended to determine the assessment methodology necessary to apply equal shares of the Actual Costs of Future Neighborhood Improvement Area Improvements on Assessed Property similarly benefited within that Future Neighborhood Improvement Area.

E. Special Assessment and Annual Installments

The Special Assessments for the HOA Bonds, will be levied on each Parcel or Lot according to the Assessment Roll, as applicable. The Annual Installments for the HOA Bonds, will be collected on the dates and in the amounts shown on the Assessment Roll, subject to revisions made during an update to this report. Non-Benefited Property will not be subject to any Special Assessments.

F. Administrative Expenses

The cost of administering and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel or Lot based on the amount of outstanding assessment remaining on the Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, shown on **Appendix A**, which is subject to revision through Annual AMR Updates.

Section V

SERVICE PLAN

Table V-A summarizes the sources and uses of funds required to construct each Neighborhood Improvement Area's Project Improvements and issue the HOA Bonds. The sources and uses of funds shown in **Table V-A** shall be updated in the Annual AMR Update to reflect any revisions to the Actual Costs and additional Bond issues, if any.

Table V-A Series 2020 Fixed Assessment Bonds Sources and Uses of Funds					
	Sources of Funds				Total
	NIA #1	NIA #2	NIA #3	NIA #4	
Gross Bond Amount	\$ 13,954,974	\$ 2,273,934	\$ 2,799,004	\$ 22,622,088	\$ 41,650,000
Original Issue Discount	\$ (254,957)	\$ (41,545)	\$ (51,138)	\$ (413,306)	\$ (760,946)
Owner Contribution (a)	(1,294,979)	(21,623)	601,793	714,808	(0)
	\$ 12,405,038	\$ 2,210,766	\$ 3,349,660	\$ 22,923,590	\$ 40,889,054
Uses of Funds					
Project Fund Deposits:					
Project Improvements (b)	\$ 10,290,631	\$ 1,866,228	\$ 2,925,565	\$ 19,495,973	\$ 34,578,397
Other Fund Deposits:					
Debt Service Reserve Fund (c)	\$ 1,395,497	\$ 227,393	\$ 279,900	\$ 2,262,209	\$ 4,165,000
Underwriters Discount	406,090	66,172	81,451	658,303	1,212,016
Additional Proceeds	213	35	43	344	634
	\$ 1,801,800	\$ 293,600	\$ 361,394	\$ 2,920,856	\$ 5,377,650
Cost of Issuance:	\$ 312,607	\$ 50,939	\$ 62,701	\$ 506,761	\$ 933,008
	\$ 12,405,038	\$ 2,210,766	\$ 3,349,660	\$ 22,923,590	\$ 40,889,054

(a) Owners will fund all costs not covered by the Bonds.
 (b) See Table III-A and Table IV-A for details.
 (c) The Bonds will include a debt service reserve fund calculated in accordance with the Indenture.
 (d) The Bonds will include 0 months of capitalized interest.

The projected Annual Installments for the first five years for the HOA Bonds, are presented in **Tables V-B, V-C, V-D, V-E, and V-F**. The projected Annual Installments are subject to revision and shall be updated in the Annual AMR Update to reflect any change expected for each year.

**Table V-B
Series 2020 Fixed Assessment Bonds
Projected Annual Installments**

Period Ending Nov 30	Principal Payments	Interest Expense	Administrative Expenses	Trustee Admin Expenses	Annual Installments
3/1/2021	\$ 595,000	\$ 582,522	\$ 45,000	\$ 1,750	\$ 1,224,272
2021	\$ 3,025,000	\$ 2,719,894	\$ 45,000	\$ 3,500	\$ 5,793,394
2022	\$ 3,225,000	\$ 2,519,488	\$ 45,000	\$ 3,500	\$ 5,792,988
2023	\$ 3,440,000	\$ 2,305,831	\$ 45,000	\$ 3,500	\$ 5,794,331
2024	\$ 3,665,000	\$ 2,077,931	\$ 45,000	\$ 3,500	\$ 5,791,431
Total	\$ 13,950,000	\$ 10,205,665	\$ 225,000	\$ 12,250	\$ 24,396,415

Note: The Projected Annual Installments and Administrative Expenses are the expenditures associated with the formation and costs of issuance and repayment of the Bonds and the administration of the HOA. The debt service estimates are based on an average 6.625% interest rate and a 10 year term for the HOA Bonds.

**Table V-C
Neighborhood Improvement Area #1
Projected Annual Installments**

Period Ending Nov 30	Principal Payments	Interest Expense	Administrative Expenses	Trustee Admin Expenses	Annual Installments
3/1/2021	\$ 199,357	\$ 195,176	\$ 15,077	\$ 586	\$ 410,196
2021	\$ 1,013,537	\$ 911,310	\$ 15,077	\$ 1,173	\$ 1,941,096
2022	\$ 1,080,547	\$ 844,163	\$ 15,077	\$ 1,173	\$ 1,940,960
2023	\$ 1,152,584	\$ 772,577	\$ 15,077	\$ 1,173	\$ 1,941,410
2024	\$ 1,227,971	\$ 696,218	\$ 15,077	\$ 1,173	\$ 1,940,439
Total	\$ 4,673,995	\$ 3,419,443	\$ 75,387	\$ 4,104	\$ 8,174,102

Note: The Projected Annual Installments and Administrative Expenses are the expenditures associated with the formation and costs of issuance and repayment of the Bonds and the administration of the HOA. The debt service estimates are based on an average 6.625% interest rate and a 10 year term for the HOA Bonds.

**Table V-D
Neighborhood Improvement Area #2
Projected Annual Installments**

Period Ending Nov 30	Principal Payments	Interest Expense	Administrative Expenses	Trustee Admin Expenses	Annual Installments
3/1/2021	\$ 32,485	\$ 31,803	\$ 2,457	\$ 96	\$ 66,841
2021	\$ 165,154	\$ 148,496	\$ 2,457	\$ 191	\$ 316,298
2022	\$ 176,073	\$ 137,555	\$ 2,457	\$ 191	\$ 316,275
2023	\$ 187,811	\$ 125,890	\$ 2,457	\$ 191	\$ 316,349
2024	\$ 200,095	\$ 113,447	\$ 2,457	\$ 191	\$ 316,190
Total	\$ 761,618	\$ 557,191	\$ 12,284	\$ 860	\$ 1,331,953

Note: The Projected Annual Installments and Administrative Expenses are the expenditures associated with the formation and costs of issuance and repayment of the Bonds and the administration of the HOA. The debt service estimates are based on an average 6.625% interest rate and a 10-year term for the HOA Bonds.

**Table V-E
Neighborhood Improvement Area #3
Projected Annual Installments**

Period Ending Nov 30	Principal Payments	Interest Expense	Administrative Expenses	Trustee Admin Expenses	Annual Installments
3/1/2021	\$ 39,986	\$ 39,147	\$ 3,024	\$ 118	\$ 82,275
2021	\$ 203,289	\$ 182,785	\$ 3,024	\$ 235	\$ 389,333
2022	\$ 216,730	\$ 169,317	\$ 3,024	\$ 235	\$ 389,306
2023	\$ 231,178	\$ 154,959	\$ 3,024	\$ 235	\$ 389,396
2024	\$ 246,299	\$ 139,643	\$ 3,024	\$ 235	\$ 389,201
Total	\$ 937,482	\$ 685,851	\$ 15,121	\$ 1,058	\$ 1,639,512

Note: The Projected Annual Installments and Administrative Expenses are the expenditures associated with the formation and costs of issuance and repayment of the Bonds and the administration of the HOA. The debt service estimates are based on an average 6.625% interest rate and a 10-year term for the HOA Bonds.

**Table V-F
Neighborhood Improvement Area #4
Projected Annual Installments**

Period Ending Nov 30	Principal Payments	Interest Expense	Administrative Expenses	Trustee Admin Expenses	Annual Installments
3/1/2021	\$ 323,173	\$ 316,395	\$ 24,442	\$ 951	\$ 664,960
2021	\$ 1,643,021	\$ 1,477,303	\$ 24,442	\$ 1,901	\$ 3,146,667
2022	\$ 1,751,650	\$ 1,368,453	\$ 24,442	\$ 1,901	\$ 3,146,446
2023	\$ 1,868,427	\$ 1,252,406	\$ 24,442	\$ 1,901	\$ 3,147,176
2024	\$ 1,990,635	\$ 1,128,623	\$ 24,442	\$ 1,901	\$ 3,145,601
Total	\$ 7,576,906	\$ 5,543,180	\$ 122,208	\$ 8,555	\$ 13,250,849

Note: The Projected Annual Installments and Administrative Expenses are the expenditures associated with the formation and costs of issuance and repayment of the Bonds and the administration of the HOA. The debt service estimates are based on an average 6.625% interest rate and a 10 year term for the HOA Bonds.

Section VI

TERMS OF THE SPECIAL ASSESSMENTS

A. Amount of Special Assessments and Annual Installments for Parcels Located Within the Neighborhood Improvement Areas

The Special Assessments and Annual Installments for each Neighborhood Improvement Area Assessed Property are shown on the Assessment Roll in **Appendix A** and **Appendix A-2**. The Special Assessment and Annual Installments shall not be changed except as authorized under the terms of this Report. The Annual Installments shall be collected in an amount sufficient to pay (i) the principal and interest on the HOA Bonds, and (ii) to cover the Administrative Expenses of the HOA Bonds.

B. Amount of Special Assessments and Annual Installments for Parcels Located Within Future Neighborhood Improvement Areas

When and if Future Neighborhood Improvement Areas are developed, this Report will be amended to determine the Special Assessment and Annual Installments associated with the costs of Future Neighborhood Improvement Area Improvements for each Parcel or Lot located within a Future Neighborhood Improvement Area.

C. Reallocation of Special Assessments for Parcels

1. *Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Special Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C / D)$$

“A” means the Special Assessment for a Parcel or Lot created by a subdivision plat.

“B” means the Special Assessment for the subdivided Parcel or Lot prior to division.

“C” means the Special Assessment for the Lot Type applicable to a Parcel or Lot created by a subdivision plat determined by reference to **Tables IV-B**.

“D” means the sum of the Special Assessments for all Assessed Property created by a subdivision plat based on the Lot Type applicable to each Parcel or Lot.

If the resulting Special Assessment for a Parcel or Lot created by a subdivision plat exceeds the Special Assessment for the Lot Type applicable to such Parcel or Lot as shown in **Table IV-B**, the excess amount shall be prepaid as a Mandatory Prepayment as provided under **Section VI.E** herein.

- *Upon Subdivision by a Recorded Subdivision Plat*

Once a Lot has a Special Assessment applied to it, as shown in **Table IV-B**, and then proceeds to be subdivided again, in no event will the new subdivision cause the sum of the Special Assessments for the subdivided Lots to be greater than the Special Assessment for the Lot prior to its subdivision.

The allocation method presented in D.1 is to ensure there will not be an increase in the Special Assessment for each specific Parcel. If Lots are not platted in accordance with the Parcel Map, the Special Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation increase the total Special Assessment for each Lot as identified in **Table IV-B**.

- *Upon Consolidation*

Upon the consolidation of two or more Assessed Properties, the Special Assessment for the consolidated Assessed Property shall be the sum of the Special Assessments for the Assessed Properties prior to consolidation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to this Report.

D. Reallocation of Assessments for Parcels Located Within Future Neighborhood Improvement Areas

As Future Neighborhood Improvement Areas are developed, this Report will be amended to determine the assessment reallocation methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within each Future Neighborhood Improvement Area.

E. Mandatory Prepayment of Assessments

If an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the Owner's Association in accordance with this Report or to the Trustee if HOA Bonds have been issued and in accordance with the applicable Indenture the full amount of the Special Assessment, plus all Prepayment Costs, for such Parcel, Lot or portion thereof prior to any such transfer or act.

F. Reduction of Special Assessments

If after all Project Improvements to be funded with HOA Bonds have been completed and the Actual Costs for the Project Improvements are less than the Actual Costs used to calculate the Special Assessments securing such HOA Bonds, resulting in excess HOA Bond proceeds, then the Administrator shall, in accordance with the Indenture and the Declaration related to such HOA Bonds, reduce the Special Assessment securing the HOA Bonds for each Assessed Property pro rata such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Actual Costs and such excess HOA Bond proceeds shall be applied to redeem HOA Bonds. The Special Assessments shall not be reduced to an amount less than the principal amount of the related outstanding HOA Bonds.

G. Payment of Special Assessments

- *Payment in Full*
 - The Special Assessment for any Parcel or Lot may be paid in full at any time. The Payment shall include all Prepayment Costs, if any. If prepayment in full will result in redemption of the HOA Bonds, the payment amount shall be reduced by the applicable portion of the proceeds from a debt service reserve fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of HOA Bonds. If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.
 - Upon payment in full of a Special Assessment and all Prepayment Costs, payment shall be deposited in accordance with the related Indenture; whereupon, the Special Assessment for the Parcel or Lot shall be reduced to zero, and the Parcel or Lot owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The Administrator shall provide the owner of the affected Assessed Property a recordable "Notice of Special Assessment Termination" as provided in **Section VII.A.**
 - At the option of a Parcel or Lot owner, the Special Assessment on any Parcel or Lot may be paid in part in an amount equal to the amount of prepaid Special Assessments plus Prepayment Costs, if any, with respect thereto. Upon the payment of such amount for a Parcel or Lot, the Special Assessment for the Parcel or Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel or Lot shall be reduced to the extent the partial payment is made.

- *Payment of Annual Installments*

- A Special Assessment for a Parcel may be paid in full at any time. A Special Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Special Assessment and Administrative Expenses.
- If a Special Assessment is not paid in full, interest and collection costs may be collected on the outstanding Special Assessment. A Special Assessment for a Parcel or Lot that is not paid in full will be collected in Annual Installments each year in the amounts shown in the applicable Assessment Roll and which includes interest on the outstanding Special Assessment and Administrative Expenses.
- The Annual Installments as listed on the Assessment Roll have been calculated assuming a weighted average interest rate on the Series 2020 Fixed Assessment Bonds of 6.625%. The Annual Installments may not exceed the amounts shown on the Assessment Roll, except pursuant to any amendment or update to this Report.
- The Annual Installments shall be reduced to equal the actual costs of repaying the HOA Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

H. Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and for approval by the Owner's Association and the Developer, an Annual AMR Update to allow for the billing and collection of Annual Installments. Each Annual AMR Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments before Administrative Expenses for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the applicable Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. Annual Installments will be collected in a manner designated by the Owner's Association and the Developer. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in this AMR.

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

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be updated annually. The initial Annual Installment relating to the HOA Bonds shall be payable by March 1, 2021. Each Annual Installment relating to the HOA Bonds thereafter, starting in 2021, shall be payable by November 30 of that year and shall be delinquent if not paid prior to the due date. The initial Annual Installment relating to the HOA Bonds will be due March 1, 2021 and it will be delinquent if not paid by that date.

I. Nonjudicial Foreclosure

Once the Association determines that foreclosure will be pursued for the collection of a past due assessment balance, the Association is required to send a letter to notify the owner that their lot is the intended subject of a nonjudicial foreclosure at least 30 days prior to taking measures to initiate the foreclosure process. During such 30-day period, owners have the right to request a judicially administered foreclosure. If a judicially administered foreclosure is selected, then the Association must first obtain a judgment against the lot owner through the court system and then execute against that judgment through a sheriff's foreclosure sale.

If an owner does not respond to the initial foreclosure warning notice, then the Association can begin the nonjudicial foreclosure process. The nonjudicial foreclosure process for a homeowners association follows the same statutory process that is used for a bank foreclosure of a trust deed under Utah law.

Nonjudicial foreclosure requires the appointment of a Trustee to administer the foreclosure process and the recording of a Notice of Default document against the lot initiates the foreclosure procedure. Once the Notice of Default is recorded, the Association must wait three months. If the balance is not paid off during such three-month waiting period, the Association can schedule a foreclosure sale date. The Association is required to publish a notice of the foreclosure sale for 3 consecutive weeks and then schedule the sale at least 10 days after the end of the notice period.

The overall timing of the nonjudicial foreclosure process generally takes between 4 to 6 months to complete from the initial notice to the property being sold. However, this timeline is dependent on the degree of opposition and decisions of the owner, and the owner's interactions with the Association and its Trustee during the foreclosure process.

The Utah Statutes that govern homeowner association collection powers for delinquent assessments and nonjudicial foreclosure are Utah Code §§ 57-8a-301 through 57-8a-311 and §§ 57-1-19 through 57-1-34.

J. Surplus Funds Remaining in the Bond Account

If proceeds from the HOA Bond still remain after all of the Neighborhood Improvement Area Projects are constructed and accepted, the proceeds may be utilized in accordance with **Section VI.F** of this Report.

Section VII

THE ASSESSMENT ROLL

A. Assessment Roll

Each Neighborhood Improvement Area's Assessed Property will be assessed for the benefits conferred upon the property resulting from the Project Improvements allocated to each Neighborhood Improvement Area. The Special Assessment for each Neighborhood Improvement Area Assessed Property is calculated based on the allocation methodologies described in **Section IV-C**. The Assessment Roll is attached hereto as **Appendix A**.

B. Future Neighborhood Improvement Area Assessment Roll

As Future Neighborhood Improvement Areas are developed, this Report will be amended to determine the Assessment for each Parcel or Lot located within such Future Neighborhood Improvement Areas (e.g. an appendix will be added as the Assessment Roll for Future Improvement Areas).

C. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the Owner's Association and the Developer for their approval updates to the Assessment Roll and the Report to reflect changes such as (i) the identification of each Parcel; (ii) the Special Assessment for each Assessed Property, including any adjustments authorized by this Report; (iii) the Annual Installment for the Assessed Property for the year (if the Special Assessment is payable in installments); (iv) a listing of the major property owners within the Project; and (v) payments of the Special Assessment, if any, as provided by **Section VI.G** of this Report.

This Report will be updated to reflect the actual interest on the HOA Bonds, any reduction in the Special Assessments, and any revisions in the Actual Costs to be funded by the HOA Bonds.

Section VIII

MISCELLANEOUS PROVISIONS

A. Termination of Assessments

Each Special Assessment shall terminate on the date the Special Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the Special Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the Administrator shall provide the owner of the affected Parcel a recordable "Notice of Special Assessment Termination."

B. Amendments

This Assessment Methodology Report may be amended by a resolution of the Owner's Association in order to (i) account for the issuance additional HOA Bonds as provided in the Indenture; (ii) account for the issuance of additional bonds which do not modify the repayment source or security for any then outstanding HOA Bonds; (iii) cure any inconsistency, ambiguity, or defect; (iv) subject to the Indenture additional properties, collateral, or security; and (v) conform to any subdivision of the assessed property as described in the Declaration so long as the Association shall certify that the remaining balance of the Assessments being collected will be sufficient for payment of principal and interest on the HOA Bonds.

In addition, this Assessment Methodology Report may be amended as it relates to any HOA Bonds and related Assessed Property by a resolution of the Owner's Association and upon bondholder consent to corresponding amendments to the Indenture securing such HOA Bonds in accordance with the terms of such Indenture.

C. Administration of Provisions

The Administrator shall administer (or cause the administration of) the Special Assessments for the Project.

D. Severability

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

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

Appendix A

Series 2020 Fixed Assessment Bonds Assessment Roll

Appendix A Assessment Roll Special Assessment by Property Owner								
Village/Plat	Tax ID	Owner	ERUs	Developable Acres	Projected Assessed Value	Taxable Value	Special Assessment	Equivalent Tax Rate (per \$100/Taxable Value)
NIA #1								
Plats E-2 to E-6 SF	58:201:0348- 58:201:0351	Sunrise 3, LLC	114	30.64	42,080,725	23,144,399	1,760,241	\$ 0.91
Plats F-2 to F-9 SF	58:021:0351	Sunrise 3, LLC	187	50.26	86,556,842	47,606,263	3,620,682	\$ 0.91
Plat G-1 Multifamily	58:022:0163	Sunrise 3, LLC	210	12.54	57,566,158	31,661,387	2,407,999	\$ 0.91
Plat 2-A Commercial	58:022:0147	Sunrise 3, LLC	-	12.80	55,756,800	55,756,800	2,332,313	\$ 0.50
Plat G-4 Commercial	58:022:0163	Sunrise 3, LLC	-	3.04	13,242,240	13,242,240	553,924	\$ 0.50
Plat G-5 Commercial	58:022:0163	Sunrise 3, LLC	-	9.00	39,204,000	39,204,000	1,639,908	\$ 0.50
Plat G-6 Commercial	58:022:0163	Sunrise 3, LLC	-	9.00	39,204,000	39,204,000	1,639,908	\$ 0.50
Subtotal			511	127.28	\$ 333,610,765	\$ 249,819,089	\$ 13,954,974	\$ 0.67
NIA #2								
Plats B and C SF	58:021:0250	Tanuki Investments, LLC	270	32.86	\$ 74,013,632	\$ 40,707,498	\$ 2,273,934	\$ 0.67
NIA #3								
Village 4 Type 1, 2	58:021:0249 & 58:021:0250	Tanuki Investments, LLC	219	78.62	\$ 91,103,998	\$ 50,107,199	\$ 2,799,004	\$ 0.67
NIA #4								
Type 1, 3, and 4 SF	58:022:0160	WF 2, Utah, LLC	488	53.55	203,007,995	111,654,397	6,237,050	\$ 0.67
Type 1, 2, 3, and 4 SF	58:022:0160	WF 2, Utah, LLC	1,282	233.36	533,311,987	293,321,593	16,385,038	\$ 0.67
Subtotal			1,770	286.91	\$ 736,319,982	\$ 404,975,990	\$ 22,622,088	\$ 0.67
Total			2,770	525.67	\$ 1,235,048,376	\$ 745,609,775	\$ 41,650,000	\$ 0.67

**Appendix A-1
Series 2020 Fixed Assessment Bonds
Annual Installments**

Year Ending 11/30 (a)	HOA Bonds		
	Principal	Interest (b)	Net Debt Service
3/1/2021	\$ 595,000	\$ 582,522	\$ 1,177,522
2021	\$ 3,025,000	\$ 2,719,894	\$ 5,744,894
2022	\$ 3,225,000	\$ 2,519,488	\$ 5,744,488
2023	\$ 3,440,000	\$ 2,305,831	\$ 5,745,831
2024	\$ 3,665,000	\$ 2,077,931	\$ 5,742,931
2025	\$ 3,910,000	\$ 1,835,125	\$ 5,745,125
2026	\$ 4,170,000	\$ 1,576,088	\$ 5,746,088
2027	\$ 4,445,000	\$ 1,299,825	\$ 5,744,825
2028	\$ 4,740,000	\$ 1,005,344	\$ 5,745,344
2029	\$ 5,050,000	\$ 691,319	\$ 5,741,319
2030	\$ 5,385,000	\$ 356,756	\$ 5,741,756
Totals	\$ 41,650,000	\$ 16,970,122	\$ 58,620,122

Administrative Expenses (c)	Trustee Admin Expenses	Reserve Fund Releases	Annual Installment (d)
\$ 45,000	\$ 1,750	\$ -	\$ 1,224,272
\$ 45,000	\$ 3,500	\$ -	\$ 5,793,394
\$ 45,000	\$ 3,500	\$ -	\$ 5,792,988
\$ 45,000	\$ 3,500	\$ -	\$ 5,794,331
\$ 45,000	\$ 3,500	\$ -	\$ 5,791,431
\$ 45,000	\$ 3,500	\$ -	\$ 5,793,625
\$ 45,000	\$ 3,500	\$ -	\$ 5,794,588
\$ 45,000	\$ 3,500	\$ -	\$ 5,793,325
\$ 45,000	\$ 3,500	\$ -	\$ 5,793,844
\$ 45,000	\$ 3,500	\$ -	\$ 5,789,819
\$ 45,000	\$ 3,500	\$ (4,165,000)	\$ 1,625,256
\$ 495,000	\$ 36,750	\$ (4,165,000)	\$ 54,986,872

Numbers may not add due to rounding.

(a) The 11/30/XX dates represent the fiscal year end for the Bonds.

(b) 0 Years of Capitalized Interest.

(c) Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Report Updates based on actual costs.

(d) Annual installments are calculated using an average 6.625% interest rate on the HOA Bonds plus Administrative Expenses.

**Appendix A-2
Neighborhood Improvement Area #1
Annual Installments**

Year Ending 11/30 (a)	HOA Bonds			Administrative Expenses (c)	Trustee Admin Expenses	Reserve Fund Releases	Annual Installment (d)
	Principal	Interest (b)	Net Debt Service				
3/1/2021	\$ 199,357	\$ 195,176	\$ 394,533	\$ 15,077	\$ 586	\$ -	\$ 410,196
2021	\$ 1,013,537	\$ 911,310	\$ 1,924,846	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,096
2022	\$ 1,080,547	\$ 844,163	\$ 1,924,710	\$ 15,077	\$ 1,173	\$ -	\$ 1,940,960
2023	\$ 1,152,584	\$ 772,577	\$ 1,925,160	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,410
2024	\$ 1,227,971	\$ 696,218	\$ 1,924,189	\$ 15,077	\$ 1,173	\$ -	\$ 1,940,439
2025	\$ 1,310,059	\$ 614,865	\$ 1,924,924	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,174
2026	\$ 1,397,173	\$ 528,073	\$ 1,925,246	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,496
2027	\$ 1,489,312	\$ 435,511	\$ 1,924,823	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,073
2028	\$ 1,588,153	\$ 336,844	\$ 1,924,997	\$ 15,077	\$ 1,173	\$ -	\$ 1,941,247
2029	\$ 1,692,020	\$ 231,629	\$ 1,923,648	\$ 15,077	\$ 1,173	\$ -	\$ 1,939,898
2030	\$ 1,804,263	\$ 119,532	\$ 1,923,795	\$ 15,077	\$ 1,173	\$ (1,395,497)	\$ 544,548
Totals	\$ 13,954,974	\$ 5,685,897	\$ 19,640,871	\$ 165,851	\$ 12,313	\$ (1,395,497)	\$ 18,423,538

Numbers may not add due to rounding.
 (a) The 11/30/XX dates represent the fiscal year end for the Bonds.
 (b) 0 Years of Capitalized Interest.
 (c) Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Report Updates based on actual costs.
 (d) Annual Installments are calculated using an average 6.625% interest rate on the HOA Bonds plus Administrative Expenses.

**Appendix A-3
Neighborhood Improvement Area #2
Annual Installments**

Year Ending 11/30 (a)	HOA Bonds			Administrative Expenses (c)	Trustee Admin Expenses	Reserve Fund Releases	Annual Installment (d)
	Principal	Interest (b)	Net Debt Service				
3/1/2021	\$ 32,485	\$ 137,469	\$ 169,954	\$ 2,457	\$ 96	\$ -	\$ 66,841
2021	\$ 150,000	\$ 129,188	\$ 279,188	\$ 2,784	\$ 191	\$ -	\$ 316,298
2022	\$ 150,000	\$ 119,250	\$ 269,250	\$ 2,840	\$ 191	\$ -	\$ 316,275
2023	\$ 175,000	\$ 109,313	\$ 284,313	\$ 2,897	\$ 191	\$ -	\$ 316,349
2024	\$ 175,000	\$ 97,719	\$ 272,719	\$ 2,955	\$ 191	\$ -	\$ 316,190
2025	\$ 175,000	\$ 86,125	\$ 261,125	\$ 3,014	\$ 191	\$ -	\$ 316,310
2026	\$ 200,000	\$ 74,531	\$ 274,531	\$ 3,074	\$ 191	\$ -	\$ 316,363
2027	\$ 200,000	\$ 61,281	\$ 261,281	\$ 3,136	\$ 191	\$ -	\$ 316,294
2028	\$ 225,000	\$ 48,031	\$ 273,031	\$ 3,198	\$ 191	\$ -	\$ 316,322
2029	\$ 250,000	\$ 33,125	\$ 283,125	\$ 3,262	\$ 191	\$ -	\$ 316,102
2030	\$ 250,000	\$ 16,563	\$ 266,563	\$ 3,328	\$ 191	\$ (227,393)	\$ 88,733
Totals	\$ 1,982,485	\$ 912,594	\$ 2,895,079	\$ 32,945	\$ 2,006	\$ (227,393)	\$ 3,002,077

Numbers may not add due to rounding.
 (a) The 11/30/XX dates represent the fiscal year end for the Bonds.
 (b) 0 Years of Capitalized Interest.
 (c) Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Report Updates based on actual costs.
 (d) Annual installments are calculated using an average 6.625% interest rate on the HOA Bonds plus Administrative Expenses.

**Appendix A-4
Neighborhood Improvement Area #3
Annual Installments**

Year Ending 11/30 (a)	HOA Bonds		
	Principal	Interest (b)	Net Debt Service
3/1/2021	\$ 39,986	\$ 39,147	\$ 79,133
2021	\$ 203,289	\$ 182,785	\$ 386,074
2022	\$ 216,730	\$ 169,317	\$ 386,047
2023	\$ 231,178	\$ 154,959	\$ 386,137
2024	\$ 246,299	\$ 139,643	\$ 385,942
2025	\$ 262,764	\$ 123,326	\$ 386,090
2026	\$ 280,236	\$ 105,918	\$ 386,154
2027	\$ 298,717	\$ 87,352	\$ 386,069
2028	\$ 318,542	\$ 67,562	\$ 386,104
2029	\$ 339,375	\$ 46,459	\$ 385,834
2030	\$ 361,888	\$ 23,975	\$ 385,863
Totals	\$ 2,799,004	\$ 1,140,443	\$ 3,939,447

Administrative Expenses (c)	Trustee Admin Expenses	Reserve Fund Releases	Annual Installment (d)
\$ 3,024	\$ 118	\$ -	\$ 82,275
\$ 3,024	\$ 235	\$ -	\$ 389,333
\$ 3,024	\$ 235	\$ -	\$ 389,306
\$ 3,024	\$ 235	\$ -	\$ 389,396
\$ 3,024	\$ 235	\$ -	\$ 389,201
\$ 3,024	\$ 235	\$ -	\$ 389,349
\$ 3,024	\$ 235	\$ -	\$ 389,414
\$ 3,024	\$ 235	\$ -	\$ 389,329
\$ 3,024	\$ 235	\$ -	\$ 389,364
\$ 3,024	\$ 235	\$ -	\$ 389,093
\$ 3,024	\$ 235	\$ (279,900)	\$ 109,222
\$ 33,265	\$ 2,470	\$ (279,900)	\$ 3,695,282

Numbers may not add due to rounding.

(a) The 11/30/23 dates represent the fiscal year end for the Bonds.

(b) 0 Years of Capitalized Interest.

(c) Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Report Updates based on actual costs.

(d) Annual installments are calculated using an average 6.25% interest rate on the HOA Bonds plus Administrative Expenses.

**Appendix A-6
Neighborhood Improvement Area #4
Annual Installments**

Year Ending 11/30 (a)	HOA Bonds			Administrative Expenses (c)			Annual Installment (d)
	Principal	Interest (b)	Net Debt Service				
3/1/2021	\$ 323,173	\$ 316,395	\$ 639,568	\$ 24,442	\$ 951	\$ -	\$ 664,960
2021	\$ 1,643,021	\$ 1,477,303	\$ 3,120,324	\$ 24,442	\$ 1,901	\$ -	\$ 3,146,667
2022	\$ 1,751,650	\$ 1,368,453	\$ 3,120,103	\$ 24,442	\$ 1,901	\$ -	\$ 3,146,446
2023	\$ 1,868,427	\$ 1,252,406	\$ 3,120,833	\$ 24,442	\$ 1,901	\$ -	\$ 3,147,176
2024	\$ 1,990,635	\$ 1,128,623	\$ 3,119,258	\$ 24,442	\$ 1,901	\$ -	\$ 3,145,601
2025	\$ 2,123,706	\$ 996,743	\$ 3,120,450	\$ 24,442	\$ 1,901	\$ -	\$ 3,146,792
2026	\$ 2,264,925	\$ 856,048	\$ 3,120,972	\$ 24,442	\$ 1,901	\$ -	\$ 3,147,315
2027	\$ 2,414,290	\$ 705,997	\$ 3,120,287	\$ 24,442	\$ 1,901	\$ -	\$ 3,146,629
2028	\$ 2,574,519	\$ 546,050	\$ 3,120,568	\$ 24,442	\$ 1,901	\$ -	\$ 3,146,911
2029	\$ 2,742,894	\$ 375,488	\$ 3,118,382	\$ 24,442	\$ 1,901	\$ -	\$ 3,144,725
2030	\$ 2,924,849	\$ 193,771	\$ 3,118,620	\$ 24,442	\$ 1,901	\$ (2,262,209)	\$ 882,754
Totals	\$ 22,622,088	\$ 9,217,277	\$ 31,839,365	\$ 268,858	\$ 19,961	\$ (2,262,209)	\$ 29,865,975

Numbers may not add due to rounding.

(a) The 11/30/XX dates represent the fiscal year end for the Bonds.

(b) 0 Years of Capitalized Interest.

(c) Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Report Updates based on actual costs.

(d) Annual Installments are calculated using an average 6.625% interest rate on the HOA Bonds plus Administrative Expenses.

Appendix C

Parcel Map

	LOT TYPE	LOT QUANTITY	ACREAGE
VILLAGE 1	TYPE 1	232 UNITS	65.89 AC
	TYPE 2	69 UNITS	15.01 AC
	TOTAL	301 UNITS	80.90 AC
VILLAGE 2	TYPE 4	210 UNITS	12.54 AC
	COMMERCIAL	4 COMM LOTS	33.84 AC
	TOTAL	210 UNITS / 4 LOTS	46.38 AC
VILLAGE 3A	TYPE 2	50 UNITS	8.43 AC
	TYPE 4	220 UNITS	24.43 AC
	TOTAL	270 UNITS	32.86 AC
VILLAGE 4	TYPE 1	143 UNITS	62.07 AC
	TYPE 2	76 UNITS	16.25 AC
	TOTAL	219 UNITS	78.32 AC
VILLAGE 7	TYPE 2	12 UNITS	1.77 AC
	TYPE 3	438 UNITS	18.56 AC
	TYPE 4	370 UNITS	35.72 AC
	TOTAL	488 UNITS	55.55 AC
VILLAGE 8	TYPE 1	10 UNITS	5.53 AC
	TYPE 2	117 UNITS	18.42 AC
	TYPE 3	40 UNITS	6.01 AC
	TYPE 4	125 UNITS	15.04 AC
	TOTAL	304 UNITS	48.50 AC
VILLAGE 9	TYPE 1	322 UNITS	84.00 AC
	TOTAL	322 UNITS	84.00 AC
VILLAGE 10	TYPE 1	212 UNITS	40.97 AC
	TYPE 2	192 UNITS	32.09 AC
	TYPE 3	59 UNITS	10.52 AC
	TYPE 4	143 UNITS	18.16 AC
	TOTAL	606 UNITS	102.68 AC
TOTAL ALL AREAS	TYPE 1	825 UNITS	259.28 AC
	TYPE 2	616 UNITS	92.27 AC
	TYPE 3	251 UNITS	33.79 AC
	TYPE 4	1078 UNITS	168.51 AC
	COMMERCIAL	4 COMM LOTS	33.84 AC
	TOTAL	2770 UNITS / 4 LOTS	525.87 AC

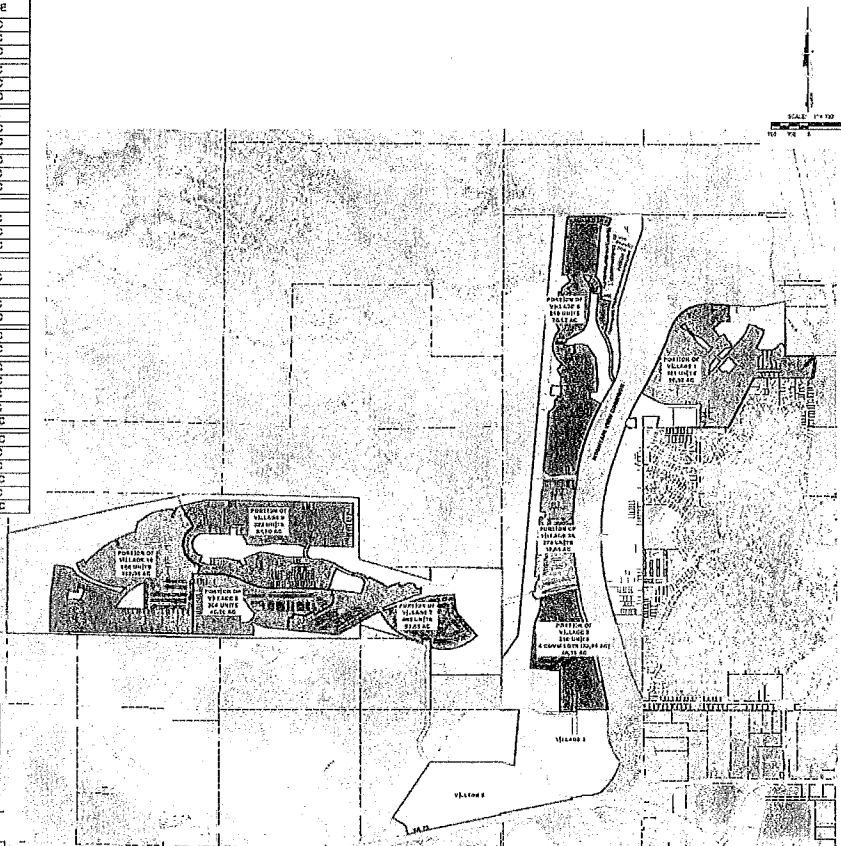


EXHIBIT "E"

INDENTURE

INDENTURE OF TRUST AND PLEDGE

Dated as of December 1, 2020

between

WILDFLOWER IMPROVEMENT ASSOCIATION
a Utah Nonprofit Corporation
as Issuer

and

UMB BANK, N.A.,
as Trustee

Authorizing the issuance and sale of

\$41,650,000
Fixed Assessment Bonds
Series 2020
(Taxable)

TABLE OF CONTENTS

ARTICLE I DEFINITIONS; AUTHORITY 3

 Section 1.1 Definitions..... 3

 Section 1.2 Indenture to Constitute Contract..... 9

 Section 1.3 Construction..... 9

ARTICLE II AUTHORIZATION, TERMS, AND ISSUANCE OF BONDS 11

 Section 2.1 Principal Amount, Designation, and Series 11

 Section 2.2 Date, Maturities, and Interest..... 11

 Section 2.3 Nature of Obligation 11

 Section 2.4 Payment of Principal and Interest..... 12

 Section 2.5 Redemption 12

 Section 2.6 Delivery of Bonds 15

 Section 2.7 Reserved..... 16

 Section 2.8 Application of Moneys upon Issuance of Bonds 16

 Section 2.9 Further Authority 16

 Section 2.10 Additional Bonds 16

 Section 2.11 Book-Entry System..... 17

ARTICLE III EXECUTION, TRANSFER, AND EXCHANGE OF BONDS; BOND
REGISTRAR 18

 Section 3.1 Execution of Bonds; Investor Letter for Initial Owners 18

 Section 3.2 Transfer of Bonds 18

 Section 3.3 Exchange of Bonds 19

 Section 3.4 Bond Registration Books 19

 Section 3.5 List of Bondholders..... 19

 Section 3.6 Duties of Bond Registrar 20

 Section 3.7 Mutilated, Lost, Destroyed or Stolen Bonds or Additional Bonds 20

ARTICLE IV CREATION OF FUNDS AND ACCOUNTS..... 21

 Section 4.1 Creation of Assessment Fund 21

 Section 4.2 Creation of Construction Fund..... 21

 Section 4.3 Creation of Bond Fund..... 21

 Section 4.4 Creation of Reserve Fund 21

 Section 4.5 Creation of Cost of Issuance Fund..... 21

 Section 4.6 Reserved..... 21

 Section 4.7 Additional Funds and Accounts..... 21

ARTICLE V USE OF FUNDS 22

 Section 5.1 Use of Assessment Fund..... 22

 Section 5.2 Use of Bond Fund 23

 Section 5.3 Construction Fund..... 23

Section 5.4	Use of Reserve Fund.....	25
Section 5.5	Cost of Issuance Fund.....	26
Section 5.6	Reserved.....	26
Section 5.7	Investment of Funds.....	26
Section 5.8	Trust Funds	26
Section 5.9	Method of Valuation and Frequency of Valuation	26
Section 5.10	Perfection of Security Interest.	27
ARTICLE VI COVENANTS AND UNDERTAKINGS		28
Section 6.1	Covenants of Issuer.....	28
Section 6.2	Levy and Collection of Assessments; Punctual Payment	28
Section 6.3	Lien of Assessment.....	28
Section 6.4	Default in Payment of Assessments.....	29
Section 6.5	Limited Obligation of Issuer.....	30
Section 6.6	Reserved.....	30
Section 6.7	No Additional Security Interest	30
Section 6.8	Further Assurances.....	30
ARTICLE VII THE TRUSTEE.....		31
Section 7.1	Acceptance of the Trusts.....	31
Section 7.2	Fees, Charges, and Expenses of Trustee.....	33
Section 7.3	Notice to Registered Owners if Event of Default Occurs.....	33
Section 7.4	Intervention by Trustee	34
Section 7.5	Successor Trustee.....	34
Section 7.6	Resignation by the Trustee.....	34
Section 7.7	Removal of the Trustee.....	34
Section 7.8	Appointment of Successor Trustee; Temporary Trustee	34
Section 7.9	Concerning Any Successor Trustee	35
Section 7.10	Trustee Protected in Relying on Indenture, Etc.	35
Section 7.11	Successor Trustee; Paying Agent and Bond Registrar	35
Section 7.12	Trust Estate May Be Vested in Separate or Co-Trustee	35
Section 7.13	Accounting.....	36
Section 7.14	Trustee's Right to Own and Deal in Bonds	36
ARTICLE VIII EVENTS OF DEFAULT; REMEDIES		37
Section 8.1	Events of Default	37
Section 8.2	Remedies; Rights of Bondholders	38
Section 8.3	Application of Moneys	38
Section 8.4	Rights and Remedies of Bondholders.....	39
Section 8.5	Termination of Proceedings.....	40
Section 8.6	Remedies Vested in Trustee.....	40
ARTICLE IX SUPPLEMENTAL INDENTURES		41
Section 9.1	Supplemental Indentures Not Requiring Consent of Bondholders	41

Section 9.2 Supplemental Indentures Requiring Consent of Bondholders;
Waivers and Consents by Bondholders 41

ARTICLE X DISCHARGE OF INDENTURE..... 44

ARTICLE XI MISCELLANEOUS 46

Section 11.1 Consents, Etc., of Registered Owners..... 46

Section 11.2 Cancellation of Bonds and Additional Bonds..... 46

Section 11.3 Execution of Documents and Proof of Ownership 46

Section 11.4 Replacement of Foreclosure Agent or Administrator 47

Section 11.5 Limitation of Rights..... 47

Section 11.6 Severability 47

Section 11.7 Notices 48

Section 11.8 Trustee as Paying Agent and Registrar 48

Section 11.9 Counterparts 48

Section 11.10 Applicable Law..... 48

Section 11.11 Immunity of Officers and Directors..... 48

Section 11.12 Holidays 48

Section 11.13 Effective Date 48

Section 11.14 Compliance with Act 48

EXHIBIT A FORM OF BONDS..... A-1

EXHIBIT B FORM OF INVESTOR LETTER..... B-1

EXHIBIT C COST OF ISSUANCE DISBURSEMENT REQUEST C-1

EXHIBIT D FORM OF REQUISITION..... D-1

EXHIBIT E INITIAL REQUISITION E-1

EXHIBIT F ASSESSED PROPERTY F-1

THIS INDENTURE OF TRUST AND PLEDGE, dated as of December 1, 2020 (the "Indenture"), by and between Wildflower Improvement Association, a Utah nonprofit corporation created and validly existing under the laws of the State of Utah (the "Issuer"), and UMB Bank, n.a., a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having an office in Phoenix, Arizona, as trustee (the "Trustee"),

W I T N E S S E T H:

WHEREAS, on October 7, 2020, the Articles of Incorporation of the Issuer were filed in the State of Utah Department of Commerce, creating the Issuer; and

WHEREAS, on December 11, 2020, the Declaration of Covenants, Conditions, and Restrictions (the "Declaration") was recorded on the records of Utah County, Utah; and

WHEREAS, the Utah Revised Nonprofit Corporation Act, Title 16, Part 3, Utah Code Annotated 1953, as amended (the "Nonprofit Act"), provides that a nonprofit corporation may issue bonds and improve real property; and

WHEREAS, the Community Association Act, Title 57, Part 8a, Utah Code Annotated 1953, as amended (the "HOA Act" and together with the Nonprofit Act, the "Act"), provides that a community association may levy an assessment against the owners of property within the community association; and

WHEREAS, in accordance with the Declaration the Issuer levied (and will levy) certain assessments (as hereinafter defined, the "Assessments") against the real property encumbered by the Declaration (as hereinafter defined, the "Assessed Property") for the purpose of servicing and repaying the Bonds (as defined below); and

WHEREAS, in compliance with Section 57-8a-105 of the HOA Act, the Issuer did register with the State of Utah Department of Commerce in accordance with the requirements of such Department and the laws of the State of Utah; and

WHEREAS, on November 11, 2020 Wildflower Developer, LLC, a Utah limited liability company, as declarant under the Declaration and the governing authority of the Issuer (the "Declarant"), caused the issuer to adopt a resolution authorizing the issuance of the Issuer's Fixed Assessment Bonds, Series 2020 (Taxable), in the total principal amount of \$41,650,000 (the "Bonds") for the purpose of financing the costs of roadway, sewer, water, storm drain, and utility improvements along with other necessary miscellaneous improvements, as further described herein (collectively, the "Improvements"); and

WHEREAS, the Declarant has caused the Issuer to adopt the Bylaws and acknowledge the Issuer's duties, obligations and responsibilities pursuant to the Declaration, and to confirm the Assessment Plan (as described in the Declaration) for the levying of assessments against the Assessed Property; and

WHEREAS, the Bonds shall be payable solely from (a) certain funds on deposit herein and (b) the levy of Assessments against the Assessed Properties, which are benefited by the Improvements, and shall not constitute or give rise to a general obligation or general liability of the Issuer, or any political subdivision of the State of Utah, or constitute a charge against the general credit of the Issuer; and

WHEREAS, the Issuer hereby determines that it is reasonable, necessary, and prudent at this time to issue the Bonds as provided herein;

NOW, THEREFORE, THIS INDENTURE OF TRUST AND PLEDGE WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, the Issuer does hereby convey, assign, and pledge unto the Trustee and unto its successors in trust forever all right, title, and interest of the Issuer in and to (a) the Assessments, (b) all moneys in funds and accounts and properties held by the Trustee hereunder, and (c) all other rights hereinafter granted for the further securing of the Bonds, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, for the equal and proportionate benefit, security, and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any Bond over any other Bond by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured, and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Assessments are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I
DEFINITIONS; AUTHORITY

Section 1.1 Definitions. As used in this Indenture, unless the context shall otherwise require, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

“Act” means collectively, the Nonprofit Act and the HOA Act, as defined in the recitals.

“Additional Bonds” means all bonds issued under this Indenture other than the Bonds.

“Administrative Costs Account” means the Administrative Costs Account established within the Bond Fund pursuant to Section 4.3 herein.

“Administrator” means an officer or employee of the Issuer or third party designee of the Issuer who is not an officer or employee thereof, who shall have the responsibilities provided in this Indenture, the Declaration, or any other agreement or document approved by the Issuer relating to the duties and responsibilities of Issuer in the administration of its duties and obligations under this Indenture. The Administrator, when acting within the scope of its responsibilities as set forth in writing, shall be an Authorized Representative of the Issuer with respect to those particular responsibilities set forth therein; subject to oversight, control and approval of its actions by the Authorized Representatives of the Issuer.

“Aggregate Annual Debt Service” means the total debt service for any one Bond Fund Year (or other specific period) on all Bonds and Additional Bonds Outstanding or any specified portion thereof.

“Assessed Property” means the parcels of real property encumbered by the Declaration, subject to the Assessment lien of the Issuer and which are benefited by the Improvements, as shown in Exhibit F.

“Assessment Fund” means the Wildflower Improvement Association Assessment Fund created in Section 4.1 hereof to be held and administered by the Issuer.

“Assessments” means those assessments levied and received under the Declaration against the Assessed Property.

“Authorized Representative” means the Declarant or, if Declarant elects to form a Board of Directors for the Issuer, the Chair of the Board and members of said Board, or any officer of Issuer or other person duly designated and authorized by Declarant (or any such Board) to act as the Authorized Representative of the Issuer hereunder when acting within the scope of their authorization.

“Board” means the Board of Directors of the Issuer if or when constituted by the Declarant in accordance with the Declaration and Bylaws of the Issuer.

“Bond Fund” means the Wildflower Improvement Association Bond Fund created in Section 4.3 hereof to be held by the Trustee and administered pursuant to Section 5.2 hereof.

“Bond Fund Year” means the 12-month period beginning January 1 of each year and ending the next succeeding December 31, except that the first Bond Fund Year shall begin on the date of delivery of the Bonds and shall end on the next succeeding December 31.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated December 8, 2020, by and between the Issuer and the Underwriter.

“Bond Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture) appointed as the initial registrar for the Bonds pursuant to Section 11.8 hereof, and any additional or successor registrar appointed pursuant hereto.

“Bondholder,” “Bondowner,” “Registered Owner,” or “Owner” means the person or persons in whose name or names any Bond or Additional Bond is registered.

“Bonds” means the Wildflower Improvement Association \$41,650,000 Fixed Assessment Bonds, Series 2020 (Taxable) authorized for issuance herein.

“Business Day” means any day, except Saturday or Sunday, on which banking business is transacted, but not including any day on which banks are authorized to be closed in the city in which the Trustee has its Corporate Trust Office.

“Cede” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“Construction Fund” means the Wildflower Improvement Association Construction Fund created in Section 4.2 hereof to be held and administered by the Trustee pursuant to Section 5.3 hereof.

“Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016.

“Cost of Issuance Fund” means the Wildflower Improvement Association Cost of Issuance Fund created in Section 4.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

“Debt Service Reserve Requirement” means, with respect to the Bonds, an amount initially equal to \$4,165,000, which amount shall be adjusted as prepayments are made as provided herein. The Debt Service Reserve Requirement may be funded as herein provided. The Debt Service Reserve Requirement for any Additional Bonds will be provided in the related Supplemental Indenture.

“Declaration” means the Declaration of the Issuer dated as of December 11, 2020, levying assessments against the Assessed Property.

“Declarant” means Wildflower Developer, LLC, a Utah limited liability company, and its successors or assigns, acting in lieu of the Board as the Authorized Representative of the Issuer.

“Developer” means collectively, DAI Managers, LLC, a Utah limited liability company; Sunrise 3, LLC, a Utah limited liability company; Tanuki Investments, LLC, a Utah limited liability company; Lennar Homes of Utah, Inc., a Delaware corporation; CLH Holdings LLC, a Utah limited liability company; and WF 2 Utah, LLC, a Delaware limited liability company.

“Event of Default” means any occurrence or event specified in and defined as such by Section 8.1(a) hereof.

“Foreclosure Agent” means initially, Richards Law, PC.

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations fully and unconditionally guaranteed as to timely payment by the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

“Improvements” means, collectively, the roadway, sewer, water, storm drain, and utility improvements along with other necessary miscellaneous improvements.

“Indenture” means this Indenture of Trust and Pledge as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

“Interest Payment Date” means each March 1 and September 1 beginning March 1, 2021.

“Issuer” means Wildflower Improvement Association, and its successors.

“Issuer Counsel” means Miller Harrison LLC or another attorney or firm of attorneys of recognized standing in matters pertaining to homeowners’ associations.

“Loan to Value Ratio” means:

(a) The sum of all Outstanding Bonds, Additional Bonds, and other debts of the Issuer or any other homeowners’ association levied against or secured by the Assessed Property;

(b) Divided by the market value of the Assessed Property, as determined by (i) the most recent market value of the property by the County Assessor or (ii) an appraisal from an appraiser who is a member of the Appraisal Institute.

“Original Issue Date” means the initial delivery date of the Bonds.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been redeemed or canceled and which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(c) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(d) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

“Paying Agent” means each Person appointed by the Issuer as Paying Agent with respect to the Bonds. The initial Paying Agent is UMB Bank, n.a., or its successors or assigns.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies, and other entities.

“Property Seller” means the Person selling its interest in that portion of the Assessed Property subject to a Residential Lot Sale.

“Property Seller Redemption” means a deposit by the respective Property Seller into the Bond Fund of one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption, on the respective redemption date pursuant to Section 2.5(c) hereof.

“Qualified Institutional Buyer” means such term as defined in Rule 144A promulgated pursuant to the Securities Act of 1933, as amended.

“Qualified Investments” means, if and to the extent the same are at the time legal for investment of funds held under this Indenture (such legality to be determined and certified conclusively by an Authorized Representative of the Issuer or any designee thereof, and not the Trustee), United States Dollar denominated investments in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency;

(c) any bond, debenture, note, participation certificate or other similar obligation issued by a government-sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank) which is either (i) rated in the highest rating category by any rating agency, or (ii) backed by the full faith and credit of the United States of America;

(d) deposit accounts, certificates of deposit and banker’s acceptances of any bank, trust company, or savings and loan association, including the Trustee or its affiliates, which have a rating on its short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency, and which mature not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any rating agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time the agreement is executed are rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency or investment agreements with non-bank financial institutions, provided that (1) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any rating agency at the time the agreement is executed in one of the two highest rating categories (without regard to any

refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if the non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of the non-bank financial institution is rated by any rating agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by any rating agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including the Trustee or its affiliates), a trust company, financial services firm or a broker-dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Trustee or the Trustee's agent;

(i) investments in a money market fund, including funds of the Trustee or its affiliates, rated (at the time of purchase) in the highest rating category for this type of investment by any rating agency; and

(j) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and whose investments consist solely of Investment Obligations as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

“Redemption Account” means the Redemption Account established within the Bond Fund pursuant to Section 4.3 herein.

“Register” means the record of ownership of the Bonds maintained by the Bond Registrar.

“Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date.

“Reserve Fund” means the Wildflower Improvement Association Reserve Fund created in Section 4.4 hereof to be held by the Trustee.

“Residential Lot Sale” means the sale of any portion of the Assessed Property to a homebuilder, homeowner, or other third-party not related to the Developer.

“Series 2020 Construction Account” means the Series 2020 Construction Account established within the Construction Fund pursuant to Section 4.2 herein.

“Series 2020 Reserve Account” means the Series 2020 Reserve Account established within the Reserve Fund pursuant to Section 4.4 herein.

“Series 2020 Construction Subaccount” means the Series 2020 Construction Subaccount established within the Series 2020 Construction Account pursuant to Section 4.2 herein.

“Series 2020 Reserve Subaccount” means the Series 2020 Reserve Subaccount established within the Series 2020 Reserve Account pursuant to Section 4.4 herein.

“State” means the State of Utah.

“Supplemental Indenture” means any supplemental indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

“Trustee” means UMB Bank, n.a., 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016, or any successor corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

“Underwriter” means SAMCO Capital Markets, Inc.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection, and security of the Owners of the Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority, or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Indenture.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder,” and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs, and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs, and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or lead lines applied to articles, sections, and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II
AUTHORIZATION, TERMS, AND ISSUANCE OF BONDS

Section 2.1 Principal Amount, Designation, and Series. The Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (a) finance the Improvements, (b) fund the Series 2020 Reserve Subaccount, and (c) pay the costs of issuance of the Bonds. The Bonds shall be limited to \$41,650,000 in aggregate principal amount, shall be issued in fully registered form, in denominations of \$100,000 or any integral multiple of \$1 in excess thereof, shall be in substantially the form and contain substantially the terms contained in Exhibit A, attached hereto and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Bonds shall be designated as, and shall be distinguished from all other bonds of the Issuer by the title, “Wildflower Improvement Association Fixed Assessment Bonds, Series 2020 (Taxable).”

Section 2.2 Date, Maturities, and Interest. (a) The Bonds shall be dated as of their Original Issue Date, and shall mature on the dates in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Original Issue Date or unless, as shown by the records of the Trustee, interest on the Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Original Issue Date, payable on each Interest Payment Date at the rates per annum as set forth below:

<u>Maturity</u> <u>(March 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2031*	\$41,650,000	6.625%

* Term Bond

(b) Interest on the Bonds shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Nature of Obligation. The Issuer hereby pledges all Assessments levied pursuant to the Declaration to the payment of the Bonds. The Bonds, together with interest thereon, shall be special limited obligations of the Issuer payable solely from a first lien pledge of the Assessments levied and collected under the Declaration (except to the extent paid out of moneys attributable to the Bond proceeds, moneys or property collected by the Foreclosure Agent from the foreclosure of Assessed Properties or from other funds created hereunder or the income from the temporary investment thereof).

THE ISSUER IS A UTAH NONPROFIT CORPORATION AND IS NOT AN AGENCY OR INSTRUMENTALITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND HAS NO TAXING POWER. NO PROVISION OF

THIS INDENTURE, THE BOND PURCHASE AGREEMENT, THE BONDS, THE DECLARATION, OR ANY OTHER INSTRUMENT, SHALL BE CONSTRUED AS CREATING A GENERAL OBLIGATION OF THE ISSUER, OR CREATING A GENERAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS INCURRING OR CREATING A CHARGE UPON THE GENERAL CREDIT OF THE ISSUER. NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR INTEREST ON THE BONDS.

Section 2.4 Payment of Principal and Interest.

(a) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Register maintained by the Bond Registrar as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such Register or owners of 100% of Bonds then Outstanding by wire transfer to a bank account located in the United States designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. The interest on the Bonds so payable and punctually paid and duly provided for on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. All payments of principal of and premium, if any, on the Bonds shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(b) The Bonds may contain or have endorsed thereon such provisions, specifications, and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise.

Section 2.5 Redemption.

(a) *Optional Redemption of the Bonds.* The Bonds are subject to optional redemption at the option of the Issuer, in whole or in part, on any Business Day at a redemption price equal to one hundred percent (100%) of the principal amount of each Series 2020 Bond to be redeemed plus accrued interest to the date of redemption.

(b) *Extraordinary Mandatory Redemption.*

(i) The Bonds are subject to extraordinary mandatory redemption, in whole or in part, on any Business Day that the Issuer selects by notice to the Trustee that is given not more than forty-five (45) days after the Issuer's receipt of Assessments collected from the foreclosure sale of delinquent property or upon determination by the Issuer that Bond proceeds are not needed for costs of Improvements, at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption in the amount of Assessments (rounded down to the nearest \$1 increment) the Issuer collects from the foreclosure or other sale of delinquent property (less amounts used for debt service on the Bonds or to replenish the accounts in the Reserve Fund) or the amount of Bond proceeds not needed for construction. Whenever less than all of the Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption among maturities of the Bonds and on a pro rata basis as nearly as practicable.

(ii) In the event that the Developer makes a request for an assessment area pursuant to Title 11, Chapter 42, Utah Code Annotated 1953, as amended, for any portion of the Assessed Properties for which Assessments are outstanding on the date of such request, the Bonds will be subject to extraordinary mandatory redemption, in whole. Such extraordinary mandatory redemption shall be due on the Business Day that is thirty (30) calendar days from the date of such request at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest and interest to accrue up to the next Interest Payment Date.

(c) *Extraordinary Mandatory Prepayment Redemption.* Upon a Residential Lot Sale, all Assessments relating to such parcel shall become due and payable. The Bonds are subject to mandatory prepayment redemption, in whole or in part, on any Business Day from prepayments of Assessments received by the Trustee (and not needed to pay debt service) relating to Residential Lot Sales, from the Property Seller Redemption and amounts transferred from the Reserve Fund, and in the amount of not less than \$1 at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption. Whenever less than all of the Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption among mandatory sinking fund installment amounts of the Bonds and on a pro rata basis as nearly as practicable.

(d) *Mandatory Sinking Fund Redemption.*

(i) The Bonds are subject to mandatory sinking fund redemption at a redemption price equal to one hundred percent (100%) of the principal amount of Bonds to be redeemed plus accrued interest to the redemption date, as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Mandatory Sinking Fund Installment Amount</u>
March 1, 2021	\$595,000
March 1, 2022	3,025,000
March 1, 2023	3,225,000
March 1, 2024	3,440,000
March 1, 2025	3,665,000
March 1, 2026	3,910,000
March 1, 2027	4,170,000
March 1, 2028	4,445,000
March 1, 2029	4,740,000
March 1, 2030	5,050,000
March 1, 2031*	5,385,000

* Final maturity

(ii) Upon redemption of any Bonds (other than by application of mandatory sinking fund redemption), an amount equal to the principal amount so redeemed shall be credited in increments of not less than \$1, toward the mandatory sinking fund redemption amounts for the Bonds, at the discretion of the Issuer.

(e) *Extraordinary Mandatory Prepayment Redemption on the Closing Date.* On the closing date of the Bonds, the Developer shall cause to be deposited with the Trustee \$1,251,250 and there shall be transferred from the Series 2020 Reserve Subaccount the amount of \$139,028 to redeem a portion of the Bonds relating to an approximately 7.63 acre parcel subject to a Residential Lot Sale at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed. So long as such Bonds are redeemed on the closing date of the Bonds, no interest shall accrue on such Bonds.

(f) *Selection of the Bonds for Redemption.* If fewer than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion thereof to be redeemed shall be selected prior to the redemption date by the Bond Registrar, by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Bonds in \$1 increments.

(g) *Notice of Redemption.* Notice of redemption shall be given by the Bond Registrar by regular mail, not less than thirty (30) days or more than forty-five (45) days prior to the redemption date, to the Holder, as of the record date established by the Bond Registrar for such redemption, of each Bond which is

subject to redemption, at the address of such Holder as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to such record date. Each notice of redemption shall state the record date, the redemption date, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal of, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Bondholder receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

(h) *Redemption in Part.* In case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. A portion of any Bond of a denomination of more than \$1 to be redeemed will be in the principal amount of \$1 or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such \$1 denomination which is obtained by dividing the principal amount of such Bonds by such \$1 denomination. Provided, however, any Bond redemptions shall be in a minimum amount of \$1,000 with \$1 increments above that.

Section 2.6 Delivery of Bonds. The Bonds shall be delivered to the Underwriter at such time and place as provided in the Bond Purchase Agreement. Prior to the authentication and delivery by the Trustee of the Bonds, there shall have been filed with the Trustee:

- (a) A copy, duly certified by the Declarant, of the Articles of Incorporation of the Issuer, the Declaration and this Indenture.
- (b) A copy, certified by the Declarant, of the consent and resolution of the Declarant, as the governing body of the Issuer (in lieu of a board of directors) authorizing and approving the execution and delivery of the Indenture and the

Bonds, together with a certificate, dated as of the date of authentication, of the Declarant that such authorizing resolution is still in force and effect without amendments.

(c) A request and authorization of the Issuer to the Trustee to authenticate the Bonds in the aggregate principal amount therein specified and deliver them to the Underwriter upon payment to the Trustee, for account of the Issuer, of the sum specified in the Bond Purchase Agreement.

(d) An opinion of Issuer Counsel dated the date of authentication of the Bonds substantially to the effect that (i) this Indenture has been duly executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer with standard limitations regarding bankruptcy, equitable remedies and judicial discretion; and (ii) the Bonds are valid, binding and enforceable special limited obligations of the Issuer.

Section 2.7 Reserved.

Section 2.8 Application of Moneys upon Issuance of Bonds. The Issuer shall concurrently with the issuance of the Bonds, deposit with the Trustee the amount of \$39,677,039.00, being the par amount of the Bonds, less an Underwriter's discount of \$1,212,015.50 and less an original issue discount of \$760,945.50 as follows:

(a) \$34,578,397 into the Series 2020 Construction Subaccount to be used to pay the acquisition, construction and installation costs of the Improvements;

(b) \$4,165,000 into the Series 2020 Reserve Subaccount; and

(c) \$933,642 into the Cost of Issuance Fund established herein and used to pay for costs with respect to the issuance of the Bonds.

The Issuer has executed a Requisition (attached hereto as Exhibit E) from the Series 2020 Construction Subaccount, and the Trustee is hereby instructed to transfer \$14,554,942.72 from the Series 2020 Construction Subaccount in accordance with the Requisition.

Section 2.9 Further Authority. The Declarant (or other Authorized Representative) of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents, and other instruments as may be necessary or advisable to provide for the issuance, sale, registration, and delivery of the Bonds.

Section 2.10 Additional Bonds. No additional indebtedness, bonds, or notes of the Issuer secured by a pledge of the Assessments shall be created or incurred.

Section 2.11 Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the District nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the District determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III
EXECUTION, TRANSFER, AND EXCHANGE OF BONDS; BOND REGISTRAR

Section 3.1 Execution of Bonds; Investor Letter for Initial Owners. The Bonds shall be executed on behalf of the Issuer by the Declarant or other Authorized Representative (the signatures of said Authorized Representative being either manual and/or by electronic transmission (by facsimile or portable document file (PDF))). The use of such electronic transmission signatures of said Authorized Representative on the Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, and attestation of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in Exhibit A hereof. Only such of the Bonds as shall bear thereon a Certificate of Authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of, this Indenture and that the Holder thereof is entitled to the benefits of this Indenture. The Certificate of Authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Bond is inserted in the place provided therefor on the Certificate of Authentication.

In case any officer whose signature or an electronic transmission of whose signature shall appear on any Bond shall cease to be such officer before the issuance or delivery of such Bond, such signature or such electronic transmission shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

The Bonds are offered only to, and may be acquired only by, Qualified Institutional Buyers. Each initial purchaser of the Bonds shall be required to execute an investor letter, in substantially the form of Exhibit B hereto, as a condition to its purchase of the Bonds.

Section 3.2 Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.4 hereof, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Bond Registrar, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the Holder and absolute Owner thereof for the purpose of receiving payment of,

or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds of the same series, designation, maturity date, and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made after the Regular Record Date with respect to any Interest Payment Date to and including such Interest Payment Date, and no such transfer shall be made without receipt of the letter described in Section 3.3 hereof.

Section 3.3 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office of the Bond Registrar for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Additional Bond issued upon any exchange or transfer, but shall require the Bondholder requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Additional Bonds shall be surrendered for registration of transfer or exchange, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Additional Bond or Additional Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of (i) Bonds or Additional Bonds for a period of fifteen (15) days next preceding any selection of the Bonds or Additional Bonds to be redeemed; or (ii) any Bonds or Additional Bonds chosen for redemption. Notwithstanding the foregoing, by purchase or other means of obtaining ownership of the Bonds, all Bondholders are deemed to have acknowledged that the Bonds have not been and will not be registered under the Securities Act of 1933 and may not be reoffered, resold, pledged or otherwise transferred except (i) to a person who the purchaser reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A promulgated under the Securities Act of 1933 and (ii) in accordance with all applicable securities laws of the States of the United States.

Section 3.4 Bond Registration Books. The Bond Registrar shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register, or transfer or cause to be registered or transferred on said books, the Bonds as herein provided.

Section 3.5 List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholders.

Section 3.6 Duties of Bond Registrar. If requested by the Bond Registrar, the Declarant (or other Authorized Representative designated by the Declarant) is authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations, and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as Bond Registrar, authenticating agent, Paying Agent, and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to cancel and/or destroy the Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (d) upon request, to furnish the Issuer at least annually a certificate with respect to the Bonds canceled and/or destroyed; and
- (e) upon request, to furnish the Issuer at least annually an audit confirmation of the Bonds paid, the Bonds Outstanding, and payments made with respect to interest on the Bonds.

Section 3.7 Mutilated, Lost, Destroyed or Stolen Bonds or Additional Bonds. If any Bond or Additional Bond shall become mutilated, the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond or Additional Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Additional Bond so mutilated, but only upon surrender to the Trustee of the Bond or Additional Bond so mutilated. Every mutilated Bond or Additional Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 11.2 hereof. If any Bond or Additional Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the Issuer shall execute and the Trustee shall authenticate and deliver, a new Bond or Additional Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Additional Bond so lost, destroyed or stolen. Any Bond or Additional Bond issued in lieu of any Bond or Additional Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Additional Bonds issued hereunder. The Trustee shall not treat both the original Bond or Additional Bond and any replacement Bond or Additional Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Additional Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Additional Bonds Outstanding hereunder, but both the original and replacement Bond or Additional Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Additional Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Additional Bonds.

ARTICLE IV
CREATION OF FUNDS AND ACCOUNTS

Section 4.1 Creation of Assessment Fund. There is hereby created and ordered established in the custody of the Issuer a fund in the name of the Issuer referred to as the Assessment Fund. For accounting purposes, the Assessment Fund may be redesignated by different account names by the Issuer from time to time.

Section 4.2 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Construction Fund. Within the Construction Fund, there is hereby created and ordered established a Series 2020 Construction Account for the Bonds and within the Series 2020 Construction Account, there is hereby created and ordered established a Series 2020 Construction Subaccount.

Section 4.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Bond Fund. Within the Bond Fund, there is hereby created and ordered established an Administrative Costs Account and a Redemption Account.

Section 4.4 Creation of Reserve Fund. Consistent with the terms of the Declaration, there is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Reserve Fund. Within the Reserve Fund, there is hereby created and ordered established a Series 2020 Reserve Account for the Bonds which shall secure only the Bonds. Within the Series 2020 Reserve Account there is hereby established a Series 2020 Reserve Subaccount.

Section 4.5 Creation of Cost of Issuance Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Cost of Issuance Fund.

Section 4.6 Reserved.

Section 4.7 Additional Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article IV until such funds or accounts shall be utilized. The Issuer may authorize the creation of additional funds and additional accounts within any funds.

ARTICLE V
USE OF FUNDS

Section 5.1 Use of Assessment Fund. All payments of Assessments received and collected by the Issuer pursuant to the Declaration, including Assessments received by the Issuer or for its account from the foreclosure sale of delinquent properties shall be deposited upon receipt in the Assessment Fund and shall be transferred to the Trustee within ten (10) days after receipt. Upon such transfer, such amounts, together with amounts that may be received by the Trustee from the subsequent sale of foreclosed properties transferred by Issuer to Trustee, shall be placed and allocated in the funds and accounts in the specified order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as listed below. Moneys on deposit in the Assessment Fund shall be applied by the Trustee on the fortieth (40) day prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) to the extent necessary for the purposes and in the amounts as set forth below.

(a) *First*, all regularly scheduled payments of Assessments (i) in the amount needed to pay the principal of and interest on the Bonds on each Interest Payment Date and at maturity or upon mandatory sinking fund redemption shall be deposited by the Trustee in the Bond Fund, with the initial Assessment due on February 1, 2021 to be used to make the payments on the Bonds on March 1, 2021 and each Assessment thereafter due any November 30 intended to be used to make the payments on the Bonds on the following March 1 and September 1, and (ii) in the amount attributable to the Issuer's administration fee (plus any direct out of pocket costs, including, but not limited to, legal fees, accounting fees, and fees of the Administrator, Trustee, and Foreclosure Agent) shall be deposited by the Trustee in the Administrative Costs Account in the Bond Fund and then remitted annually to the Issuer (and to the extent regularly scheduled payments of Assessments are not sufficient for (i) and (ii) in whole, such amount shall be distributed pro rata);

(b) *Second*, all prepayments of Assessments, including prepayment premiums, if any, shall be deposited by the Trustee first in the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption and second, in the Redemption Account within the Bond Fund to redeem Bonds as provided in Section 2.5(c);

(c) *Third*, all Assessments received from the foreclosure sale of delinquent property shall be deposited by the Trustee first to the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption and second, an amount sufficient to replenish the Reserve Fund for draws made thereon to pay principal of or interest on Bonds when due or to reimburse the respective accounts of the Reserve Fund for any moneys used thereunder for

foreclosure costs, shall be deposited into the respective Accounts of the Reserve Fund;

(d) *Fourth*, all remaining Assessments received from the foreclosure sale of delinquent property shall be deposited by the Trustee in the Redemption Account within the Bond Fund to redeem Bonds pursuant to Section 2.5(b) herein.

Section 5.2 Use of Bond Fund.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) the amounts provided for in Section 5.1 herein;

(ii) moneys transferred from the Reserve Fund as provided in Section 5.4 herein; and

(iii) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in this Section, moneys in the Bond Fund shall be expended solely for the payment of principal of and interest on the Bonds as the same become due on each Interest Payment Date and at maturity or upon earlier redemption.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay principal of and interest on the Bonds as the same become due and payable at maturity or upon earlier redemption and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. Any moneys on deposit in the Bond Fund after final payment of the Bonds and all administrative costs shall at the written direction of the Issuer, be remitted to the owners of Assessed Property as an overpayment of Assessments.

Section 5.3 Construction Fund. (a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the Construction Fund shall be disbursed by the Trustee to pay the costs of the Improvements, in each case within ten (10) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer (or the Administrator on behalf of the Issuer) and signed by a third-party engineer in substantially the form as Exhibit D attached hereto, directing that the Trustee disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is due and owing and constitutes a cost of acquisition and/or construction of the Improvements based upon itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee within ninety (90) days after all moneys have been expended from the Construction Fund, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that the portion of the Improvements to be financed with proceeds of the Bonds has been fully completed in accordance with the plans and specifications therefor, as amended from time to time or that the Developer has posted an improvement bond (or other guaranty) therefor in an amount satisfactory to the applicable government entity; and

(ii) that said Improvements have been fully paid for or guaranteed and no claim or claims exist against the Developer, the Issuer or against such Improvements out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Developer or the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 5.3(c) herein shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Upon completion of that portion of the Improvements to be financed with proceeds of the Bonds, and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.3, any balance remaining in the Construction Fund shall as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied to pay interest next falling due with respect to the Bonds or to redeem Bonds with any remaining funds.

The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder described in Section 8.1(a) or 8.1(b).

Section 5.4 Use of Reserve Fund.

(a) Moneys on deposit in the Reserve Fund shall be used to make up any deficiencies in the Bond Fund for the payment of the Bonds when due, including to pay any foreclosure costs.

(b) Amounts recovered by exercise of any of the remedies provided in the Declaration or otherwise from delinquent Assessments (and not needed to pay amounts coming due on the Bonds) shall be used to replenish (up to the respective requirement) amounts drawn from the Accounts within the Reserve Fund to pay the Bonds and any Additional Bonds.

(c) Except as otherwise provided in this Section, the Series 2020 Reserve Account shall at all times be maintained in an amount not less than the Debt Service Reserve Requirement. Moneys at any time on deposit in the Series 2020 Reserve Account in excess of the Debt Service Reserve Requirement shall on October 15 of each year be transferred to the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due. Payments of Assessments coming due on the next assessment payment date shall be reduced pro rata as a result of any such transfer from the Series 2020 Reserve Account.

Notwithstanding anything herein to the contrary, in the event the Issuer receives a prepayment in full on a parcel of property ("Prepaid Parcel") it shall transfer moneys from the Reserve Fund to the Redemption Account in an amount equal to that Prepaid Parcel's pro rata share of the Debt Service Reserve Requirement (taking into account any outstanding delinquencies with respect to the Prepaid Parcel). Those moneys, together with the prepayment of Assessments, shall be used to redeem the series of Bonds related to such prepayment as provided in Section 2.5(d) herein. Following a prepayment and, if permitted, application of moneys from the Reserve Fund, the new Debt Service Reserve Requirement with respect to the Bonds shall then be the original Debt Service Reserve Requirement, less the amounts transferred from the Reserve Fund to the Redemption Account as described in this paragraph. The Issuer shall give written instruction to the Trustee as to the amounts of money in the Reserve Fund to be transferred from the Reserve Fund to the Redemption Account within the Bond Fund to redeem the Bonds.

Upon the final payment of the Bonds, any moneys on deposit in the Series 2020 Reserve Account shall be applied by the Trustee to said final payment, and any excess moneys net of outstanding administrative charges on deposit thereafter shall at the written direction of the Issuer, be remitted to the owners of Assessed Property as an overpayment of Assessments.

If at any time the amount on deposit in the Series 2020 Reserve Account is less than the Debt Service Reserve Requirement with respect to the Bonds, the Trustee shall notify the Issuer of such deficiency and the Issuer shall replenish the Series 2020 Reserve Account from proceeds received from the sale of delinquent property as provided in the Act. If, however, the Series 2020 Reserve Account is not fully replenished from proceeds received from the sale of delinquent property, the Issuer shall not be required to replenish the Series 2020 Reserve Account to the Debt Service Reserve Requirement except as funds become available from those sources pledged and described herein.

Section 5.5 Cost of Issuance Fund. Upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit C attached hereto, the Trustee will disburse from the Cost of Issuance Fund the amounts to the parties identified on the Cost of Issuance Disbursement Request. Amounts on deposit in the Cost of Issuance Fund which the Issuer determines are not needed for payment of costs of issuance shall be transferred by the Trustee, at the written direction of the Issuer, to the Construction Fund.

Section 5.6 Reserved.

Section 5.7 Investment of Funds. All moneys in the Bond Fund, the Construction Fund, the Reserve Fund, and the Cost of Issuance Fund, may, at the discretion and written direction of the Issuer, be invested by the Trustee in Qualified Investments, including guaranteed investment contracts secured solely by Qualified Investments. Absent such written direction, the Trustee shall hold all such moneys uninvested. All income derived from the investment of the Bond Fund, the Construction Fund, the Reserve Fund, and Cost of Issuance Fund shall be maintained in said Funds and accounts respectively and shall be disbursed along with the other moneys on deposit therein as herein provided.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transaction as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

Section 5.8 Trust Funds. All moneys received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys shall be held in trust and applied in accordance with the provisions hereof. Unless and until disbursed pursuant to the terms hereof, all such moneys (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Issuer and Trustee payable hereunder.

Section 5.9 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market. With

respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Reserve Fund, whereupon the securities therein shall be valued immediately after such withdrawal.

Section 5.10 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Assessments and all other applicable funds and moneys pledged under this Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Pursuant to Section 57-8a-301 of the HOA Act, the recording of the Declaration constitutes record notice and perfection of the lien for Assessments and for the costs, fees and charges associated with the collection of the Assessments as described in the Declaration. The lien was perfected upon recording of the Declaration on December 11, 2020.

ARTICLE VI
COVENANTS AND UNDERTAKINGS

Section 6.1 Covenants of Issuer. All covenants, statements, representations, and agreements contained in the Bonds, and all recitals and representations in this Indenture are hereby considered and understood as the covenants, statements, representations, and agreements of the Issuer.

Section 6.2 Levy and Collection of Assessments; Punctual Payment. The Issuer hereby appoints, authorizes, empowers and directs the Administrator, on behalf of the Issuer, to cause the Foreclosure Agent to enforce collection all Assessments levied to repay the Bonds from which proceeds were used to pay the cost of the Improvements within the boundaries of, or providing a special benefit to, the Assessed Property, the installments thereon, the interest thereon, and any charges or fees thereon, including without limiting the generality of the foregoing, the whole of the unpaid principal, interest charges and fees accrued which become due and payable immediately because of the failure to pay any installment whether of principal or interest, when due, and to cause such payments to be paid to the Trustee as herein provided. The Issuer covenants that it will receive all Assessments, all recoveries through enforcement, and all foreclosed Assessed Property in trust for the Owners and shall have no beneficial right or interest in the Assessments deposited or Assessed Property obtained, except as provided in this Indenture. All Assessments levied or Assessed Property obtained shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Issuer.

The Issuer covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Additional Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Additional Bonds and in accordance with this Indenture to the extent that Assessments levied and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Additional Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Additional Bonds issued hereunder.

Section 6.3 Lien of Assessment.

(a) The Assessments, any interest accruing on the Assessments and the charges, fees, and costs of collection of the Assessments shall continue to constitute and are hereby declared to be a lien against the Assessed Properties upon which the Assessments are levied from and after the date on which the Declaration became effective.

(b) The lien of the Bonds shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, *except for* the lien for general real property taxes and other governmental assessments and charges

against the Assessed Properties and shall be senior to any assessments by any other homeowners associations, as set forth in the Declaration.

(c) Said liens shall apply without interruption, change in priority, or alteration in any manner to any reduced payment obligations and shall continue until the Assessment and any interest, charges, and costs thereon are paid in full in accordance with the Declaration; provided, that any sale of a lot or other parcel of the Assessed Property for or on account of a delinquent general property tax, special tax, other assessment by a governmental taxing authority, or the issuance of a tax deed, may result in termination of the Assessment Lien. Under those circumstances, preservation of the Issuer's Assessment Lien upon such lot or parcel would require that the Issuer either (a) purchase the property at the tax lien sale, or (b) complete the foreclosure of the subject property prior to the tax lien sale and, in the event it acquires the property by credit bid or otherwise, satisfy the tax delinquencies. The Issuer shall take all reasonable actions to preserve the lien of the Assessment as may be directed by the Trustee or the Bondholders.

Section 6.4 Default in Payment of Assessments. As further described in the Declaration, in the event a default occurs in the payment of any installment of principal or interest of the Assessments levied pursuant to the Declaration when due, the Issuer shall subject to the Act or any other applicable law of the State, or lawful order of any governmental authority of competent jurisdiction (a) either declare the unpaid amount delinquent and subject to collection or declare the whole of the unpaid Assessment immediately due and payable and subject to collection, (b) provide notice of such default, and (c) following the lapse of a 30-day period to remedy the default provided in the Notice, all as provided in the Declaration, the Issuer may immediately (i) initiate a sale of the property as provided in Title 57, Chapter 1, Parts 24 through 34, Utah Code Annotated 1953, as amended or (ii) sell the property pursuant to the HOA Act, in the manner provided for judicial foreclosures and nonjudicial foreclosures. If at the sale, no person or entity shall bid and pay the Issuer the amount due on the Assessment plus interest, charges and costs, plus attorneys' fees and foreclosure costs, if any, the property shall be deemed sold to the Issuer for these amounts. The Issuer shall have no obligation to pay any Assessment installments in the case of temporary ownership while the property is being foreclosed upon. Pursuant to the Declaration, the Issuer hereby elects to transfer ownership of the delinquent property "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind to the Bondholders of the Bonds (or a legally created entity designated by the Bondholders) in full satisfaction of all outstanding assessment obligations related to such property hereunder and any payment obligations of the Issuer to the Bondholders of the Bonds. If the Bondholders or any legally created entity of the Bondholders refuses to accept such delivery of the delinquent property, then the Issuer shall sell such property (subject to real property taxes and other assessments (if any) for the then current year and thereafter as well as any easements, rights of way, covenants, restrictions and all other matters of every kind that are then of record and all matters that an accurate survey or a physical inspection of the property would then disclose). The property is to be conveyed "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind, and deposit the proceeds thereof (after reimbursement of reasonable administrative and foreclosure expenses of the Issuer in

connection therewith) with the Trustee for the benefit of the Bondholders, in full satisfaction of all outstanding assessment obligations related to such property hereunder and any payment obligations of the Issuer to the Bondholders of the Bonds. By purchase or other means of obtaining ownership of the Bonds, all Bondholders are deemed to have consented to the provisions of this Section 6.4.

The remedies provided in this Section for the collection of Assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the Issuer of the use of any other method or means. In the event of any foreclosure proceedings or other remedies pursued hereunder, the Issuer shall accept direction from the Bondholders to the extent permitted by law in pursuing any such remedies. In the absence of any direction from Bondholders, the Issuer shall not be liable for any harm to Bondholders from its efforts to complete its duties hereunder in a reasonable manner, nor shall the Issuer be required to expend any of its own funds to complete such duties. The Issuer shall not be responsible to pay for the costs associated with the collection of default Assessments and the enforcement of liens. However, such costs shall be paid by the Trustee from funds available under the Indenture, as approved and directed by a simple majority of Bondholders and consented to by the Issuer, and included in amounts required to be collected in connection with the sale of delinquent property upon foreclosure.

Section 6.5 Limited Obligation of Issuer. Notwithstanding anything contained elsewhere herein to the contrary, the Bonds, or any other obligation hereunder, are not a general obligation of the Issuer but are payable exclusively out of the funds and/or property described herein. The Issuer shall not be liable for the payment of the Bonds, except to the extent of the funds created and received from (a) payments of the Assessments by the owners of the Assessed Properties, (b) moneys and property collected through Issuer's enforcement of the Assessment obligations, including foreclosure sales resulting from unpaid Assessments (after payment of costs as described in Section 6.4 herein), and (c) moneys on deposit in the Reserve Fund, but the Issuer shall be held responsible for the lawful levy of all Assessments, for the creation and maintenance of the Series 2020 Reserve Account as provided herein, and for the faithful accounting, collection, settlement, and payment of the Assessments (but only with funds available under the Indenture and thereafter dependent on funding by the Bondholders).

Section 6.6 Reserved.

Section 6.7 No Additional Security Interest. The Issuer covenants that so long as any Bonds remain Outstanding, it shall not pledge or grant any security interest in the Assessments or any investment proceeds thereof (except as expressly provided in this Indenture).

Section 6.8 Further Assurances. The Issuer shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the assuring and confirming unto the Owners of the Bonds and any Additional Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII
THE TRUSTEE

Section 7.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon the following terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder. The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers, or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds) or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The

Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Authorized Representatives as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default as provided in Section 8.1(a) or Section 8.1(b) herein or an Event of Default which the Trustee has been notified or of which by Section 8.1 herein it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except an Event of Default that occurs under Section 8.1(a) or Section 8.1(b) and a failure to fund or replenish the Series 2020 Reserve Account as provided herein, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Registered Owners of at least 25% in the aggregate principal amount the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right fully to inspect all books, papers, and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers identified herein or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or the Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law and this Indenture. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) Before taking any action under this Indenture (other than making any payment of principal, premium or interest on the Bonds), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fee and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct.

Section 7.2 Fees, Charges, and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. The Issuer shall pay and reimburse the Trustee for its fees and expenses as provided in this Section solely from amounts available to the Issuer as set forth in Section 5.1(a)(ii) and, if such amount is not sufficient, from the other sources available hereunder.

Section 7.3 Notice to Registered Owners if Event of Default Occurs. The Trustee shall give written notice of any Event of Default (as herein defined) relating to any Event of Default that occurs under Section 8.1(a) or Section 8.1(b) by registered or certified

mail to all Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 7.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee shall intervene on behalf of such Bondholders if requested in writing by the Registered Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 7.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered mail, and by registered or certified mail to each Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of a successor Trustee by the Registered Owners or by the Issuer as provided in Section 7.8 hereof; provided, however that if no successor Trustee has been appointed within sixty (60) days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 7.7 Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, and signed by the Issuer (so long as the Issuer is not in default under any of its obligations hereunder) or signed by the Registered Owners of at least a majority in aggregate principal amount of Bonds then Outstanding, provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 7.8 Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Bondholders, or by their attorneys in fact,

duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by the Declarant (or other Authorized Representative), may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee (including any temporary Trustee) appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

Section 7.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer and all Bondholders an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall, upon payment of its fees and expenses, deliver all Bonds and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer.

Section 7.10 Trustee Protected in Relying on Indenture, Etc. This Indenture, opinions, certificates, and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant and protection to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 7.11 Successor Trustee; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee, Bond Registrar, and Paying Agent hereunder, and the successor Trustee shall become such Trustee, Bond Registrar and Paying Agent for the Bonds.

Section 7.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it

may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 7.13 Accounting. The Trustee shall prepare a written monthly accounting for each calendar month by the end of the month following each such calendar month showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer. On or before the end of the month following each calendar month, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor, representations as to the accuracy of the facts contained in said financial report.

Section 7.14 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees, or agents, may in good faith buy, sell, own, hold, and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. Each of the following events is hereby declared an Event of Default:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable; or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity, by mandatory sinking fund redemption or by proceedings for redemption in advance of maturity; or

(c) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within thirty (30) days after the entry thereof; or

(d) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any law or statute of the United States of America or any state thereof; or

(e) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment, or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

(f) if the Issuer shall file a petition or answer seeking reorganization, relief, or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(h) if the Issuer defaults in the performance or observance of any covenant, agreement, or condition on the part of the Issuer hereunder or under the Declaration (other than defaults mentioned in (a) or (b) above) and fails to remedy

the same for a period of thirty (30) days after notice of the default is given by the Trustee or Bondholders of at least a majority in aggregate principal amount of then Outstanding Bonds.

Section 8.2 Remedies; Rights of Bondholders. Upon the occurrence and continuance of any Event of Default, the Trustee may, upon request of the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding (subject to the indemnity provisions provided herein), pursue any available remedy by suit at law or in equity (including an action seeking the appointment of a receiver) to enforce payment on such Bonds or to enforce any obligation of the Issuer hereunder or under the Declaration (including, without limitation, by writ of mandamus, action for specific performance, or otherwise). No remedy conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each remedy is cumulative and is in addition to every other remedy given hereunder and under the Declaration or at law or otherwise to the Trustee or to the Bondholders.

The Bondholders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by instruments delivered to the Trustee, the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions of this Indenture and the Declaration; provided, that such direction is in accordance with the provisions of law and of this Indenture and the Declaration and the Trustee is indemnified to its satisfaction.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.3 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of Trustee's fees and expenses (including attorneys' fees and expenses) of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund (excluding moneys in the Redemption Account and the Administrative Costs Account) together with any other money held in any fund established hereunder, shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds as follows:

(i) Unless the principal of all of the Bonds shall have become due and payable, all such moneys shall be applied:

(A) FIRST—To the payment to the Bondholders entitled thereto of all installments of interest then due on the Bonds in the

order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment pro rata, according to the amounts due on such installment, to the Bondholders entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the Bondholders entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal, and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, pro rata, according to the amounts due respectively for principal and interest, to the Bondholders entitled thereto without any discrimination or privilege.

Subject to compliance with Section 9.2 herein, whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bondholders shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds to be applied pursuant to this Section, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 8.4 Rights and Remedies of Bondholders. Except as provided in the last sentence of this Section, no Bondholder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder. No one or more Bondholder of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien hereof by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Bondholders of all Bonds then Outstanding. Nothing herein contained shall, however, affect or impair the right of any Bondholder to enforce the covenants of the Issuer to pay the principal of, and premium, if any, and interest on, each of the Bonds issued

hereunder held by such Bondholder at the time, place, from the source, and in the manner in said Bonds expressed.

Section 8.5 Termination of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or Bondholders, then and in every such case the Issuer, the Trustee and the Bondholder shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Trustee and Bondholders shall continue as if no such proceedings had been taken.

Section 8.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

ARTICLE IX
SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of, or notice to the Bondholders, enter into a Supplemental Indenture hereto, or adopt an amendment to the Declaration as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.10 herein;

(b) To cure any inconsistency, ambiguity or defect or omission herein or in the Declaration;

(c) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee or the Bondholders or any of them;

(d) To subject to this Indenture additional properties, collateral, or security;

(e) To conform the Declaration to any subdivision of the Assessed Property as described therein or to otherwise permit the adjustment of Assessments as deemed appropriate by the Issuer so long as the Issuer shall certify that the remaining balance of the Assessments being collected will be sufficient for payment of principal and interest on the Bonds; and

(f) To amend the Declaration to (1) conform the Declaration to any laws or regulations or any governmental authority, (2) correct typographical or engineering errors or amend, replace or substitute any exhibit to correct typographical or engineering errors, (3) include any exhibit that was inadvertently omitted from the Declaration at the time of recording, (4) change or update any exhibit or portion of an exhibit to conform to final subdivision plats and as-built conditions of the Assessed Property so long as such change does not materially adversely affect the Assessment obligation or lien rights of the Association or the Bondholders, or (5) for any other purpose in order to effectuate the purposes described herein for the funding of the Financed Improvements for the benefit of the Assessed Property.

Section 9.2 Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents by Bondholders. Exclusive of Supplemental Indentures and ordinances covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (a) consent to and approve the execution by the Issuer of such other Supplemental Indenture and amendment to the Declaration as shall be deemed necessary and desirable by the Issuer for the purpose of

modifying, altering, amending, adding to, or rescinding any of the terms or provisions contained herein or in any Supplemental Indenture or in the Declaration as supplemented, or (b) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any Supplemental Indenture hereto or in the Declaration as supplemented; provided, however, that nothing in this Section contained shall permit or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Bondholder of such Bond, or (ii) except as provided in Section 9.1(e) a reduction in the amount or extension of the time of any Assessment or any other payment required hereunder or under the Declaration to any fund established hereunder without the consent of the Bondholders of all the Bonds which would be affected by the action to be taken, or (iii) a reduction in the aforesaid aggregate principal amount of Bonds, the Bondholders of which are required to consent to any such waiver or Supplemental Indenture or ordinance, or (iv) affect the rights of the Bondholders of less than all Bonds then Outstanding, without the consent of the Bondholders of all the Bonds at the time Outstanding which would be affected by the action to be taken. Prior to any Supplemental Indenture or ordinance becoming effective under this Section, the Trustee shall have on file written consent to such Supplemental Indentures or ordinances executed by at least a majority in aggregate principal amount of all Bonds then Outstanding.

In executing or accepting any Supplemental Indenture permitted by this Article, the Trustee and the Issuer shall receive, and, shall be fully protected in relying upon, an opinion of Issuer's Counsel addressed and delivered to the Trustee and the Issuer that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, and (b) such Supplemental Indenture will, upon the execution and delivery thereof, be a valid and binding obligation of the Issuer.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental

Indenture as in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X
DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Bondholders of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Paying Agent all sums of moneys due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, whereupon the Trustee at the request of the Issuer shall cancel and discharge the lien hereof, except moneys or Bonds held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal of such Bond, plus premium, if any, and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Trustee for the benefit of the Bondholders, in trust and irrevocably setting aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all proper fees, compensation and expenses (including attorneys' fees and expenses) of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, irrevocable instructions:

- (a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of this Indenture; and
- (c) instructing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Bondholders of such Bonds which have been selected by the Trustee by lot that the deposit required by this Section has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon

which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds.

Any moneys so deposited with the Trustee as provided in this Article may at the written direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Issuer shall first obtain and deliver to the Trustee a written verification from a firm of independent certified public accountants that the moneys remaining on deposit with the Trustee and invested in Government Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything herein to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Bondholder of each Bond affected thereby.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection, or other instrument required hereby to be executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution. The amount of Bonds held by any person executing such instrument as a Registered Owner of Bonds and the fact, amount and numbers of the Bonds held by such person and the date of his holding the same shall be proved by the registration books of the Trustee.

Section 11.2 Cancellation of Bonds and Additional Bonds. All Bonds and Additional Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Additional Bond purchased by the Issuer as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Additional Bonds, as provided by law, and, upon request of the Issuer, furnish to the Issuer a certificate of such destruction.

Section 11.3 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Additional Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Additional Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Additional Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Additional Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the Issuer to such proof, it being intended that the Trustee or the Issuer may accept any other evidence of the matters herein stated which the Trustee or the Issuer may deem sufficient. Any request or consent of the Owner of any Bond or Additional Bond shall bind every future Owner of the same Bond or Additional Bond in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request or consent.

Section 11.4 Replacement of Foreclosure Agent or Administrator. The Trustee may replace Foreclosure Agent or the Administrator at any time, upon request of the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding (subject to the indemnity provisions provided herein) by an instrument or concurrent instruments in writing signed by such Bondholders, or by their attorneys in fact, duly authorized, appointing a successor Foreclosure Agent (meeting the requirements of such position contained in the Declaration) or Administrator, as applicable.

Section 11.5 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect hereto or any covenants, conditions, and provisions herein contained, this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds as herein provided.

Section 11.6 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.7 Notices. It shall be sufficient service of any notice, request, complaint, demand, or other paper on the Issuer or Bondholders and the Trustee if the same shall be duly mailed by registered or certified mail, postage pre-paid, return receipt requested, or sent by telegram, telecopy or telex or other similar communication, confirmed by telephone, on the same day, addressed as follows provided that the notice to the Trustee shall be effective only upon receipt:

If to the Issuer: Wildflower Improvement Association
 14034 S. 145 E., Suite 204
 Draper, UT 84020
 Attention: Nate Shipp

If to the Trustee: UMB Bank, n.a.
 Corporate Trust Department
 2777 East Camelback Road, Suite 350
 Phoenix, Arizona 85016
 Attention: Sandy Battas

Section 11.8 Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.9 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 11.10 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.11 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement herein contained against any past, present, or future officer, or other public official, employee, or agent of the Issuer.

Section 11.12 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.13 Effective Date. This Indenture shall become effective immediately.

Section 11.14 Compliance with Act. It is hereby declared that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

WILDFLOWER IMPROVEMENT
ASSOCIATION, as Issuer

A handwritten signature in black ink, appearing to be a stylized letter 'A' with a horizontal crossbar.

By: _____
Authorized Representative

ATTEST:

By: _____
Declarant

UMB Bank, n.a., as Trustee

By: _____

Title: _____

EXHIBIT A

FORM OF BONDS

Each fully registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements, and variations as may be required:

Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Registered

Registered

UNITED STATES OF AMERICA

WILDFLOWER IMPROVEMENT ASSOCIATION
FIXED ASSESSMENT BONDS
SERIES 2020 (TAXABLE)

Number RA-____ \$41,650,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____%	_____, 20____	_____	

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS

Wildflower Improvement Association (the "Issuer"), a nonprofit corporation duly organized and existing under the Constitution and laws of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date identified above, upon presentation and surrender hereof, the Principal Amount identified above, and to pay the Registered Owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid at the Interest Rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above, payable annually on each _____ and _____, beginning _____, 202_, until payment in full of said Principal Amount, except as the provisions set forth in the hereinafter mentioned Indenture with respect to

redemption prior to maturity may become applicable hereto. Interest on this Bond shall accrue from the Interest Payment Date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first Interest Payment Date following the Original Issue Date identified above, in which case interest shall accrue from the Original Issue Date, or (b) if this Bond is authenticated on an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date; provided that if at the time of authentication of this Bond, interest is in default, interest shall accrue from the date to which interest has been paid in full. Principal of and premium, if any, on this Bond shall be payable upon surrender of this Bond at the corporate trust office of UMB Bank, n.a, Phoenix, Arizona, as Paying agent; and payment of the interest hereon shall be made to the Registered Owner hereof and shall be paid by check or draft mailed or to owners of \$1,000,000 or more of Bonds (or 100% of the Bonds) by wire in immediately available funds to the person who is the Registered Owner of record as of the Bond Registrar's close of business on the fifteenth day immediately preceding each Interest Payment Date at the address of such Registered Owner as it appears on the registration books kept by the hereinafter defined Bond Registrar, or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar as provided in the hereinafter defined Indenture. Principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the Fixed Assessment Bonds, Series 2020 (Taxable) of the Issuer (the "Bonds") limited to the aggregate principal amount of \$41,650,000 issued under and by virtue of the Community Association Act, Title 57, Part 8a, Utah Code Annotated 1953, as amended and the Utah Revised Nonprofit Corporation Act, Title 16, Part 3, Utah Code Annotated 1953, as amended (collectively, the "Act"), and under and pursuant to an Indenture of Trust and Pledge dated as of December 1, 2020, by and between the Issuer and the Trustee (the "Indenture"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

The Bonds are issuable solely in the form of registered bonds without coupons in the denomination of 100,000 or any integral multiple of \$1 in excess thereof.

The Bonds are subject to redemption as provided in the Indenture.

UMB Bank, n.a. is the initial trustee, bond registrar, and paying agent with respect to the Bonds. Said trustee, bond registrar, and paying agent, together with any successor trustee, bond registrar, or paying agent, respectively, is referred to herein as the "Trustee," the "Bond Registrar," and the "Paying Agent."

Payment of this Bond and the interest thereon shall be made from, and as security for such payment there is pledged a first lien on the moneys on deposit in, the Bond Fund of Wildflower Improvement Association, containing the receipts derived by the Issuer from the Assessments levied upon the property encumbered by the Declaration dated as of December 11, 2020, as amended from time to time (the "Declaration") all other applicable funds and moneys pledged under the Indenture.

It is hereby certified that a Series 2020 Reserve Account has been created and the Issuer agrees that at all times during the life of this Bond and until payment thereof in full, said Fund shall be maintained as described in the Indenture. This Bond is not a general obligation of the Issuer, but is payable exclusively out of the funds described in the Indenture. The Issuer shall not be liable for the payment of the Bond, except to the extent of the funds created and received from (a) proceeds from the sale of the Bond, (b) the Assessments including Assessments and property collected through foreclosure sales resulting from unpaid Assessments, and (c) moneys on deposit in the Series 2020 Reserve Account, but the Issuer shall be held responsible for the lawful levy of all Assessments, for the creation and maintenance of the Series 2020 Reserve Account as provided in the Indenture, and for the faithful accounting, collection, settlement, and payment of the Assessments. The Issuer may apply at its sole discretion any other legally available funds or revenues to the payment of the principal and interest on the Bond.

The Assessments made and levied pursuant to the Declaration, with accruing interest thereon, and the charges, fees, and cost of collection of the Assessments constitute a lien upon and against the property upon which such Assessments were made and levied from and after the date upon which the Declaration, which lien is superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance. Said lien is subordinate to the lien for general property taxes.

This Bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the Corporate Trust Office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Indenture and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

This Bond and the issue of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts, and things required by the Constitution or statutes of the State of Utah and by the Act and the Indenture to exist, to have happened, or to have been performed

precedent to or in connection with the issuance of this Bond exist, have happened, and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of Bonds of the Issuer, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of the Improvements within the boundaries of, or benefiting, the Assessed Properties, and that all said special Assessments have been lawfully levied.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, THE ISSUER has caused this Bond to be signed in its name and on its behalf by the Declarant, as the Authorized Representative of the Wildflower Improvement Association and attested by the Declarant, acting as the officers of the Issuer.

WILDFLOWER IMPROVEMENT
ASSOCIATION

By: _____ (Do Not Sign)
Authorized Representative

ATTEST:

By: _____ (Do Not Sign)
Declarant

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Wildflower Improvement Association Fixed Assessment Bonds, Series 2020 (Taxable) described in the within mentioned Indenture.

UMB BANK, N.A.

By: _____
Authorized Officer

Date of authentication: _____, 2020.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM – as tenants in common
- TEN ENT – as tenants by the entireties
- JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for_
(Minor)

under Uniform Gifts to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned sells, assigns, and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program)

EXHIBIT B

FORM OF INVESTOR LETTER

_____, 2020

Wildflower Improvement Association
Saratoga Springs, Utah

Gilmore & Bell, P.C.
Salt Lake City, Utah

UMB Bank, n.a., as Trustee
Phoenix, Arizona

SAMCO Capital Markets, Inc.
Dallas, Texas

WILDFLOWER IMPROVEMENT ASSOCIATION
a Utah nonprofit corporation
\$41,650,000 FIXED ASSESSMENT BONDS
SERIES 2020 (TAXABLE)

Ladies and Gentlemen:

The undersigned ("Beneficial Owner") is the purchaser of the above-captioned bonds (the "Bonds") issued by WILDFLOWER Improvement Association (the "Issuer") pursuant to that certain Indenture of Trust, dated as of December 1, 2020 (the "Indenture"), between the Issuer and UMB Bank, n.a., as Trustee ("Trustee").

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Beneficial Owner has been informed that the Issuer will not sell or permit any Bonds to be sold to Beneficial Owner unless Beneficial Owner makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Beneficial Owner AS AN INDUCEMENT to the sale of the Bonds to Beneficial Owner.

In connection with the sale of the Bonds to Beneficial Owner, Beneficial Owner hereby makes the following representations upon which you are authorized to rely:

1. Beneficial Owner has received and read the Limited Offering Memorandum dated June 25, 2020 including the Indenture (including the form of Bond) and the Declaration appended thereto, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Beneficial Owner is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Beneficial Owner has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Beneficial Owner is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, provided that it is understood that the Beneficial Owner may transfer and dispose all or any part of the Bonds in its full discretion subject to the transfer restrictions described in the Indenture.
4. Beneficial Owner understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Beneficial Owner consistent with Beneficial Owner's investment needs and objectives.

6. Beneficial Owner is a “qualified institutional buyer” as defined in Rule 144A under the 1933 Act; Beneficial Owner understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.
7. Beneficial Owner acknowledges that the Bonds are not transferable except to another qualified institutional buyer as provided by the Indenture, and Beneficial Owner agrees to abide by the transfer restrictions set forth in the Indenture; and that Beneficial Owner shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee a qualified institutional buyer.
8. Beneficial Owner acknowledges that it has either been supplied with or been given access to information and Beneficial Owner has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Bonds and the security therefor so that the Beneficial Owner has been able to make its decision to purchase the Bonds.
9. BENEFICIAL OWNER ACKNOWLEDGES THAT THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER. THE ISSUER IS A UTAH NONPROFIT CORPORATION AND IS NOT A POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF.
10. Beneficial Owner has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Issuer and the Developer, to the extent Beneficial Owner deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Beneficial Owner is aware that the development of the Assessed Property involves certain economic variables and risks that could adversely affect the security for the Bonds.

[name of purchaser]

By: _____
Name: _____
Title: _____

EXHIBIT C

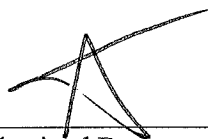
COST OF ISSUANCE DISBURSEMENT REQUEST

UMB Bank, n.a.
Corporate Trust Department
2777 East Camelback Road, Suite 350
Phoenix, Arizona 85016

Pursuant to Section 5.5 of the Indenture of Trust and Pledge dated as of December 1, 2020, you are hereby authorized to pay to the following costs of issuance from the Cost of Issuance Fund:

[See Attached Schedule]

WILDFLOWER IMPROVEMENT
ASSOCIATION

By:  _____
Authorized Representative

<u>Payee</u>	<u>Costs of Issuance</u> <u>Purpose</u>	<u>Amount</u>
--------------	--	---------------

EXHIBIT D

FORM OF REQUISITION

Re: Wildflower Improvement Association Fixed Assessment Bonds, Series 2020
(Taxable), in the sum of \$41,650,000

You are hereby authorized to disburse from the Series 2020 Construction Subaccount with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE:

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein: (i) has been properly incurred, is a proper charge against the Series 2020 Construction Subaccount based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), and has not been the basis for a previous withdrawal and (ii) has been confirmed by Wildflower Improvement Association, in its reasonable discretion the cost of which is not greater than the fair market value of the same.

DATED: _____

WILDFLOWER IMPROVEMENT
ASSOCIATION

By: _____

Its: Manager

(Certification of third-party engineer on next page)

I am an engineer engaged to perform the necessary engineering services for and/or to supervise the acquisition of the improvements proposed to be acquired, constructed and/or installed benefiting the Wildflower Improvement Association. I have reviewed and certify that the obligation, item of cost, or expense mentioned herein are not greater than the fair market value of the same.

DATED: _____

THIRD-PARTY ENGINEER

By: _____

Title: _____

Firm: _____