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REC FOR: SANCTUARY UTAH

SECOND AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS

FOR

SANCTUARY UTAH

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SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SANCTUARY UTAH

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SANCTUARY UTAH ("Declaration"), dated as of _____, 2018, is made and executed by Sanctuary Utah, LLC, a Utah limited liability corporation ("Declarant") for itself, its successors and assigns.

PART ONE: INTRODUCTION TO THE SANCTUARY UTAH COMMUNITY

Sanctuary Utah, LLC, as the developer of the Sanctuary Utah Community, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance and preservation of Sanctuary Utah as a master planned community.

An integral part of the development plan is the creation of Sanctuary Utah Owners Association, Inc., an association comprised of all owners of real property in Sanctuary Utah Community, to own, operate, and maintain the various community areas and provide for comprehensive land planning, preservation of the natural and wildlife habitat, harmonious and appealing landscaping, improvements, and the establishment of an association to govern the Sanctuary Utah Community. At full development the Sanctuary Utah Community is intended to be a unique and exclusive residential mountain community oriented for outdoor recreation and related uses located at or near the Sanctuary Utah Community , including, without limitation, a heli-skiing pad, Nordic ski trails, equestrian uses, hiking, biking, trail camps, preservation of open space, and conservation of wildlife habitat.

PART TWO: GOVERNANCE AND ADMINISTRATION

RECITALS

A. This Declaration amends, restates and supersedes that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Sanctuary Utah, dated December 14, 2018, and recorded in the Weber County Recorder's Office on December 17, 2018 as Entry No. 2957286 (the "Amended Declaration") which effectively replaced and superseded in its entirety that certain Declaration of Covenants, Conditions and Restrictions for The Sanctuary, dated July 16, 2013, and recorded in the Weber County Recorder's Office on July 16, 2013 as Entry No. 2645603. Pursuant to Section 15.3 of the Amended Declaration, Declarant reserved the right to unilaterally amend the Declaration without the need for the Association's or any Owner's consent prior to the closing of a sale of the first Lot.

B. Declarant holds both legal and equitable title to all of the property governed by the Declaration, as more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference (the "Property"), upon which Declarant desires to develop a master planned community project known as Sanctuary Utah (the "Community").

C. Pursuant to Section 15.3 of the Amended Declaration, Declarant may unilaterally amend the Amended Declaration prior to the closing of a sale of the first Lot. As of the date of this Declaration, Declarant is the sole legal owner of the Property and has not closed on the sale of any Lots in the Community. Declarant now desires to exercise its unilateral right to amend and restate the Amended Declaration and hereby certifies that it may execute this Declaration without the consent or signature of any other party or Owner as provided in Section 15.3 of the Amended Declaration.

D. The covenants, conditions and restrictions contained in this Declaration and in the Exhibits attached hereto and incorporated herein by this reference shall be enforceable equitable covenants and equitable servitudes and shall run with the land. This Declaration amends in its entirety, restates, supersedes and completely replaces the Amended Declaration. Upon recording of this Declaration, the terms and provisions of the Amended Declaration shall be and are hereby terminated.

E. Declarant may, without obligation, annex some or all of the Additional Land into the Community, which land is not presently included in the Community.

F. As part of the development of the Community, Declarant may sell to and/or co-develop various parcels with other developers and record additional restrictive covenants on the parcels.

G. Declarant desires to form the Association as a non-profit corporation for the purpose of benefiting the Community and its Owners and Residents, which non-profit corporation is authorized to (a) acquire, construct, operate, manage and maintain a variety of Community Areas and other areas within the Community; (b) establish, levy, collect and disburse the Assessments and other charges imposed hereunder; and (c) as the agent and representative of the Members of the Association and Residents of the Community, administer and enforce all provisions hereof and enforce use and other restrictions imposed on various parts of the Community.

H. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners, Mortgagees, Residents, occupants or other holders of an interest in the Community, or any part thereof, certain easement rights and mutually beneficial covenants, restrictions and obligations with respect to the proper development, use and maintenance of the various Lots within the Community.

I. Declarant desires and intends that the Owners, Mortgagees, lessees, occupants, Residents and other persons hereafter acquiring any interest in, or otherwise utilizing property at, the Community shall at all times enjoy the benefits of, and shall hold their interest subject to the rights, easements, privileges, covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the aesthetic and cooperative aspects of the Community and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Community.

J. Declarant therefore wishes to subject all of the Community to the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements hereinafter set forth.

K. In order to cause this Declaration to run with the land and to be binding upon the Community and the Owners thereof from and after the date this Declaration is Recorded, Declarant hereby makes all conveyances of the Community, whether or not so provided therein, subject to the covenants herein set forth; and by accepting deeds, leases, easements or other grants or conveyances to any portion of the Community, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the covenants (including but not limited to the obligation to pay Assessments) hereinafter set forth.

NOW, THEREFORE, DECLARANT, in accordance with the terms and provisions of the Amended Declaration, hereby amends and restates the Amended Declaration in its entirety as follows:

ARTICLE 1
DEFINITIONS

Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Article 1.

1.1. "Additional Land" shall mean, refer to, and consist of the remainder parcel, as more particularly described in "Exhibit B" attached hereto and made a part hereof by this reference, and which may be subdivided, developed and added to the Community in the future in accordance with the provisions of Article 19.

1.2. "Annual Assessment" shall mean the charge levied and assessed each year against each Lot, and the Owner thereof, pursuant to Section 7.2.

1.3. "Articles" shall mean the Articles of Incorporation of Sanctuary Utah Owners Association, Inc., a Utah nonprofit corporation, as the same may from time to time be amended or supplemented.

1.4. "Assessable Property" shall mean any Lot or Residence, except such part or parts thereof as may from time to time constitute Exempt Property.

1.5. "Assessment Lien" shall mean the lien created and imposed by Article 8;

1.6. "Assessment Period" shall mean the term set forth in Section 7.10.

1.7. "Assessment" shall mean any Annual Assessment, Special Assessment, Shared Ownership Assessment, Shared Ownership Special Assessment, and/or Maintenance Charge imposed by the Association.

1.8. "Association Land" shall mean such part or parts of the Community, together with the open space, buildings, structures and Improvements thereon, and other real property

which the Association now or hereafter owns in fee simple for as long as the Association is the owner of the fee simple.

1.9. "Association" shall mean the Utah nonprofit corporation to be organized by Declarant to administer and enforce this Declaration and to exercise the rights, powers and duties set forth in this Declaration, its successors and assigns. Declarant hereby reserves the exclusive right to cause such Association to be incorporated and intends to name the Association the "SANCTUARY UTAH OWNERS ASSOCIATION, INC."

1.10. "Board" shall mean the Board of Directors of the Association.

1.11. "Bylaws" shall mean the Bylaws of the Association as the same may from time to time be amended or supplemented.

1.12. "Community Act" shall mean the Utah Association Act (Title 57, Chapter 8a, Utah Code Annotated, as amended from time to time).

1.13. "Community Area(s)" shall mean (a) all Association Land; (b) all land within the Sanctuary Community which the Declarant, by this Declaration or other recorded instrument, makes available for general use by Owners; (c) all easement and use rights granted or reserved in this Declaration, or otherwise, to the Association or its Owners for the use, location, construction, maintenance, repair and replacement, as applicable, of the Private Roadway System, Private Driveways, Trail System, the Recreational Barn, Heli-Pad, Sanctuary Dome and water resources, which easements are set forth in this Declaration or may be granted or created on the Plat or by a deed or other conveyance accepted by the Association; (d) all land or right-of-way easements within the Community which are dedicated to the public or to a Municipal Authority, but which such Municipal Authority or other governmental agency requires the Association to maintain; (e) areas on a Lot within easements granted to the Association for the location, construction, maintenance, repair and replacement of improvements, which easement may be granted or created on a Plat or Supplemental Declaration or by a Deed or other conveyance accepted by the Association; and (f) all areas of the Lot not Improved with a Residence or Landscaped Area.

1.14. "Community Expense Fund" shall mean and refer to the fund created pursuant to the provisions of Article 7 of this Declaration into which all monies of the Association shall be deposited. Two separate and distinct funds shall be created and maintained thereunder, one for operating expenses and one for capital or reserve expenses, which together shall constitute the Community Expense Fund.

1.15. "Community Expenses" shall mean and refer to those costs and expenses arising out of or connected with the maintenance and operation of the Community and the Association as described in Article 7 and which determine the Assessments.

1.16. "Community Rules" shall mean the rules for the Community adopted by the Board pursuant to Section 16.5.

1.17. "Community" shall mean, refer to, and consist of the parcels of real property situated in Weber County, Utah described in Exhibit A which is attached hereto and incorporated

herein by this reference and the development to be completed thereon, together with any real property hereafter annexed pursuant to the provisions of this Declaration.

1.18. "Conservation Easement" shall mean the Amended Conservation Easement Agreement dated December 10, 2012, and recorded as Entry No. 2609969 in the Official Records of the Weber County Recorder, as may be amended from time to time.

1.19. "Declarant" shall mean Sanctuary Utah, LLC, a Utah limited liability company and the successors and assigns of Declarant's rights and powers hereunder.

1.20. "Declarant Control Period" means the period commencing on the date of the Recording of this Declaration and ending on the earlier of: (a) 60 days after all Shared Ownership Interests and Lots are conveyed to lot owners other than the Declarant; or (b) the day the Declarant, after giving written notice to the lot owners, records an instrument voluntarily surrendering all rights to control activities of the association.

1.21. "Declaration" shall mean this SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SANCTUARY UTAH, as amended or supplemented from time to time.

1.22. "Deed" shall mean a deed or other instrument conveying the fee simple title in all or a portion of a Lot.

1.23. "Eligible Mortgagee" shall mean and refer to a Mortgagee which has requested notice of certain matters from the Association in accordance with Section 14.1 of this Declaration.

1.24. "Exempt Property" shall mean that certain property described below which shall be exempt from Assessments and Membership in the Association (provided, however, the Declarant or a Declarant related entity shall remain a Member of the Association at all times as a Class B Member with voting rights, notwithstanding its temporary exemption status from required Assessment payments) and its associated privileges and responsibilities, but shall nevertheless be subject to all other provisions of this Declaration, including but not limited to, the use restrictions. Exempt Property shall include the following parts of the Community:

1.24.1. All land and Improvements owned by or dedicated to and accepted by the United States, the State of Utah, a Municipal Authority, or any political subdivision thereof, for as long as any such entity or political subdivision is the owner thereof or for so long as said dedication remains effective;

1.24.2. All Association Land, for as long as the Association is the owner thereof; All land and/or Improvements (or portions thereof) utilized for Private Amenities;

1.24.3. All property, including each Lot, Residence, or Shared Ownership Interest, while owned by Declarant or a Declarant-related entity until the acquisition of nine-twelfths (9/12^{ths}) Shared Ownership Interests in a Lot of its record title by a Person(s) other than Declarant or a Declarant-related entity. Declarant or a Declarant-

related entity may expressly waive its right to an exemption from Assessments as to some or all Exempt Properties of which it is then the Owner, by sending written notice to the Association.

1.25. "Governing Documents" shall mean this Declaration and such recorded amendments thereto, Supplemental Declaration(s), the Bylaws, the Articles, the Community Rules, and the Board's resolutions.

1.26. "Heli-Pad" shall mean and refer to that certain portion of Lot 6, as more particularly described in Exhibit "C", attached hereto and made a part hereof by this reference, and which may, but without obligation, at the option of the Declarant or its designee, be operated and maintained for the location and care of a helicopter, to be used in conjunction with heli-skiing activities in or around the backcountry of Utah during certain periods of time. The Heli-Pad shall be governed by the Association and the easement rights therein shall constitute a portion of the Community Areas of Sanctuary Utah, subject to the limitations set forth elsewhere in this Declaration. Notwithstanding the foregoing, it is understood that not all of Lot 6 will be used for a Heli-Pad and that the primary use of Lot 6 will be for construction of a Residence and related Landscaped Area. In addition, Lot 6 may also be utilized for the Sanctuary Dome.

1.27. "Improvement(s)" shall mean any improvement now or hereafter constructed in the Community and includes anything which is a structure for purposes of applicable Municipal Authority law including but not limited to any building, structure, shed, covered patio, fountain, pool, radio or television antenna or receiving dish, tree, shrubbery, paving, curbing, landscaping, tank, fence, mailbox, sign, newspaper vending and distribution machines, overnight delivery service drop boxes, any excavation or fill having a volume exceeding ten (10) cubic yards and any excavation, fill, ditch, diversion, dam, or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel.

1.28. "Landscaped Area(s)" shall mean that portion of the Limited Building Area immediately adjacent to a Residence, which is improved with landscaping including but not limited to lawn, ground cover, shrubbery, trees and the like and which may be complimented with masonry, or similar materials, all harmoniously combined with other Improvements.

1.29. "Lease" shall mean a written lease or sublease for the leasing or rental of any Lot or Residence within the Community.

1.30. "Limited Building Area" shall mean that portion of a Lot, as depicted on the Plat, wherein the Declarant or an Owner may obtain Municipal Authority approval for construction of a Residence and Landscaped Areas. All such structural Improvements shall be located within the Limited Building Area on a Lot, and, with the exception of the Declarant's structural Improvements, shall be reviewed and approved by the Architectural Review Committee. The Limited Building Area for each Lot is identified on the Plat or as may be depicted on a plan of development utilized by the Declarant.

1.31. "Lot" shall mean any area of real property within the Community designated as a Lot on any Plat recorded or approved by Declarant that may be limited by a Supplemental Declaration.

1.32. "Maintenance Charges" shall mean any and all costs assessed pursuant to Sections 9.3 and 9.4.

1.33. "Manager" shall mean such person or entity retained by the Board of Directors to perform certain functions of the Board pursuant to this Declaration or the Bylaws. The Manager for the Association shall carry out certain responsibilities of the Association as required herein.

1.34. "Member" shall mean any person or entity holding a Membership in the Association pursuant to this Declaration.

1.35. "Membership" shall mean a Membership in the Association and the rights granted to the Owners and Declarant pursuant to Article 6 to participate in the Association, together with all appurtenances thereto as provided herein.

1.36. "Minimum Building Envelope" shall mean the location within the Limited Building Area wherein a Residence and Landscaped Area may be physically located, as determined by Declarant.

1.37. "Mortgage" shall mean any mortgage, deed of trust or other security instrument by which a Lot or any part thereof or interest therein is encumbered. A First Mortgage is a Mortgage having priority as to all other Mortgages encumbering a Lot.

1.38. "Mortgagee" shall mean any person or entity named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. A First Mortgagee shall mean any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage.

1.39. "Municipal Authority" shall mean the applicable governmental entity or municipality which has jurisdiction over some part of the Community including without limitation, Weber County, Utah.

1.40. "Owner" shall mean any Person who is record holder of legal, beneficial or equitable title to the fee simple interest to a Lot or Shared Ownership Interest but excluding others who hold an interest therein merely as security.

1.41. "Person" shall mean a natural individual, a corporation, limited liability company, partnership or any other entity with the legal right to hold title to real property.

1.42. "Plat" shall mean any subdivision plat recorded in the office of the County Recorder of Weber County, Utah, against any portion of the Property, as such may be amended from time to time, including but not limited to any such Recorded plats or maps respecting all or any portion of the Additional Land.

1.43. "Private Amenity" shall mean any real property, improvements and/or facilities thereon located and all related and supporting facilities and improvements within the Community that are owned and operated by Persons other than the Association for recreational and related purposes, on a membership basis or otherwise.

1.44. "Recording" or "Record" shall mean placing an instrument of public record in the office of the County Recorder of Weber County, Utah, and "Recorded" shall mean having been so placed of public record.

1.45. "Recreational Barn" shall mean and refer to that certain portion of Lot 3, as more particularly described in Exhibit "D", attached hereto and made a part hereof by this reference, and which may, but without obligation, at the option of the Declarant or its designee, be operated and maintained for the location and care of horses and other animals, and for recreational use by Owners or Guests. The Recreational Barn shall be governed by the Association and the easement rights therein shall constitute a portion of the Community Areas of Sanctuary Utah, subject to the limitations set forth elsewhere in this Declaration. Notwithstanding the foregoing, it is understood that not all of Lot 3 will be used for a Recreational Barn and that the primary use of Lot 3 will be for construction of a Residence and related Landscaped Areas.

1.46. "Residence" shall mean any single family home, building or portion of a building situated upon a Lot within the Minimum Building Envelope, designed and intended for long or short term residential use and occupancy.

1.47. "Resident" shall mean the Owner, tenant, or lessee actually residing at a Lot, or in a Residence and any of their immediate family members and guests occupying such property for more than seven consecutive days.

1.48. "Private Roadway System" shall mean and refer to the system of internal roadways for the Community, which may be identified on the Plat or on any plan of development used by the Declarant. Each Lot shall be subject to an easement for the Private Roadway System. The Private Roadway System shall be governed by the Association and the easement rights therein shall constitute a portion of the Community Areas of Sanctuary Utah, subject to the limitations set forth elsewhere in this Declaration. The Declarant shall have no obligation to construct the Private Roadway System except as to provide access to Lots where a Residence has been fully constructed or as otherwise required by a Municipal Authority.

1.49. "Sanctuary Dome" shall mean and refer to the physical structure located on Lot 6, as more particularly described in Exhibit "C", attached hereto and made a part hereof by this reference, and which may, but without obligation, at the option of the Declarant or its designee, be utilized by Owners, Residents and guests. The Sanctuary Dome shall be governed by the Association and the easement rights therein shall constitute a portion of the Community Areas of Sanctuary Utah, subject to the limitations set forth elsewhere in this Declaration. Notwithstanding the foregoing, it is understood that not all of Lot 6 will be used for a Sanctuary Dome and that the primary use of Lot 6 will be for construction of a Residence and related Landscaped Areas. In addition, Lot 6 may also be utilized for the Heli-Pad.

1.50. "Shared Ownership Program" shall mean the fractional ownership program created and established by this Declaration for Owners of Shared Ownership Interests as set forth in Article 18.

1.51. "Special Assessment" shall mean any assessment levied and assessed pursuant to Section 7.7.

1.52. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which annexes the Additional Land to the Community, subjects such real property to this Declaration, and sets forth such amendments to the Declaration and such additional covenants, conditions, uses and restrictions as may be applicable to the annexed property, executed by Declarant and Recorded in the County Recorded of Weber County.

1.53. "Trail System" shall mean and refer to the system of trails for the Community which is established from time to time by the Declarant and/or the Association and which may be identified on the Plat or may be depicted on any plan of development used by the Declarant. Each Lot shall be subject to an easement for the Trail System. Other areas of the Community may also be designated and utilized as a part of the Trail System by the Association. The location of the Trail System is not fixed or static and may change from time to time. The Trail System is intended to give Owners a limited right of access across all Lots for ingress and egress for equestrian, foot, ski and non-motorized vehicular travel. The Trail System shall be governed by the Association and the easement rights therein shall constitute a portion of the Community Areas of Sanctuary Utah, subject to the limitations set forth elsewhere in this Declaration. The Declarant shall have no obligation to construct any number or type of particular trails and the Trail System shall consist of whatever trails the Declarant or the Association has constructed from time to time.

1.54. "Voting Member" shall mean the representative(s) selected by the Owners of each Lot owned by multiple parties, as provided in Section 6.3, to be responsible for casting votes attributable to Lots or Residences requiring a vote of the Membership (except as otherwise specifically provided in this Declaration and in the Bylaws). The term "Voting Member" shall include alternate Voting Members acting in the absence of the Voting Member and any Owners authorized to personally cast the votes for their respective Lots pursuant to Section 6.3.

ARTICLE 2
SUBMISSION OF PROPERTY TO DECLARATION AND GENERAL DEVELOPMENT

2.1. General Declaration Creating the Community. Declarant hereby declares that all of the real property within the Community, together with any Additional Land annexed pursuant to Article 19 of this Declaration, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration as amended or modified from time to time. In addition, some or all of the real property within the Community shall be subject to Recorded Supplemental Declarations, as applicable, and as amended from time to time. Declarant intends to develop the Community by subdivision into various Lots and to sell or develop such Lots. This Declaration and all subsequent Supplemental Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of the Lots and are established for the purpose of enhancing the value, desirability and attractiveness of the Community. All of this Declaration and applicable Supplemental Declarations shall run with the land they encumber and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and Residents of the land encumbered thereby and their successors in interest. This Declaration shall not be construed to prevent the Declarant from dedicating or conveying portions of the Community, including but not limited to streets or roads, for uses other than as a Lot or

Association Land, subject to the provisions of Section 4.1. The Community is not a cooperative under the Community Act.

2.2. Association Bound. Upon issuance of a Certificate of Incorporation (or other documents evidencing valid existence) to the Association, this Declaration shall be binding upon and shall benefit the Association.

2.3. Special Service Districts. One or more "Special Service Districts" may provide the Community with various services and facilities including but not limited to waste water treatment and disposal services, fire protection service, roads, road maintenance, emergency services, special lighting facilities for non-standard street lights, culinary water and facilities including pumping stations and snowplowing. Subject to applicable law, the Special Service Districts shall have the right and authority to levy taxes, charges and/or assessments upon owners of taxable property within the Special Service Districts. The Special Service Districts will have the power, among other things, to contract, to acquire and construct facilities and to finance the cost thereof by the issuance of bonds and to establish rates, assessments, and charges that enable the Special Service Districts to operate such facilities as are necessary to fulfill its purposes. It is possible that all of the Community will be part of one or more Special Service Districts and each Owner and Resident will be subject to all charges levied by them. Currently, a portion of the Community is part of the Ogden Valley Transmitter/ Recreation Special Service District, and is subject to assessments levied thereunder. Any such assessments, if and when imposed, will be levied against all Owners as part of the Annual Assessment.

2.4. Private Amenities.

2.4.1. Declarant or other Persons may, without obligation, develop certain Private Amenities as an integral part of the Community.

2.4.2. The Association shall have no right to grant to any Person any ownership interest in, or right to use, any Private Amenity. No Person shall have any ownership interest in any Private Amenity by virtue of being an Owner of a Lot or Shared Ownership Interest or by virtue of being a Member of the Association. Rights to use the Private Amenities will be granted only to such Persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. The owners of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, membership fees, dues and assessments, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any governing instruments and written agreements with their respective members.

2.4.3. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant, the Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership, operation, existence, location or configuration of any Private Amenity. No

purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. The ownership, operation, existence, location or configuration of any Private Amenity may change at any time by virtue of, without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; (c) the conveyance of any Private Amenity to one or more of Declarant's affiliates, shareholders, employees, or independent contractors, and/or (d) the decision of the owner or operator of the Private Amenity to abandon, redevelop (to any extent, which may include an entirely different type of use), or change the location or configuration of, all or any part of any Private Amenity, subject to all required approvals of Declarant, any applicable Municipal Authority and/or the Association. Consent of the Association, club association or any Owner shall not be required to effectuate any change in ownership or operation of any Private Amenity, or to subject any Private Amenity to or release any Private Amenity from any mortgage, covenant, lien or other encumbrance.

2.5. Readjustment of Boundaries. To the extent permitted by law, Declarant hereby reserves for itself, and its successors and assigns, the right to effectuate minor realignments and adjustments of Lot boundary lines for purposes of proper configuration and final engineering of the Community; provided that any such realignment and adjustment does not affect any existing Residence or Improvement (other than Landscaped Areas) on the affected Lot. The authority to realign and adjust such Lot boundary lines shall be exclusively reserved to the Declarant and Declarant's successors or assigns, in their sole and reasonable discretion, subject to the other provisions of this Section 2.5. Each Owner hereby irrevocably constitutes and appoints the Declarant as each such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of signing any plats or other documents necessary to effectuate such realignments or adjustments. Acceptance by any Owner of a deed or other instrument of conveyance shall constitute appointment of the attorney-in-fact as herein provided. All Owners hereby specifically acknowledge and agree that they shall cooperate with Declarant to effectuate such minor realignment and adjustment of their respective Lot boundary lines by deed in form and content as requested by the Declarant for the purposes of proper configuration and final engineering of the Lots in relationship to the development of the Community. Further, all Owners acknowledge and agree that no amendment to this Declaration or any Plat shall be required to effectuate any Lot boundary line adjustments. Moreover, upon Declarant's written request, the Association shall transfer back to Declarant at no charge any unimproved real property originally conveyed to the Association, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines. Any adjustment of Lot boundary lines shall be done in accordance with the requirements of governing Municipal Authority ordinances and Utah law.

2.6. Zoning. Declarant reserves for itself the unilateral right to apply for zoning, entitlements, and other land use approvals from the applicable Municipal Authority for all or a part of the Community, including Lots sold to Owners, provided that no such application shall have a materially adverse effect on a Lot. Each Owner hereby irrevocably constitutes and

appoints the Declarant as each such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of signing any applications or other documents necessary for such approvals. Acceptance by any Owner of a deed or other instrument of conveyance shall constitute appointment of the attorney-in-fact as herein provided. All Owners hereby specifically acknowledge and agree that they shall cooperate with Declarant in all such applications.

2.7. Declarant's Disclaimer of Representations. Nothing which may be represented to a purchaser by real estate brokers or salespersons representing the Declarant shall be deemed to create any covenants or restrictions, implied or express, with respect to the use of any property subject to this Declaration. Unless Declarant expressly agrees in writing with the Association to pay the costs of maintaining any portion of the Community Areas, Declarant shall have no such obligation, regardless of any inferences which may be drawn from promotional or other materials.

2.8. Development Plan. Notwithstanding any other provision of this Declaration to the contrary, Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to its plan of development with respect to any property owned by Declarant in any way which Declarant desires including, but not limited to, changing all or any portion of the property owned by the Declarant or changing the nature or extent of the uses to which such property may be devoted.

2.9. Community Areas Improvements. Declarant, so long as Declarant owns a Lot or Shared Ownership Interest within the Community, reserves the unilateral right to construct Improvements on any area of the Community Areas and modify the location, type and nature of Community Areas as it shall determine in its sole and exclusive discretion, including, without limitation, the right to construct or create walking trails, bike trails and ski trails within the Trail System, picnic areas, geodesic domes or other Improvements thereon; construct Improvements on the Private Roadway Systems or Private Driveways, as described in Sections 3.12 and 3.13, respectively. Such construction and relocation rights shall not be subject to the consent of the Owners, the Board, Mortgagees or any other Person. After the termination of Declarant's rights under this Declaration, the Board shall have the right to exercise such construction and relocation powers in connection with the Community Areas. In furtherance of this right, Declarant reserves for itself, and others it may designate, the right to inspect, monitor, test, redesign, and correct any Improvement or condition that may exist on any portion of the Community, including Lots, Residences and Community Areas, and a nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right.

2.10. Right to Develop. Notwithstanding anything contained herein to the contrary, no provision of this Declaration is intended or shall be construed to prevent or limit Declarant's rights to develop the Community and to exercise the rights reserved by Declarant as hereinafter provided. Nothing in this Declaration shall be construed to require Declarant, or Declarant's successor or assigns, to develop any Lot or other Improvements in any manner whatsoever. Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, Association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and Recorded. Upon such

Recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

2.11. Other Service or Improvements Districts. The Community is located within the boundaries of Weber County, Weber Basin Water Conservancy District, Weber County Mosquito Abatement District, Weber Fire District, Ogden Valley Park Service Area, Huntsville Hollow Sewer Improvement District, Green Hill Country Estates Water/Sewer Improvement District and the Weber Area Dispatch 911 and Emergency Services District, and is subject to any and all charges and assessments levied thereunder. Any and all charges that may be imposed against the property shall be assessed against all Owners as an Annual Assessment, based on the Owner's ownership interest in a particular Lot.

2.12. Noncontiguous Lots. At least one Lot, commonly referred to as the Beach House Lot, as more particularly described in Exhibit "A", is situated in an area in Weber County that is not contiguous or adjacent to the Community. However, despite the noncontiguous location, the Lot, Residence, and Shared Ownership Owners that purchase a Shared Ownership Interest in such Lot, shall be afforded the same rights, privileges and obligations afforded to the other Lots, Residences and Shared Ownership Owners under and pursuant to this Declaration.

ARTICLE 3
EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMUNITY AREAS

3.1. Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Community Areas which shall be appurtenant to and shall pass with the title to every Lot and Shared Ownership Interest, subject to the following provisions:

3.1.1. The right of the Association to suspend the voting rights and right to the use of the Community Areas by any Member (i) for any period during which any Assessment against his Lot remains delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of this Declaration, a Supplemental Declaration, or the Community Rules, and (iii) for successive sixty (60)-day periods if any such infraction is not corrected during any prior sixty (60)-day suspension period.

3.1.2. The right of the Association to dedicate or transfer all or any part of the Association Land to any Municipal Authority, public agency or utility for such purposes and subject to such conditions as may be agreed to by the Association.

3.1.3. The right of the Association to regulate the use of the Community Areas through the Community Rules and to prohibit access to those Community Areas not intended for use by the Members. The Community Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Community Areas and the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Owners and Residents. The Community Rules may limit the use of certain Community Areas as described in this Article 3.

3.2. Easements for Heli-Pad, Sanctuary Dome and Recreational Barn. Declarant hereby reserves to itself and grants to the Association, for the benefit of the Owners, Residents and their invitees a right and easement of access to the Recreational Barn located on Lot 3 and

the Heli-Pad and Sanctuary Dome located on Lot 6. Use of the Recreational Barn on Lot 3 and the Heli-Pad and Sanctuary Dome on Lot 6 shall be at the risk of the Owner or Resident, and their guests. The Association or its designee shall maintain, repair or replace all the structures, facilities and equipment related to the Heli-Pad, Sanctuary Dome and Recreational Barn, and is authorized to promulgate, as part of the Community Rules or otherwise, the appropriate rules and regulations governing scope of use of the Heli-Pad, Sanctuary Dome and Recreational Barn. The Association shall have the right to grant to the Manager or any third party the authority to monitor and regulate the use of the Heli-Pad, Sanctuary Dome and Recreational Dome. All charges for services provided by the operator or its agent for use of the Equestrian Barn, Sanctuary Dome, and/or Heli-Pad shall be paid by the Owners or Residents utilizing such services and, if not forthwith paid by the Owners or Resident so charged, be subject to an Assessment levied against the Owners who utilized such services directly or whose guest utilized such services, all as described in this Declaration. Any and all water used in conjunction with the operation and use of the Heli-Pad, Sanctuary Dome and Recreational Barn shall come from the water rights appurtenant to Lot 6 and Lot 3. Declarant reserves the right to modify, alter, revoke or terminate the easements for the Heli-Pad, Sanctuary Dome and Recreational Barn, and to discontinue use of such if the Owners cease to use the Heli-Pad, Sanctuary Dome or Recreational Barn for a period of time exceeding twenty four (24) consecutive months.

3.2.1. In addition to the easements provided for above, to the extent permitted by law, and for the benefit of all Owners, Declarant reserves an easement and right on, over and through each Lot for private helicopter use by Owners. Notwithstanding the above, an Owner or an Owner's authorized representative, whether individually or through use of a private helicopter pilot, is authorized to land a helicopter within the Limited Building Area of the Owner's Lot, but shall not land a helicopter on any other portion of said Owner's Lot, including any portion of the Trail System. Declarant reserves the right to promulgate rules to coordinate and limit use of the Lots for private helicopter purposes in the manner Declarant deems reasonably appropriate to comply with applicable law, or health and safety purposes and to protect against over utilization of the Lot by private helicopter usage. Private use of a helicopter is at the sole risk of the Owner and/or the Owner's guests. In no event shall the Declarant or the Association be liable for damage to person or property as a result of helicopter use. The Declarant and/or the Association hereby disclaim any responsibility or liability as a result of such private helicopter use. In the event damage to property or injury to persons is caused as a result of Owner use of a private helicopter, the Owner shall be solely liable and responsible for any necessary costs, expenses, charges and damages associated with such damage or injury.

3.2.2. Any Owner who utilizes a helicopter at the Community shall obtain liability insurance coverage for conduct described in Section 3.2.1.

3.3. Easements for Encroachments. If any part of a Residence or Improvement built in substantial accord with the boundaries for such Residence or Improvement as depicted on a Plat (or in other approved documents depicting the location of such on the Lot) encroaches or shall encroach upon the Community Areas, or upon an adjoining Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Community Areas encroaches or shall encroach upon a Lot or a Residence, an easement for such

encroachment and for the maintenance of the same shall and does exist. Each Owner shall have an unrestricted right of ingress or egress to and from its Lot.

3.4. Easements for Utilities. There is hereby created an easement at specific locations approved by Declarant upon, across, over and under the Community Areas, and a blanket easement upon, across, over and under each Lot, for reasonable ingress to, egress from, and the installation, replacement, repairing or maintenance of all utility and service lines and systems, including, but not limited to, gas, water, sewer, septic, telephone, fiber optic cable, cable television and electricity or communication lines and systems, etc., as such utilities and systems are installed in connection with the initial development of the Community Area or Lot and the construction of the first Residence or other Improvement thereon; provided, however, that such installation shall not unreasonably interfere with the use of a Residence or other Improvement on a Lot. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain the necessary facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the Lots. Notwithstanding anything to the contrary contained in this Section 3.4, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any Community Area or Lot except as initially programmed and approved by the Declarant.

3.5. Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, walks, lanes, Trail System and Private Roadway System that from time to time may exist upon the Community Areas. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such Private Driveways and parking areas as from time to time may be improved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the Owners and Residents of the Lots and their guests, families, tenants and invitees. There is also hereby created an easement upon, across and over the Community Areas and private parking areas within the Community for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. The Board shall have the right to relocate and/or reconfigure any and all such easements form time to time as it sees fit without the consent of any Owners (but subject to any necessary approvals of Weber County or any other governmental body or agency having jurisdiction thereof including in particular, but without limitation, the easements granted herein for police, fire, medical and other emergency vehicles and personnel).

3.6. Easement for Development. The Declarant hereby reserves an easement throughout the Community for the purpose of completing all Improvements contemplated by this Declaration, including but not limited to Improvements to the Additional Land. Declarant shall be entitled to use all Community Areas within the Community, roadways within the Community

3.11. Private Roadway System Easement. Declarant hereby reserves to itself and grants to the Association for the benefit of the Owners, Residents and their invitees a right and easement over the private roads within the Private Roadway System, including, if any, all embankment slopes, drainage structures, utilities, walls, bridges, security gates, fences, signage, speed bumps or dips, drainage structures, guard rails and other structures appurtenant to such roads ("Road Improvements"). Declarant shall construct and the Association shall permanently operate, maintain, repair, and replace the Road Improvements. Declarant may, without obligation, in the future construct and install, and the Association shall operate, maintain, repair, or replace, other Road Improvements within the Private Roadway System for any purpose consistent with this Declaration, and the costs thereof shall be a Community Expense. Declarant further reserves the right to increase the width of any road within the Private Roadway System shown on the Plat and may amend the Plat for that purpose or to reflect the as-built location of any private road, and the Association and each affected Owner hereby consents to such amendment. At its sole and exclusive option, Declarant may convey the Private Roadway System to the Association, and the Association is hereby obligated to accept such conveyance.

3.12. Private Driveway Easement. Declarant hereby reserves to itself and grants to the Association for the benefit of the Owners, Residents and their invitees a right and easement over private driveways located on the portion of the Lot that touches and extends over a Limited Building Area and leads to a Residence ("Private Driveway(s)"), including, if any, all embankment slopes, drainage structures, utilities, walls, bridges, security gates, fences, signage, speed bumps or dips, drainage structures, guard rails and other structures appurtenant to such roads ("Driveway Improvements"). The Private Driveways shall benefit Owners of a Lot whose access to their Residence is provided by such Private Driveway on a particular Lot and who shall have priority use rights to such Private Driveways. Declarant shall construct and the Association shall permanently operate, maintain, repair, and replace the Driveway Improvements, and may in the future construct, install, operate, maintain, repair, or replace other Driveway Improvements on the Private Driveways for any purpose consistent with this Declaration, and the costs thereof shall be allocated among those Lots and Lot Owners who are benefited by such easement. Declarant further reserves the right to increase the width of any Private Driveway shown on the Plat and may amend the Plat for that purpose or to reflect the as-built location of any private driveway, and the Association and each affected Owner hereby consents to such amendment. The Association reserves the right to promulgate Rules and Regulations further governing the use of the Private Driveways.

ARTICLE 4
PERMITTED USES AND RESTRICTIONS

4.1. Covenants Applicable to all Lots. The following covenants, conditions, restrictions and reservations of easements and rights shall apply to all Lots, the Owners and lessees thereof, and all Residents. The Community Rules may further address, limit, or regulate any of the items addressed in this Section 4.1.

4.1.1. Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a Residence, either temporary or permanent, without the consent of the Association. Temporary buildings or

structures may be used during the construction of any structure on any property, but shall be removed immediately after the completion of construction. This restriction shall not apply to the geodesic domes that may be temporarily constructed for certain recreational purposes by the Declarant or its assignee, and as approved by Weber County Planning.

4.1.2. Maintenance of Lawns and Landscaping. Each Owner of a Lot, as determined by the Association, shall keep all Landscaped Areas properly cultivated and free of trash, weeds and other unsightly material. Provided, however, the Association, or the Shared Ownership Committee if so designated by the Association as described in Section 18.7 above, shall cause to be maintained the Landscaped Areas on a Shared Ownership Lot. All sprinkler systems shall comply with state and local requirements, including those of the Utah Division of Drinking Water.

4.1.3. Nuisances; Construction Activities. No dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon the Landscaped Areas of a Lot, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other property in the vicinity thereof or to its Residents. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property. Normal construction activities and parking in connection with the building of Improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate.

4.1.4. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Residence or Landscaped Areas on a Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

4.1.5. Repair of Improvements. No Improvement on any Lot shall be permitted to fall into disrepair and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Improvement is damaged or destroyed, such Improvement shall be immediately repaired, rebuilt or demolished. If any Improvement should be demolished, then the Owner (or the Shared Ownership Committee for a Shared Ownership Lot) shall at all times maintain the area on which the Improvement was demolished in a clean sightly condition, and shall clear and shall continue to clear the Landscaped Areas of any weeds, debris, garbage, trimmings or like items.

4.1.6. Mineral Exploration. No Lot shall be used in any manner to explore for or to remove any oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

4.1.7. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers. All rubbish, trash and garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

4.1.8. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except (a) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements; (b) that which Declarant or the Association may require for the operation and maintenance of the Community; or (c) that used for security purposes such as motion detecting lights, security cameras or other similar equipment.

4.1.9. Restriction on Further Subdivision, Property Restrictions and Rezoning. Except as otherwise provided in Article 18 with respect to Shared Ownership Interests, no Lot shall be further subdivided or separated into smaller Lots by any Owner without the prior written approval of Declarant, which approval must be evidenced on the Plat or other instrument creating or amending the subdivision. This provision shall not, in any way, limit Declarant from subdividing or separating into Lots any property at any time owned by Declarant. This provision shall not apply to transfers of an ownership interest in the whole of any Lot. Further, this provision shall not, in any way, limit Declarant from subdividing or separating into Lots any property at any time owned by Declarant and which has not previously been platted or subdivided into Lots. No Supplemental Declaration or further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot without the provisions thereof having been first approved in writing by the Declarant and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot, and no applications for variances or use permits, shall be filed with a Municipal Authority unless the proposed use of the Lot complies with this Declaration, and has been approved, in writing, by the Declarant.

4.1.10. Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, data transmission, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures, except for:

4.1.10.1. overhead power poles and lines to perimeter areas of the Community as approved by Declarant; and

4.1.10.2. boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices.

4.1.11. Parking. Vehicles of all Owners and Residents, and of their guests and invitees, are to be kept in garages and on Private Driveways adjacent to the Owner's Lot and other designated parking areas; provided, however, this Section 4.1.11 shall not be construed to permit the parking in the above described areas of any vehicle whose parking on the Community is otherwise prohibited or the parking of any inoperable vehicle. Recreational vehicles and boats shall be parked in covered garages except for limited periods in Private Driveways or other designated parking areas as determined by the Board and promulgated as part of the Community Rules.

4.1.12. Roofs. No apparatus, structure or object, including any solar equipment, shall be placed on the roof of a Residence without the prior written consent of the Association. No air conditioning units or evaporative coolers extending from windows or protruding from roofs are permitted.

4.1.13. Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his or her Lot from or to any other Lot as that pattern may be established by Declarant.

4.1.14. Watering. Any irrigation or other water system shall comply with all Municipal Authority restrictions as well as the Community Rules. The Association is expressly authorized to adopt temporary or permanent policies limiting the amount or time of watering, which policy may be separate from or supplemental to the Community Rules. All irrigation or other water systems shall comply with state and local requirements, including those of the Utah Division of Drinking Water.

4.1.15. Garage Openings. All garages shall be fully enclosed. No carports shall be permitted. No garage door shall be open except as reasonably necessary for access to and from the garage.

4.1.16. Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Resident or occupant of a Lot, any member of the Board or any authorized representative of either of them, shall have the right to enter upon and inspect any Lot, and the Improvements thereon, except for the interior portions of any completed Residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

4.1.17. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or their duly authorized agents, of structures, Improvements or signs necessary or convenient to the development or sale of property within the Community.

4.1.18. Incidental Uses. The Declarant or the Association may approve uses of property which are incidental to the full enjoyment by the Owners of the property. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as the Declarant or Association may wish to impose, in its sole discretion, for the benefit of the Community as a whole.

4.1.19. Leases. Any Lease between an Owner and a lessee respecting a Lot or Residence shall be subject in all respects to the provisions of the Governing Documents, and any failure by the lessee to comply with the terms of such Governing Documents shall be a default under the Lease. Specifically, all Leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The Lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property. In no event may an Owner lease or otherwise rent his, her or its Residence for nightly or short-term rental periods. Short-term rental periods means and includes any period less than thirty (30) consecutive nights. Except as otherwise provided by law, nothing herein shall prohibit long-term rental of any Residence.

4.1.20. Animals. Except as specifically permitted below, or by the Community Rules and Regulations, no animal, livestock, poultry, fowl or vicious dogs of any kind shall be kept, raised, bred, or boarded on or in any Lot. Notwithstanding the foregoing, each Lot and each Residence shall be entitled to a maximum of no more than two (2) dogs or cats and a reasonable number of other household pets, such as fish, birds, rodents, and non-poisonous reptiles, so long as such pets are not kept for any commercial purpose, are not kept in unreasonable numbers, do not cause an unreasonable amount of noise or odor, or do not otherwise become a nuisance to other Lot Owners or occupants. All pets shall be leashed and accompanied when not on property owned by the pet's owner or on which the pet's owner is a Resident or guest, and persons walking any pet shall promptly and properly remove and dispose of the pet's waste.

4.1.20.1. The Owner of a Lot or Residence where a household pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of streets, trails or other Community Areas or other Lots or Residences necessitated by such pet.

4.1.20.2. The Board is hereby given the right and authority to determine, in its sole discretion, that household pets are being kept for commercial purposes, or are otherwise a nuisance to other Lots or Owners or occupants, or that a Lot or Owner or occupant is otherwise in violation of this Section 4.1.21, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Board may require the owner or custodian of a dog that barks or howls excessively, or of a household pet with other offensive habits, to confine such animal indoors.

4.1.21. Snow Removal. The Association shall be responsible for removal of snow from the Private Roadway System and Private Driveways, including up to the garage door of a Residence on a Lot, within the Property, and the expense thereof shall be a Community Expense.

4.1.22. Violations of Law. Any activity which violates local, state, or federal laws or regulations is prohibited; however, the Board shall have no obligation to take enforcement action in the event of a violation.

4.2. Additional Covenants Applicable to Lots. The following covenants, conditions, restrictions and reservations of easements and rights shall also apply to all Lots:

4.2.1. General. Property may be used only for the construction and occupancy of Residences and typical residential activities incidental thereto, such as the construction and use of a family swimming pool, together with any common recreational facilities or any other Community Areas or amenities. All residential property shall be used, improved and devoted exclusively to residential use.

4.2.1.1. Unless otherwise permitted by Declarant in writing or as designated on a Plat or as described in this Declaration, no structure whatsoever, other than one private Residence, together with a private garage for cars, shall be erected, placed or permitted to remain on any Lot. Residences may be used for or developed as a Shared Ownership Program, as described above in Section 18.1, only with the written consent of the Declarant, which consent may be conditioned or withheld in its sole and absolute discretion. The entire Residence or any guest house, as permitted by Declarant, on a Lot may be let to a single family tenant or lessee from time to time by the Owner thereof, subject to the provisions of this Declaration and the Community Rules.

4.2.2. Business Activities. Residences shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity. Use of a portion of a Residence as a business office or for other business purposes may be allowed to the extent permissible under applicable Municipal Authority zoning regulations and on such terms and conditions as the Board may determine under the Rules. The restrictions of this Section 4.2.2 shall not apply to any activity conducted by the Declarant approved by the Declarant with respect to its development and sale of the Lots or its use of any Residences which it owns within the Community.

4.3. Architectural Control. Except as otherwise permitted with respect to Declarant rights, no building, fence, wall, sign or other structure or Improvement shall be commenced, erected or maintained upon a Lot, or any part thereof, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Board, acting as the "Architectural Review Committee" for the Community, or its designated representative or representatives, in its or their sole and unfettered discretion. Nothing visible to the exterior shall be permitted to be hung, placed, displayed or maintained on the Residences, on the Lots or on or in Community Areas unless approved, in writing, by the Board or its designated representative or representatives, in its or their sole and unfettered discretion, or unless the same is authorized by existing Community Rules.

4.4. Water Resources. To the extent water rights are appurtenant to a particular Lot, Owners who purchase a Shared Ownership Interest in such Lot shall have a right of access to and

use of the water resources for household, recreational and related purposes subject to all limitations established by law or by the Governing Documents. In no event shall any Owner or Resident unreasonably disturb or destroy the natural habitat of any animal or fish located within a water resource. No Owner or Resident shall build any pond or alter or interfere with any lake, river, spring, pond or other water feature constituting a part of a water resource. No Owner shall interrupt the flow of any river or stream located within the Community.

ARTICLE 5
ORGANIZATION OF ASSOCIATION

5.1. Formation of Association. The Association shall be a Utah nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2. Registration with the Department of Commerce. The Association shall register with the Department of Commerce within ninety (90) days of the Recordation of this Declaration. Within ninety (90) days after a change of any information provided in the Association's registration with the Department of Commerce, the Board shall submit an updated registration in the manner established by the Department of Commerce and the Act.

5.3. Shared Ownership Committee. So long as the Community includes Shared Ownership Interests, the collective Owners of Shared Ownership Interests in each Lot shall appoint a committee of three (3) members representing the interests of the Shared Ownership Owners of that Lot. Of the three (3) members of the Shared Ownership Committee, one (1) member shall be designated as the Voting Member for the Lot, who, as a member of the Association, is responsible for casting any votes in the Association, attributable to the Lot, as described below in Article 6. The Shared Ownership Committee's duties are further described below in Article 18.

5.4. Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of at least three (3) but no more than five (5) directors (odd numbered totals only) and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The Board may also appoint various committees and appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association. The Board shall determine the compensation to be paid to the Manager. The Board's responsibilities shall include, but shall not be limited to, the following:

5.4.1. preparing and administering an operational budget;

5.4.2. establishing and administering an adequate reserve fund;

5.4.3. scheduling and conducting the annual meeting and other meetings of the Members;

5.4.4. collecting and enforcing the Assessments;

5.4.5. accounting functions and maintaining records;

5.4.6. adopting, modifying, promulgating and enforcing the Community Rules;

5.4.7. operating, maintaining, repairing, improving and replacing the Community Areas;

5.4.8. engaging the services of a Manager, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor;

5.4.9. determining and pay the Community Expenses;

5.4.10. entering into contracts, deeds, leases and/or other written instruments or documents and authorizing the execution and delivery thereof by the appropriate officers;

5.4.11. opening bank accounts on behalf of the Association and designating the signatories therefor;

5.4.12. purchase, hold, sell, convey, mortgage or lease any one or more Lots, Residences or Improvements in the name of the Association or its designee;

5.4.13. bringing, prosecuting and settling litigation for itself, the Association and the Community;

5.4.14. obtaining insurance for the Association with respect to the Community Areas, as well as worker's compensation insurance;

5.4.15. repairing or restoring the Community Areas following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation;

5.4.16. owning, purchasing or leasing, holding and selling or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board and to the operation of the Community, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies;

5.4.17. pledging, hypothecating or otherwise encumbering current or future Assessments for any purpose permitted under this Declaration;

5.4.18. keeping adequate books and records and implementing the policies and procedures for the inspection of the books and records of the Community by Owners in accordance with the terms of the Bylaws;

5.4.19. doing all other acts necessary for the operation and maintenance of the Community, including the maintenance and repair of any Community Areas if the same is necessary to protect or preserve the Community;

5.4.20. granting easements and rights-of-way over the Community Areas; and

5.4.21. performing all other duties imposed upon the Board pursuant to the Governing Documents, including enforcement thereof.

5.5. Personal Liability. No director or member of any committee of the Association, no officer of the Association and no Manager or other employee of the Association shall be personally liable to any Member or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Manager, any representative or employee of the Association or any committee, committee member or officer of the Association; provided, however, the limitations set forth in this Section 5.5 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

5.6. Professional Management. The Association may carry out through the Manager those of its functions which are properly subject to delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association (but may be an affiliate of the Declarant), shall be responsible for managing the Community for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

5.7. Implied Rights. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the Voting Members. The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Community Areas, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members. In exercising the Association's rights and powers, making decisions on behalf of the Association, and conducting the Association's affairs, Board directors shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the Bylaws.

ARTICLE 6
MEMBERSHIPS AND VOTING

6.1. Membership in the Association. Every Owner of a Lot or Shared Ownership Interest, including Declarant, shall be a member of the Association, and Declarant shall be a member of the Association so long as it owns any part of the Community (unless and until Declarant expressly relinquishes in writing its status as a Member).

6.2. Votes in the Association.

6.2.1. Each Lot in the Community shall be allocated twelve (12) votes and each Shared Ownership Interest in a Lot shall be allocated one (1) vote.

6.2.2. Until the expiration or termination of the Declarant Control Period: (a) the Community Association shall be deemed to have two classes of Members, Class A and Class B; (b) the Declarant shall be the Class B Member, and all votes held by the Declarant shall be Class B votes; (c) all Owners other than Declarant shall be Class A Members, and all votes held by such Owners shall be Class A votes. Following expiration or termination of the Declarant Control Period, the Association shall be deemed to have a single class of Members and votes. During the Declarant Control Period, all matters coming before the Association for vote shall be decided by the Declarant as the sole Class B Member. Following the Declarant Control Period, all Class B Memberships and all Class B votes shall cease to exist, and any issue put to a vote at a duly called meeting of Members at which a quorum is present shall be decided by a simple majority of all votes represented in person or by valid proxy at such meeting.

6.3. Voting Members. The Owners of a Shared Ownership Lot, or a Lot otherwise owned by multiple Owners, shall designate a Voting Member to represent the Lot for voting within the Association. On all Association matters requiring a Membership vote, each such Voting Member shall be entitled to cast the votes attributable to the Class A Members within their Lot, and in accordance with the terms and provisions provided herein and as described in the Bylaws.

6.4. Voting Procedures. A change in the ownership of a Lot or Shared Ownership Interest shall be effective for voting purposes from the time the deed or other instrument effecting such change is Recorded. The vote for each Lot or Shared Ownership Interest must be cast as a single vote, and fractional votes shall not be allowed. In the event that a Lot or Shared Ownership Interest is owned by more than one Person, such individuals or entities shall appoint and authorize one person or alternate persons to represent the Owners of such Lot or Shared Ownership Interest. If any Member casts a vote representing a certain Lot or Shared Ownership Interest, it will thereafter be conclusively presumed for all purposes that the Member was acting with the authority and consent of all other Owners of the same Lot or Shared Ownership Interest unless objection thereto is made at the time the vote is cast. In the event more than one Owner attempts to cast the vote or votes for a particular Lot or Shared Ownership Interest, the vote or votes for that Lot or Shared Ownership Interest shall be deemed void and shall not be counted.

6.5. Transfer of Membership. The rights and obligations of any Member other than the Declarant shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot or Shared Ownership Interest, and then only to the transferee of ownership of the Lot or Shared Ownership Interest. A transfer of ownership of a Lot or Shared Ownership Interest may be effected by deed, intestate succession, testamentary disposition, foreclosure or such other legal process as is now in effect or as may hereafter be established under or pursuant to applicable law. Any attempt to make a prohibited transfer shall be void. Each purchaser of a Lot or Shared Ownership Interest shall notify the Association of its purchase of such Lot or Shared Ownership Interest.

ARTICLE 7
COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

7.1. Obligation of Assessments and Maintenance Charges. Except as otherwise provided in Section 7.15, the Declarant, for each Lot or Shared Ownership Interest hereafter established within the Community, hereby covenants and agrees, and each Owner by acceptance of a Deed or other conveyance of a Lot or Shared Ownership Interest (whether or not it shall be so expressed in such Deed or conveyance) is deemed to covenant and agree, to pay to the Association the following assessments and charges: (a) Annual Assessments established by this Article 7, (b) Special Assessments for capital improvements or other extraordinary expenses or costs established by this Article 7, and (c) Maintenance Charges established by Section 9.3 and 9.4. All such Assessments shall be established and collected as hereinafter provided. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner and, accordingly, no diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of (i) any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws; (ii) inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association; or (iii) any action taken to comply with any law, ordinance, or with any order or directive of any Municipal Authority or other governmental authority. The Assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot or Shared Ownership Interest and shall be a continuing servitude and lien upon the Lot or Shared Ownership Interest against which each such Assessment is made. The Assessments against each Lot or Shared Ownership Interest shall be based on the number of Memberships appurtenant to the Lot as described in Section 7.4 hereof. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot or Shared Ownership Interest at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them. However, the lien for any unpaid Assessments existing at the time of transfer shall continue, notwithstanding such transfer, until the Assessments have been paid in full.

7.2. Annual Assessments. Annual Assessments shall be computed and assessed against all Lots as follows:

7.2.1. Community Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Community Areas and operating the Association. Such estimated expenses may include, without limitation, the following: expenses of management; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages of Association employees, including fees for a Manager; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund; creation of an adequate reserve fund for maintenance, repairs, and replacement of those Community Areas that must be replaced on a periodic basis; annual donations to the Conservation Easement Trust, as described in Section 18.8.1; repairs and maintenance to the Trail System, Private Roadway System, Private Driveways, including movement or

expansion thereof; repairs and maintenance the Heli-Pad, Sanctuary Dome or Recreational Barn; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Members under or by reason of this Declaration. Such shall constitute the Community Expense, and all funds received from assessments under this Section 7.2.1 shall be part of the Community Expense Fund. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses, periodic and regular maintenance, and repair of the Community and for other routine operating expenses, and one for capital expenses and for replacement of Improvements on the Community Areas and other areas within the Community that the Association may be obligated to maintain, repair and replace, which together shall constitute the Community Expense Fund. These two (2) funds shall be maintained out of Annual Assessments for Community Expenses. Provided, however, real property taxes and any other governmental special assessments associated or levied with respect to a specific Lot are not Community Expenses, but shall be paid by the Owners of such Lot, in accordance with their respective interests.

7.2.2. Apportionment. Community Expenses shall be apportioned among and assessed to all Members in accordance with Section 7.4.

7.2.3. Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided the first fiscal year shall begin as provided in Section 7.10. On or before August 1 of each year thereafter, the Board shall cause to be prepared and furnish to each Member an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Community Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Community shall be operated during such annual period.

7.2.4. Budget Approval. The Board shall present the adopted budget to the Members for their approval at a meeting of the Association ("Budget Meeting"), which may be the same as the annual meeting of the Members. The budget may be disapproved by a vote of Members holding at least fifty-one percent (51%) of the voting interests taken at a special meeting of the Association held within forty-five (45) days of the date the Board distributed such budget to the Owners; provided, however, that during the Declarant Control Period, the Members may not disapprove the budget.

7.2.5. Inadequate Funds. In the event that the Community Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Member's Assessment, the Board may, on behalf of the Association, levy additional Special Assessments in accordance with the procedure set forth in Section 7.7 below, except that the vote therein specified shall be unnecessary.

7.3. Shared Ownership Assessments. In addition to the Annual Assessments and Special Assessments, the Association shall assess Shared Ownership Assessments and Shared Ownership Special Assessments against all Shared Ownership Owners to fund Shared Ownership Expenses pursuant to Article 18 below.

7.4. Uniform Rate of Assessment. The amount of any Assessment against each Lot shall be fixed at a uniform and equal rate per Membership; provided, however, the Declarant, during the Declarant Control Period, shall have the right to adjust the rate of Assessment levied against each Lot based upon a formula or schedule, as exclusively determined by the Declarant, under which Assessments for Community Expenses against each Owner are equitably apportioned in accordance with operational and maintenance costs attributable to each type of Improvement constructed on any Lot, or Improvements utilized by any Lot Owner.

7.5. Assessments of Charges for Owner Services and Other Charges. In the event an Owner fails to pay for any services attributed to use of the Recreational Barn on Lot 3 or Heli-Pad and/or Sanctuary Dome on Lot 6, the Board is authorized and empowered to add the cost thereof to the Annual Assessment of the non-paying Owner, which shall be subject and secured by the Assessment Lien.

7.6. Certain Owners Exempt from Annual Assessments and Special Assessments. Notwithstanding Section 7.4 above, a Lot designated as Exempt Property shall not be subject to an obligation to pay any Annual Assessment or Special Assessment.

7.7. Special Assessments for Capital Improvements and Extraordinary Expenses. In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment Period, a Special Assessment applicable to that period for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Community Areas, including fixtures and personal property related thereto, or for the purpose of defraying other unanticipated expenses, including without limitation any shortfall caused by unpaid Assessments. During the Declarant Control Period, Special Assessments may be levied solely upon the written direction of the Declarant. Thereafter, any such Special Assessment must be approved by the affirmative vote of at least fifty-one percent (51%) of the votes of the Members. The provisions of this Section 7.7 are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes.

7.8. Notice and Quorum for Any Action Authorized Under Section 7.7. Following the Declarant Control Period, written notice of any meeting called for the purpose of taking any action authorized under Section 7.7 shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called for the consideration of a Special Assessment, the presence of Members or of proxies entitled to cast thirty percent (30%) of all the votes of the Members shall constitute a quorum. With respect to the determination of a quorum for Class A Members, Voting Members having the authority to cast thirty percent (30%) of the Class A votes shall constitute a quorum of the Class A Members. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In lieu of a meeting, approval of a Special Assessment may be obtained by written ballot or consent of the Members pursuant to the provisions described in the Bylaws.

7.9. Reserves.

7.9.1. Use of Reserve Funds. The Board shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Community Areas for which the Association is responsible and for which the reserve fund was established or for litigation involving such matters. Furthermore, the Board shall not use money in a reserve fund for daily maintenance expenses, unless a majority of the Members of the Association vote to approve the use of the reserve fund money for that purpose. Upon the approval of a majority of the Members of the Association, the Board may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short-term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Board may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Community and Association, delay such restoration until the time it reasonably determines to be necessary. The Board shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Assessment shall not be subject to the limitations set forth in Section 7.7 hereof.

7.9.2. Reserve Analysis. At least once every six (6) years the Board shall cause a reserve analysis to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements of the Community and the Lots. The Board shall, thereafter, review the reserve account study at least every three (3) years and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve analysis shall include, at a minimum:

7.9.2.1. Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a useful life of no fewer than three (3) years but less than thirty (30) years that will reasonably require reserve funds.

7.9.2.2. Identification of the probable remaining useful life of the components identified in subparagraph 7.9.2.1 above, as of the date of the study.

7.9.2.3. An estimate of the cost of repair, replacement, and restoration of each major component identified.

7.9.2.4. An estimate of the total annual contribution to reserve funds necessary to meet the cost to repair, replace, or restore each major component during and at the end of its useful life.

7.9.2.5. A reserve funding plan that recommends how the Association may fund the annual contribution described in Section 7.9.2.4.

7.9.3. Providing Reserve Analysis to Owners. Each year the Association shall provide a summary of the most recent reserve analysis, including any updates, to each Owner. Owners may receive a complete copy of the reserve analysis upon a request submitted to the Board.

7.9.4. Reserve Fund Line Item. The Association's budget shall include a reserve fund line item as determined by the Board, based on the reserve analysis and the amount the Board determines is prudent under the circumstances. Within forty five (45) days after the day on which the Association adopts its budget, the Owners may veto the reserve fund line item by a fifty one percent (51%) vote at a special meeting called by the Owners for the purpose of voting whether to veto the reserve fund line item. If the Owners veto a reserve fund line item and a reserve fund line item exists in a previously approved budget of the Association that was not vetoed, the Association shall fund the reserve account in accordance with that prior reserve fund line item.

7.10. Establishment of Annual Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year, except that the first Assessment Period shall commence upon the recording of the Community Declaration or a Supplemental Declaration and terminate on December 31 of such year. The Board in its sole discretion from time to time may change the Assessment Period by adopting a resolution specifying the new Assessment Period.

7.11. Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt written procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Assessments, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Association to send a bill to a Member, shall not relieve any Member of his or her liability for any Assessment or charge under this Declaration, but the Assessment Lien therefore shall not be foreclosed or otherwise enforced in accordance with Section 8.3 below until the Member has been given not less than fifteen (15) days written notice prior to the commencement of such foreclosure or enforcement, at the address of the Member on the records of the Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after the delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Membership changes during an Assessment Period; successor Owners of Lots or Shared Ownership Interests shall be given credit for prepayments, on a prorated basis, made by prior Owners. In case the Owner of a Membership becomes liable for payment of an increased sum pursuant to Section 7.4 during the Assessment Period, he or she shall notify the Association, but his or her failure to notify the Association shall not relieve him or her of the liability for such amounts. The amount of the Annual Assessment against Members who become such during an Assessment Period upon the recordation of a Supplemental Declaration shall be prorated and such new Members shall not be liable for any previously levied Special Assessments.

7.12. Leased Residences. If an Owner fails to pay Assessments, Maintenance Charges, or other amounts due under this Declaration for a period of more than sixty (60) days after such amounts are due and payable, the Association may require a Tenant (defined below) under a Lease (defined below) with an Owner to pay the Association all future Lease payments due to the Owner beginning with the next monthly or periodic payment due from the Tenant and until the Association is paid the Amount Owing (defined below), in accordance with the procedure set forth below.

7.12.1. Notice to Owner. Before requiring a Tenant to pay Lease payments to the Association, the Board shall give the Owner notice ("Notice to Landlord"), which notice shall state: (a) the amounts due, including any interest, late fee, collection cost, and attorney fees; (b) that any costs of collection, including attorney fees, and other assessments that become due may be added to the total amount due and be paid through the collection of Lease payments; and (c) that the Association intends to demand payment of future Lease payments from the Owner's Tenant if the Owner does not pay the Amount Owing within fifteen (15) days.

7.12.2. Notice to Tenant. If an Owner fails to pay the Amount Owing within fifteen (15) days after the Board gives the Notice to Landlord, the Association may collect Lease payments by the Board delivering written notice to the Tenant of Owner ("Notice to Tenant"), which notice shall state that: (a) due to the Owner's failure to pay an assessment within the required time, the Board has notified the Owner of the Association's intent to collect all Lease payments until the Amount Owing is paid; (b) the law requires the Tenant to make all future Lease payments, beginning with the next monthly or other periodic payment, to the Association, until the Amount Owing is paid; and (c) the Tenant's payment of Lease payments to the Association does not constitute a default under the terms of the Lease with the Owner. The Manager or Board shall mail a copy of the Notice to Tenant to the Owner.

7.12.3. Payments to Association and Credit under Lease. A Tenant to whom the Notice to Tenant has been given shall pay to the Association all future Lease payments as they become due and owing to the Owner: (a) beginning with the next monthly or other periodic payment after the Notice to Tenant is delivered to the Tenant; and (b) until the Association notifies the Tenant that the Amount Owing is paid. An Owner shall credit each payment that the Tenant makes to the Association under this section against any obligation that the Tenant owes to the Owner as though the Tenant made the payment to the Owner. An Owner may not initiate a suit or other action against a Tenant for failure to make a Lease payment that the Tenant pays to the Association as required under this section. Within five (5) business days after the Amount Owing is paid, the Board shall notify the Tenant in writing (and mail a copy thereof to the Owner) that the Tenant is no longer required to pay future Lease payments to the Association. The Board shall deposit money paid to the Association under this section in a separate account and disburse that money to the Association until the Amount Owing is paid and any cost of administration, not to exceed the maximum amount set forth in the Community Act (if any) is paid. The Association shall, within five (5) business days after the Amount Owing is paid, pay to the Owner any remaining balance.

7.12.4. Terms. As used in this section "Amount Owing" means the total of any assessment or obligation under this Declaration that is due and owing together with any applicable interest, late fee, and cost of collection; "Lease" means an arrangement under which a Tenant occupies a Residence for a term of not less than twelve (12) months in exchange for the Owner receiving a consideration or benefit, including a fee, service, gratuity, or other compensation; and "Tenant" means a person, other than the Owner, who has regular, exclusive occupancy of an Owner's Residence.

7.13. Evidence of Payment of Assessments. Upon receipt of a written request by a Member or any other Person, the Association within a reasonable period of time thereafter shall issue to such Member or other Person a written certificate stating (a) that all Assessments (including interest, costs and attorneys' fees, if any, as provided in Section 7.2 above) have been paid with respect to any specified Lot or Shared Ownership Interest as of the date of such certificate, or (b) if all Assessments have not been paid, the amount of such Assessments (including interest, costs and attorneys' fees, if any) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, in an amount not to exceed any limitations set forth in the Community Act, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Lot in question.

7.14. Providing Payoff Information. The Association may charge a reasonable fee (to be paid after closing) for providing payoff information needed in connection with the closing of an Owner's financing, refinancing or sale of a Lot. Such fee shall not exceed the maximum amount (if any) set forth in the Community Act. The Board must provide payoff information within five (5) business days after the closing agent for a transaction requests such information. Such request shall include all information required by the Community Act and be delivered in accordance with the requirements set forth in the Community Act.

7.15. Property Exempted from Annual and Special Assessments and Assessment Lien. Exempt Property shall be exempt from the assessment of the Annual and Special Assessments, but such property shall not be exempt from (a) the Maintenance Charges provided for in Sections 9.3 and 9.4; (b) attorneys' fees, costs and expenses as described in Section 10.2; or (c) the Assessment Lien to secure said Maintenance Charges, attorneys' fees, costs and expenses. Provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the Annual and Special Assessments (prorated as of the date it became Assessable Property) and the Assessment Lien.

7.16. Declarant Right to Subsidize the Association. At the election of the Declarant, and upon the Declarant executing and delivering to the Association a written Subsidy Agreement incorporating the terms of this Section 7.16, the following provisions shall apply:

7.16.1. No Annual Assessments shall be levied against Exempt Property.

7.16.2. In lieu of paying Annual Assessments, and so long as the Subsidy Agreement is in effect, the Declarant shall subsidize the Association for the amount by

which the cost of operating and administering the Association exceeds the total amount of Annual Assessments levied against Lots owned by Owners other than the Declarant.

7.16.3. The subsidy may be in the form of cash or in the form of "in-kind" contributions of goods or services, or in any combination of the foregoing, and any subsidies made by Declarant in the form of "in-kind" contributions of goods or services shall be valued at the fair market value of the goods or services contributed.

7.16.4. Declarant shall make payments or contributions in respect of its subsidy obligations under this Section 7.16 at such times as the Board may reasonably request from time to time (but shall not be required to make such payments or contributions more often than monthly).

7.16.5. At the end of each fiscal year of the Association, either: (a) Declarant shall pay or contribute to the Association such additional funds, goods or services (or any combination thereof) as may be necessary, when added to all other funds, goods and services paid or contributed by Declarant during such fiscal year, to satisfy in full Declarant's subsidy obligations under this Section 7.16 for such fiscal year; or (b) the Association shall pay to Declarant or credit against Declarant's subsidy obligation for the immediately following fiscal year, as Declarant may elect, the amount, if any, by which the total of all payments or contributions paid or made by Declarant during such fiscal year exceeded the total subsidy obligation of Declarant for such fiscal year under this Section 7.16.

ARTICLE 8
ENFORCEMENT OF ASSESSMENTS

8.1. Association as Enforcing Body. The Association, as the agent and representative of the Members, shall have the exclusive right to enforce the provisions of this Declaration. However, if the Association shall fail or refuse to enforce this Declaration or any provision hereof for an unreasonable period of time after written request to do so, then any Member, on behalf of the Members within the Community, may enforce them at his or her own expense by any appropriate action, whether in law or in equity.

8.2. Assessment Lien. The Assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot or Shared Ownership Interest and shall be a continuing servitude and lien upon the Lot or Shared Ownership Interest against which each such Assessment is made. There shall be a lien upon the applicable Lot or Shared Ownership Interest for all unpaid Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to this Declaration and the Community Act. The lien for unpaid Assessments and related charges shall be effective upon Recording a written notice of lien by the Board or the Manager. The written notice of lien shall set forth the amount of the Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Lot or Shared Ownership Interest and a description of the Lot or Shared Ownership Interest. No notice of lien shall be recorded until there is a delinquency in payment of the Assessments.

8.3. Association's Remedies to Enforce Payment of Assessments. If any Member fails to pay any Assessment when due, the Association may enforce the payment of the Assessments and/or Assessment Lien by taking one or more of the following actions, concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Association does not prejudice or waive its right to exercise the other remedy):

8.3.1. Bring an action at law and recover judgment against the Member personally obligated to pay the Assessments;

8.3.2. Foreclose the Assessment Lien against each Lot within the Community in accordance with then prevailing Utah law relating to the foreclosure of mortgages or deeds of trust (including the right to recover any deficiency), the method recognized under Utah law for the enforcement of a mechanic's lien which has been established in accordance with Chapter 1a, Title 38, Utah Code Annotated, as amended from time to time, or any other means permitted by law, and the Lot or Shared Ownership Interest may be redeemed after foreclosure sale if provided by law.

8.3.3. Notwithstanding subordination of an Assessment Lien as described in Section 8.5, the delinquent Member shall remain personally liable for the Assessments and related costs after his membership is terminated by foreclosure or deed in lieu of foreclosure or otherwise.

8.4. Foreclosure. Any foreclosure pursuant to Section 8.3.2 above shall be conducted in accordance with the following procedures:

8.4.1. Scope of Lien. In any foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Lot or Shared Ownership Interest which shall become due during the period of foreclosure, and all such amounts shall be secured by the lien being foreclosed.

8.4.2. Trustee. The Declarant, Association and each Owner hereby convey and warrant pursuant to Utah Code Annotated Sections 57-1-20 and 57-8a-302 to Cottonwood Title Insurance Agency, with power of sale, the Lots, Residences and all Improvements for the purpose of securing payment of Assessments under the terms of this Declaration. Provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1, Utah Code Annotated. The Association may, through its duly authorized agents, bid on the Lot at any foreclosure sale and acquire, hold, lease, mortgage and convey the same. The trustee appointed hereunder, and any successors, shall not have any other right, title or interest in the Community beyond those rights and interests necessary and appropriate to foreclose any liens against Lots or Shared Ownership Interests arising pursuant hereto.

8.4.3. Nonjudicial Foreclosure. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice ("Foreclosure Notice") to the Owner that is the intended subject of the nonjudicial foreclosure. The

Foreclosure Notice shall: (i) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Lot or Shared Ownership Interest to enforce the Association's lien for unpaid assessments; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested and be included with other Association correspondence to the Owner; and (iv) be in substantially the following form:

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE

Sanctuary Utah Owners Association, Inc., a Utah corporation (the "Association"), the association for the project in which your lot or parcel is located, intends to foreclose upon your lot or parcel and allocated interest in the community areas using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the association's lien against your lot or parcel and to collect the amount of an unpaid assessment against your lot or parcel, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that "I demand a judicial foreclosure proceeding upon my lot or parcel," or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is: Sanctuary Utah Owner's Association, P.O. Box 1660, Park City, Utah 84060.

8.4.4. Demand for Judicial Foreclosure. The Association may not use a nonjudicial foreclosure to enforce a lien if an Owner mails the Association a written demand for judicial foreclosure: (i) by U.S. mail, certified with a return receipt requested; (ii) to the address

stated in the Foreclosure Notice; and (iii) within 15 days after the date of the postmark on the envelope of the Foreclosure Notice.

8.5. Subordination of Assessment Lien to First Mortgage; Priority of Lien. The Assessment Lien provided for herein shall be subordinate to any First Mortgage and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot or Shared Ownership Interest. Sale or transfer of any Lot or Shared Ownership Interest shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a First Mortgage to which the Assessment Lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust of sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot or Shared Ownership Interest free of the Assessment Lien for all Assessments that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; provided, however, that such First Mortgage foreclosure sale purchaser or grantee shall take subject to all Assessments and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

8.6. Termination of Delinquent Owner's Rights. The Board may terminate a Delinquent Owner's (defined below) right of access to and use of recreational facilities within the Community (together the "Owner's Rights"), such as the right to use the Trail System, Heli-Pad, Recreational Barn, or Sanctuary Dome. Before terminating the Owner's Rights, the Board shall give the Delinquent Owner notice ("Notice of Delinquency") of such termination. The Notice of Delinquency shall state: (a) that the Association will terminate any of the Owner's Rights, if the Association does not receive payment of the assessment owed to the Association within fourteen (14) days after the Delinquent Owner receives the Notice of Delinquency; (b) the amount of the Assessments due, including any interest or late payment fee; and (c) the Owner's right to request a hearing. A Delinquent Owner may submit a written request to the Board for an informal hearing to dispute the amounts due. Such request shall be submitted within fourteen (14) days after the date the Delinquent Owner receives the Notice of Delinquency. The Board shall conduct the informal hearing in accordance with the standards provided in the Bylaws. If a Delinquent Owner requests a hearing, the Association may not terminate the Owner's Rights until after the Board conducts the hearing and enters a final decision. If the Association terminates the Owner's Rights, the Association shall take immediate action to reinstate the service or right following the Owner's payment of the Assessments, including any interest, late payment fee or other charges. The Association may assess an Owner for the cost associated with reinstating a utility service that the Association terminates and demand that the estimated cost to reinstate the utility service be paid before the service is reinstated, if the estimated cost is included in the Notice of Delinquency. As used in this section, "Delinquent Owner" means an Owner who fails to pay an Assessment or other amounts owed to the Association when due.

ARTICLE 9
MAINTENANCE

9.1. Community Areas and Public Right-of-Way. The Association, or its duly delegated representative, shall maintain and otherwise manage all Community Areas, including,

but not limited to, walkways, open space, the Trail System, the Private Roadway System, the Private Driveways, parking areas, recreational facilities, the Heli-Pad, Sanctuary Dome, Recreational Barn, and the roofs, interiors and exteriors of the buildings and structures located upon said properties. As applicable the Association shall maintain fire hydrants and fuel breaks, in accordance with Weber County requirements. Nevertheless, it is recognized that the Community is located in a remote natural area where fires may be more difficult to prevent, and substantially more difficult to fight if a fire were to occur. Consequently, neither the Declarant, the Association, or the Board shall be liable for any loss or damage to persons or property resulting from fire or any other natural disaster, including without limitation, an avalanche or landslide.

9.2. Standard of Care. The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property so that the Community development will reflect a high grade of ownership. In this connection the Association may, subject to any applicable provisions on Special Assessments for capital Improvements, in the discretion of the Board:

9.2.1. Reconstruct, repair, replace or refinish any Improvement or portion thereof upon Association Land;

9.2.2. Construct, reconstruct, repair, replace or refinish any road Improvement or surface upon any portion of the Private Roadway System or Private Driveways;

9.2.3. Remove and replace, as appropriate, injured and diseased trees and other vegetation on a Landscaped Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil, maintaining fuel breaks and for aesthetic purposes;

9.2.4. Place and maintain upon any Community Area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof; and

9.2.5. Do all such other and further acts which the Board deems necessary to preserve and protect the Community Areas and the beauty thereof, in accordance with the general purposes specified in this Declaration.

9.2.6. The Board shall be the sole judge as to the appropriate maintenance of all Community Areas and other properties maintained by the Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

9.2.7. The Board may cause the Association to contract with others for the performance of the maintenance and other obligations of the Association under this Article 9 and, in order to promote uniformity and harmony of appearance, the Board may also cause the Association to contract to provide maintenance services to Owners of Lots having such responsibilities in exchange for the payment of such fees as the Association and Owner may agree upon.

9.3. Assessment of Certain Costs of Maintenance and Repair of Community Areas and Public Areas. In the event that the need for maintenance or repair of Community Areas, structures and other property maintained by the Association is caused through the willful or negligent act of any Owner or Resident, or any family, guests, invitees or tenants of such Persons, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and the Owner's property is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner pursuant to Section 9.1 in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

9.4. Maintenance and Use of Lots. Each Residence and Landscaped Area shall be properly maintained by the Owner, or the Shared Ownership Committee with respect to a Shared Ownership Lot, so as not to detract from the appearance of the Community and so as not to affect adversely the value or use of any other Residence or Landscaped Area. In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Community which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration or any Supplemental Declaration applicable thereto, or in the event the Owner of any Lot or Shared Ownership Interest is failing to perform any of its obligations under the Governing Documents, the Board may by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien.

ARTICLE 10
RIGHTS AND POWERS OF ASSOCIATION

10.1. Association's Rights and Powers As Set Forth in Articles and Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights and powers as are set forth in its Articles and Bylaws. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by Declarant, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Declaration. After incorporation of the Association, a copy of the Articles and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours.

10.2. Association's Rights of Enforcement of Provisions of This and Other Instruments. The Association, as the agent and representative of the Owners and Members shall have the right to enforce, by any proceeding at law or in equity, the covenants set forth in this Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments,

conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association or by Declarant. In the event suit is brought or arbitration is instituted or an attorney is retained by the Association to enforce the terms of this Declaration or other document as described in this Section 10.2 and the Association prevails, the Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Lot or Shared Ownership Interest. If the Association should fail to act within a reasonable time, any Owner shall have the right to enforce the covenants set forth in this Declaration.

10.3. Contracts with Others for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others, including the Declarant and its affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more Board members or officers of the Association or members of any committee are employed by or otherwise connected with Declarant or its affiliates, provided that the fact of such interest shall be disclosed or known to the other Board members acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such Board member, officer or committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he or she is a member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Declarant, its affiliated companies or any competitor thereof and may vote thereat to authorize any such contract, transaction or approval with like force and effect as if he or she were not so interested.

10.4. Change of Use of Association Land and Procedure Therefor. Upon (a) adoption of a resolution by the Board stating that in the Board's opinion the present use of a designated part of the Association Land or of the Association's interest in other Community Areas is no longer in the best interests of the Owners and Residents and (b) the approval of such resolution by the Members in accordance with Article 6, the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and Improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners and Residents, and (ii) shall be consistent with any Deed restrictions (or zoning regulations) restricting or limiting the use of the Association Land or Community Areas. Any construction, reconstruction, alteration or change of the buildings, structures and Improvements on Association Land shall require the approval of the Association.

10.5. Purposes for Which Association's Funds May Be Used. The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Community and the Members and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any kind and all land,

properties, Improvements, facilities, services, projects, programs, studies and systems, within the Community, which may be necessary, desirable or beneficial to the general common interests of the Community, the Members and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents; maintenance of landscaping on Community Areas and public right-of-way and drainage areas within the Community; recreation; insurance; communications; ownership and operation of vehicle storage areas; transportation; health; utilities; public services; safety and indemnification of officers and directors of the Association. The Association also may expend its funds as otherwise permitted under the Community Act and the laws of the State of Utah.

10.6. Borrowing Power. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as is necessary or appropriate as determined by the Board without a vote of the Members.

10.7. Association's Rights in Spending Funds From Year to Year. The Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of Annual Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

ARTICLE 11
INSURANCE AND FIDELITY BONDS

11.1. Property Insurance. The Association shall at all times maintain in force insurance meeting the following requirements: A "master" or "blanket" type policy of property insurance shall be maintained, if reasonably available, covering all insurable Improvements, if any, on the Association Land and the Community Areas; fixtures, building service equipment, personal property and supplies comprising a part of the Community Areas or owned by the Association; but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity insurance coverage. If blanket all-risk insurance is not reasonably available, then at a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Community in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Community Areas covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (a) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount

Endorsement (which waives the requirement for co-insurance); or (b) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one-hundred percent of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such policy shall be the lesser of Ten Thousand Dollars ($10,000) or one percent (1%) of the policy face amount. The Board shall provide notice to Owners of the amount of the deductibles and any change in the amount of the deductibles.

11.2. Policy Requirements.

11.2.1. The name of the insured under each policy required to be maintained by the foregoing Section 11.1 shall be the Association for the use and benefit of the individual Owners. Notwithstanding the requirement of the immediately foregoing sentence, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee (as hereinafter defined) with whom the Association has entered into an Insurance Trust Agreement (as hereinafter defined), or any successor to such Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's First Mortgagee. Each Owner and each such Owner's First Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and First Mortgagee upon request.

11.2.2. Each policy required to be maintained by the foregoing Section 11.1, shall contain the standard mortgagee clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which the Community is located. In addition, such mortgagee clause or another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

11.2.3. Each policy required to be maintained by the foregoing Section 11.1, shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

11.2.4. Each policy required to be maintained by the foregoing (Section 11.1 shall also contain or provide the following: (a) "Inflation Guard Endorsement", if available; (b) "Building Ordinance or Law Endorsement", if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction); and, if appropriate, (c) "Steam Boiler and Machinery Coverage Endorsement" which shall provide that the insurer's minimum liability per

accident at least equals the lesser of Two Million Dollars ($2,000,000.00) or the insurable value of the Improvements containing the boiler or machinery.

11.3. Fidelity Bonds or Insurance. The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds or insurance, including but not limited to, trustees and officers insurance for the benefit of all members of the Board, officers and members of committees and subcommittees appointed by the Board or otherwise established pursuant to the provisions of this Declaration, for all officers, agents, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds or insurance, with coverage shall be identical to such bonds required of the Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association, or the Manager, as the case may be, at any given time during the term of coverage. A lesser amount of fidelity insurance coverage is acceptable for the Community so long as the Association and the Manager adhere to the following financial controls: (1) the Association or the Manager maintains separate bank accounts for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (2) the Manager maintains separate records and bank accounts for each Association that uses its services and the Manager does not have authority to draw checks on or to transfer funds from the Association's reserve account; or (3) two trustees must sign any checks written on the reserve account. Nevertheless, in no event may the amount of such fidelity coverage be less than the sum equal to three months' aggregate Assessments on all Lots. The coverage required shall meet the following additional requirements: (1) the fidelity coverage shall name the Association as obligee or insured; (2) the bonds or insurance shall contain waivers by the issuers of the bonds or insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (3) the premiums on all bonds or insurance required herein for the Association (except for premiums on fidelity bonds or insurance maintained by the Manager for its officers, employees and agents) shall be paid by the Association as part of the Community Expenses; and (4) the bonds or insurance shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Association and to any Insurance Trustee.

11.4. Liability Insurance. The Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Community Areas, public ways in the Community, if any, all other areas of the Community that are under the Association's supervision, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to the Community in construction, location, and use. Nevertheless, such coverage shall be for at least Three Million Dollars ($3,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property

damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Community Areas, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Community in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

11.5. Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear. Each insurance policy maintained pursuant to this Declaration shall be written by insurance carriers which are licensed to transact business in the State of Utah and which have a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which are written by Lloyd's of London or which are otherwise approved by the Board. The provisions of this Article 11 shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

11.6. Annual Review of Policies and Coverage. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Community Areas and Improvements thereon which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration. In the event any of the insurance coverage provided for in this Article 11 is not available at a reasonable cost or is not reasonably necessary to provide the Community with adequate insurance protection, as determined by the Board, the Board shall have the right to obtain different insurance coverage or insurance coverage which does not meet all of the requirements of this Article 11 so long as, at all times, the Board maintains insurance coverage on a basis

which is consistent with the types and amounts of insurance coverage obtained for projects similar to the Community. Additionally, the Board shall give Owners notice within seven (7) days if any such insurance is not reasonably available

ARTICLE 12
DAMAGE OR DESTRUCTION

12.1. Association as Attorney in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Community Areas upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article 13 below. Acceptance by any grantee of a Deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, Deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact. All proceeds from the insurance required hereunder shall be payable to the Association except as otherwise provided in this Declaration.

12.2. Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Improvements on the Community Areas in the Community, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Community Areas so damaged or destroyed. "Repair and reconstruction" as used in this Article 12 shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

12.3. Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

12.4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 7.7 above, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

12.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for in Section 7.7 above constitute a fund for the payment of the costs of repair and reconstruction after

casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be retained by the Association as an additional capital reserve.

12.6. Decision Not to Rebuild. If at least seventy-five percent (75%) of Members in the Association vote not to repair and reconstruct and no alternative Improvements are authorized, then and in that event the affected portion of the Community Areas shall be restored to their natural state and maintained as an undeveloped portion of the Community Areas by the Association in a neat and attractive condition, and any remaining insurance proceeds shall be retained by the Association as an additional capital reserve.

ARTICLE 13
CONDEMNATION

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

13.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed according to this Section 13.2. If the taking involves a portion of the Community Areas on which Improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners representing at least seventy-five percent (75%) of the Members in the Association shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Community Areas to the extent lands are available therefor, in accordance with plans approved by the Board. If such Improvements are to be repaired or restored, the provisions in Article 12 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Community Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed to and retained by the Association as an additional capital reserve.

13.3. Complete Condemnation. If all of the Community is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Community Areas shall be distributed to Owners based upon the relative value of the Lots, Residences , or Shared Ownership Interests (as applicable) prior to the condemnation.

ARTICLE 14
MORTGAGEE REQUIREMENTS

14.1. Notice of Action. Upon written request made to the Association by a Mortgagee, or an insurer or governmental guarantor of a Mortgage, which written request shall identify the name and address of such Mortgagee, insurer or governmental guarantor and the Lot number or

address of the Residence, any such Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

14.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Community or any Lot or Shared Ownership Interest on which there is a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor;

14.1.2. Any delinquency in the payment of Assessments or charges owed by an Owner, whose Lot or Shared Ownership Interest is subject to a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days; and

14.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond or insurance maintained by the Association.

14.2. Availability of the Community Documents and Financial Statements. The Association shall maintain and have current copies of the Governing Documents and other rules concerning the Community as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of Mortgages that are secured by Lots. Generally, these documents shall be available during normal business hours.

14.3. Subordination of Lien. The lien or claim against a Lot or Shared Ownership Interest for unpaid Assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Lot or Shared Ownership Interest, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot or Shared Ownership Interest shall take the same free of such lien or claim for unpaid Assessment or charges, but only to the extent of Assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a Deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Lot or Shared Ownership Interest affected or previously affected by the First Mortgage concerned.

14.4. Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Community Areas are not timely paid, or in the event the required hazard insurance described in Section 11.1 lapses, is not maintained, or the premiums therefor are not paid when due, any First Mortgagee or any combination of First Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any First Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

14.5. Priority. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective

Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Lots or the Community Areas.

ARTICLE 15
TERM; AMENDMENTS; TERMINATION

15.1. Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of fifty (50) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of twenty (20) years each, unless there is an affirmative vote to terminate this Declaration by then Voting Members casting eighty percent (80%) of the total votes cast at an election held for such purpose or otherwise approved in writing within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. The Declaration may be terminated at any time if eighty percent (80%) of the votes of the Members shall be cast in favor of termination at an election held for such purpose. If the necessary votes and consents are obtained, the Board shall cause to be Recorded a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

15.2. Amendments. This Declaration may be amended by Recording an Amendment to this Declaration, duly signed and acknowledged by and on behalf of the Association. The Amendment shall set forth in full the amendment adopted, and, except as provided in Sections 15.3 and 15.4 hereof or elsewhere in this Declaration, shall certify that at a meeting duly called and held pursuant to the provisions of the Articles and Bylaws or by separate written consent without a meeting, the Members casting at least sixty seven percent (67%) of the votes of the Members who are voting in person or by proxy at the election voted affirmatively for the adoption of the amendment or approved such amendment by separate written consent. The votes of the Class A Members shall be cast by the Voting Members. Until Declarant no longer owns any Lot or Shared Ownership Interest in the Community, this Declaration and any Supplemental Declaration may be amended or terminated only with the written approval of the Declarant.

15.3. Unilateral Amendments. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Lot. Notwithstanding anything contained in this Declaration to the contrary, so long as Declarant has any ownership rights under this Declaration, Declarant may unilaterally amend this Declaration at any time and from time to time (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith, (b) to make technical corrections or to fix mistakes or remove/clarify ambiguities; (c) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; or (d) if such amendment is necessary in connection with Declarant's exercise of any of its development rights under this Declaration. During the Declarant Control Period, Declarant also hereby reserves the right to unilaterally change the name of the Community without the consent of any other Owner or of the Board. Further, so long as the Class B Membership exists, Declarant may unilaterally amend this Declaration for any other purpose so

long as any such amendment shall not materially adversely affect title to any property within the Community without the consent of the affected Owner.

15.4. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article or Declaration to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by the Utah Department of Real Estate (or similar agency) and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of property within the Community, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when Recorded, shall be binding upon all of the Community and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Article 15 deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control.

ARTICLE 16
DECLARANT'S RIGHTS

16.1. Transfer. Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly Recorded. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any Additional Land in any manner whatsoever. So long as Declarant continues to have rights under this paragraph, no person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration or condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

16.2. Modifications. Declarant reserves for itself and its assigns the right to vary the timing, mix, type, use, style, and numbers of Residences, Lots and other such details of construction or modifications in adding phases to this Declaration.

16.3. Conservation Easement. Certain portions of the Property may now or hereafter be subject to the Conservation Easement. Additionally, Declarant reserves for itself the unilateral right to transfer, convey, or assign by deed or other written instrument all or a portion of a Lot or Community Area that it owns to a qualified conservation entity. As set forth in Section 13.4 of

the Conservation Easement, each Owner of a Lot, or Shared Ownership Owner within a Lot shall make an annual donation to the Trust to assist in funding the maintenance and enforcement of the Conservation Easement. The annual donation amount is $250.00 per Lot and shall be divided and allocated to each Owner based on the ownership interest in a Lot. The amount of the annual payment will be reviewed every five years and may change according to the percentage of increase in the inflation rate tied to the Consumer Price Index (CPI). The Association shall have the right to collect such annual donations from the Owners as part of the annual Association budget, with full rights of assessment lien enforcement. Upon collection of said donations from the Owners, the Association will forward the donations to the Trust.

16.4. Amendment. This Article 16 may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article 16 shall terminate when Declarant no longer owns any Lot or Shared Ownership Interest in the Community.

16.5. The Community Rules. Declarant reserves for itself and its assigns the right to, from time to time, adopt, amend and repeal rules and regulations to be known as the Community Rules. The Community Rules may restrict and govern the use of any area by any Member or Resident, by the family of such Member, or by any invitee, licensee or tenant of such Member; provided, however, that the Community Rules shall not discriminate among Members and shall not be inconsistent with the Governing Documents.

16.5.1. Notwithstanding any provision in this Declaration to the contrary, no action of the Association or Board shall: (a) interfere with the reasonable use, enjoyment or operation of any Private Amenity; or (b) unreasonably impede Declarant's right to develop the Community.

16.5.2. ALL OWNERS ARE GIVEN NOTICE THAT THE USE OF THEIR LOT, RESIDENCE, OR SHARED OWNERSHIP INTEREST AND THE COMMUNITY AREAS IS LIMITED BY THE COMMUNITY RULES, AS MAY BE PROMULGATED, AMENDED, EXPANDED, AND OTHERWISE MODIFIED FROM TIME TO TIME. EACH OWNER, BY ACCEPTANCE OF A DEED, ACKNOWLEDGES AND AGREES THAT THE USE AND ENJOYMENT AND MARKETABILITY OF HIS, HER OR ITS LOT, RESIDENCE OR SHARED OWNERSHIP INTEREST CAN BE AFFECTED BY THIS PROVISION AND THAT THE COMMUNITY RULES MAY CHANGE FROM TIME TO TIME SO LONG AS SUCH CHANGE DOES NOT MATERIALLY ADVERSELY AFFECT THE USE AND ENJOYMENT OF THE OWNERSHIP INTEREST. ALL PURCHASERS OF LOTS OR RESIDENCES ARE ON NOTICE THAT THE DECLARANT MAY ADOPT CHANGES TO THE COMMUNITY RULES FROM TIME TO TIME. COPIES OF THE CURRENT COMMUNITY RULES MAY BE OBTAINED FROM THE ASSOCIATION.

16.5.3. Before adopting, amending, modifying, canceling, limiting, creating exceptions to, or expanding the Community Rules, the Declarant shall give at least fifteen (15) days' notice to Owners, provide an open forum for Owners to be heard, and deliver a copy of the approved changes to the Owners.

ARTICLE 17
MOUNTAIN RECREATION DEVELOPMENT

17.1. Assumption of Risk, Waiver of Claims and Indemnification. Each Owner, by its purchase of a Lot or Residence, hereby acknowledges that the Community is a mountain recreation community in a lightly developed semi-wilderness area with recreation-type activities, which may include, without limitation: backcountry skiing, ski runs and trails, hiking trails, mountain biking trails, open spaces, wildlife, rugged terrain, Private Amenities, snow making, tennis courts, horses and horseback riding, outdoor concerts, indoor and outdoor theater, art activities, festivals, children's events, games and activities, running, snow shoeing, alpine and cross country skiing and mountain bike courses and/or races and/or other competitions of various kinds, and other recreation-type facilities, events, activities and programs (collectively, "Recreation Activities"), and each such Owner expressly assumes the risk of noise, nuisances, hazards, personal injury, or property damage related to any and all Recreation Activities, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance may take place at any time(s) of the day or night), (b) noise from trail grooming machinery, (c) construction and development activities, (d) view restrictions caused by installation, relocation and maturation of trees and shrubbery, (e) reduction in privacy, including that related to maintenance activities, and (f) errant equipment, including skis and mountain bikes. Each such Owner agrees that neither Declarant, the Manager, the Association, any committee created by the Association, any of the Declarant's affiliates or agents, nor any Recreation Activities participant (unless acting recklessly or in a willfully wrongful manner) shall be liable to an Owner or any other person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to: (i) the proximity of an Owner's Lot or Residence to any backcountry ski run or trail, Private Amenity or other Recreation Activity venue; (ii) any claim arising in whole or in part from the negligence of Declarant, any of Declarant's affiliates or agents, the Manager, the Association or any committee created by the Association; (iii) any Recreation Activity or Private Amenity; and (iv) damage to persons and property, including household pets, caused by wildlife, including without limitation bears, mountain lions, moose, deer, elk, skunks, and raccoons (collectively referred to herein as the "Waived Claims"). Each Owner hereby agrees to indemnify, defend and hold harmless Declarant, Declarant's affiliates and agents, the Manager, the Association and any committee created by the Association, from and against any and all Waived Claims asserted by such Owner and/or by such Owner's visitors or tenants, and by others upon such Owner's Lot or Residence. Each Owner further covenants that the Association, any committee created by the Association, the Manager, the Declarant and the owners and operators of all Recreation Activities shall have the right, in the nature of an easement, to subject all or any portion of the Community to nuisances incidental to the maintenance, operation or use thereof, and to the carrying out of such Recreation Activities.

ARTICLE 18
THE SHARED OWNERSHIP PROGRAM AT SANCTUARY UTAH

18.1. Submission of Lots to Shared Ownership Program. Declarant, or its permitted assignee with respect to a portion or all of the Declarant rights ("Permitted Assignee"), reserves

the right to submit all or some of the Lots in the Community to the Shared Ownership Program as set forth in this Article. Declarant may submit a Lot to the Shared Ownership Program or other shared ownership or use program, whereby the right to exclusive use of such Lots rotates among Shared Ownership Owners in such program on a fixed, floating or reserved time basis over a period of years, as Declarant or its Permitted Assignee shall establish in its sole and exclusive discretion. No Owner, other than Declarant or a Permitted Assignee, shall have the right to create or operate such a program on any Lot in the Community. Title to the fractional or Shared Ownership Interests in the Lots submitted to the Shared Ownership Program may be separately held, conveyed, devised, encumbered and otherwise utilized to effectuate and implement such Shared Ownership Program. The provisions of this Declaration shall apply to all Shared Ownership Lots and all Shared Ownership Interests created hereunder; provided, however, in the event of an inconsistency between this Article and the remaining provisions of the Declaration with respect to the ownership of a Shared Ownership Lot and the rights, duties, and obligations of Shared Ownership Owners, then the provisions of this Article shall control. The owner of such fractional or Shared Ownership Interest may remove his or her interest from a lien against two or more fractional or Shared Ownership Interests or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to such owner's interest.

18.2. Definitions. Unless the context expressly requires otherwise, words shall have the meanings designated below with respect to those Lots which are submitted to the Shared Ownership Program.

18.2.1. "Shared Ownership Assessment" means the assessments paid by the Shared Ownership Owners pursuant to this Article levied by the Association against all Shared Ownership Owners to pay the Shared Ownership Expenses.

18.2.2. "Shared Ownership Committee" shall mean the committee unilaterally selected by the Shared Ownership Owners of each Lot, or the Manager on behalf of the Shared Ownership Owners of each Lot, to determine the Shared Ownership Expenses and establish the Shared Ownership Assessments as more particularly described in Section 18.8 below.

18.2.3. "Shared Ownership Furnishings" means all interior decor, furniture, furnishings, fixtures, appliances, moveable equipment, utensils, carpeting, accessories, and other personal property located within a particular Shared Ownership Residence for the exclusive use and benefit of the Shared Ownership Owner(s) utilizing that Shared Ownership Residence.

18.2.4. "Shared Ownership Interest" shall mean and shall include the following interests and rights, which are indivisible and inseparable, and which shall be exercised in accordance with the terms and provisions of this Declaration: (a) an undivided one-twelfth ($1/12^{th}$) fee simple interest in a specific Shared Ownership Lot; (b) membership in the Association; (c) a recurring and exclusive right to the possession, use and occupancy of the Residence during the designated month of occupancy as set forth in the Deed; and (d) a non-exclusive right to use the Community Areas while occupying a

Shared Ownership Lot subject to the terms and provisions of this Declaration and the other Governing Documents.

18.2.5. "Shared Ownership Lot" means a Lot which is submitted to the Shared Ownership Program and any Residence or Improvements thereon.

18.2.6. "Shared Ownership Owner" shall mean the Owner of a Shared Ownership Interest in a Shared Ownership Lot, including Declarant. The term "Shared Ownership Owner" shall not include any Mortgagee (unless such Mortgagee has acquired title for other than security purposes).

18.2.7. "Shared Ownership Program" shall mean the Shared Ownership Lots, Shared Ownership Residences, all Shared Ownership Furnishings located therein and all other rights of Shared Ownership Owners pursuant to the ownership and use program created by this Declaration.

18.2.8. "Shared Ownership Residence" shall mean any Residence constructed on a Shared Ownership Lot.

18.2.9. "Shared Ownership Special Assessment" means assessments which the Association may levy from time to time against Shared Ownership Owners, in addition to the Shared Ownership Assessments, for the purposes as provided herein.

18.3. Partition. By acceptance of a Deed to a Shared Ownership Interest, each Shared Ownership Owner waives his or her right to bring a suit for partition except in accordance with the provisions of this Declaration.

18.4. Conveyance by Purchaser; No Subdivision of Shared Ownership Interests. Each Shared Ownership Interest shall constitute an estate in real property separate and distinct from all other Shared Ownership Interests in the Shared Ownership Program and in the Community, which estate may be separately conveyed and encumbered. A purchaser may acquire more than one Shared Ownership Interest and thereafter convey or encumber each Shared Ownership Interest so acquired separately. In no event, however, shall a Shared Ownership Owner convey or encumber less than a Shared Ownership Interest as defined herein, or attempt to subdivide a Shared Ownership Interest into lesser Shared Ownership Interests than the Shared Ownership Interest originally conveyed to such Shared Ownership Owner. In the event all Shared Ownership Interests in a Shared Ownership Lot are acquired by one Shared Ownership Owner, such Shared Ownership Lot may, at such Shared Ownership Owner's election and with the written consent of Declarant, be withdrawn from the Shared Ownership Program.

18.5. Legal Description of a Shared Ownership Interest. A contract for sale of a Shared Ownership Interest may legally describe a Shared Ownership Interest by reference to the Shared Ownership Lot, the purchaser's Shared Ownership Interest in the Shared Ownership Lot and the purchaser's right to use and occupy a Shared Ownership Residence during the designated month of occupancy identified in the vesting Deed, or by completing the following legal description:

An undivided one-_____ (1/___) fee simple ownership interest as tenant in common in Lot _____, THE SANCTUARY SUBDIVISION, according to the

official plat thereof as recorded in the office of the Weber County Recorder, State of Utah, and subject to the Second Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Sanctuary Utah, recorded on _____ as Document No. _____ and the plat recorded on _____ as Entry No. _____ in the Office of the County Clerk of Weber County, Utah, together with the exclusive right to possess and occupy the Residence during the calendar month of _____ each and every calendar year.

Within this legal description, all months are calendar months, with the exception of December, which use and occupancy shall be from December 1 to January 2, and January, which use and occupancy shall be from January 2 through January 31. Any legal description substantially in the form provided above or which is otherwise sufficient to identify the Shared Ownership Interest shall be good and sufficient for all purposes to sell, convey, transfer and encumber or otherwise affect a Shared Ownership Interest and all easements appurtenant thereto.

18.6. Administration and Management. The administration and management of the Shared Ownership Program shall be performed by the Association. The Association shall have all powers necessary or desirable to effectuate any of the purposes provided for herein. A Shared Ownership Owner, upon becoming the owner of a Shared Ownership Interest, shall be a Member and shall remain a Member for the period of his or her ownership. A Shared Ownership Owner shall be entitled to a one (1) vote in the Association for each Shared Ownership Interest owned, which shall be given to and exercised by the Voting Member, as provided in Section 6.3, at all meetings of the Association. Voting by proxy shall be permitted.

18.7. Powers and Duties of the Association with Respect to Shared Ownership Interests. By way of enumeration and without limitation and in addition to the powers and duties of the Association provided for elsewhere in the Declaration, the Association shall also have the following specific powers and duties with respect to Shared Ownership Interests:

18.7.1. To cause each Shared Ownership Lot and Shared Ownership Residence located thereon to be repaired and maintained in a first class manner and condition. No Shared Ownership Owner may construct, install, add, alter, repair, change or replace any Shared Ownership Lot, Shared Ownership Residence or Improvement located thereon. The Association shall have the exclusive right and authority to maintain, repair, replace, construct, install, add, alter, repair, change or replace any portion of a Shared Ownership Lot including the Shared Ownership Residence, Shared Ownership Furnishings and the Landscaped Areas thereon. Notwithstanding the foregoing, however, the designated Shared Ownership Committee of each Lot shall determine the landscaping of each Shared Ownership Lot, the interior and exterior color schemes, decor, and furnishings of each Shared Ownership Residence as well as the proper time for refurbishment, redecorating, and replacement thereof, and report such information to the Association for implementation;

18.7.2. To manage the Shared Ownership Program and in connection therewith to implement and operate housekeeping, check out and departure services and systems for the benefit of Shared Ownership Owners;

18.7.3. To acquire and hold title to all Shared Ownership Furnishings. The Association shall, on behalf of all Shared Ownership Owners, hold title in its name to all Shared Ownership Furnishings, and no Shared Ownership Owner shall have any right, title, or claim thereto, and the Association shall have the right to deal with Shared Ownership Furnishings for all purposes. Notwithstanding the foregoing, should a Shared Ownership Owner purchase all Shared Ownership Interests in a single Lot, the Association shall convey title of the Shared Ownership Furnishings to such Shared Ownership Owner;

18.7.4. To maintain property insurance for covered causes of loss to the Shared Ownership Lots, Shared Ownership Residences and Shared Ownership Furnishings in an amount of insurance not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date and containing the required provisions set forth in Article 11;

18.7.5. To bill each Shared Ownership Owner for the expenses incurred by a Shared Ownership Owner during his or her occupancy which the Association determines to be the individual expenses of the particular Shared Ownership Owner, including, but not limited to long-distance and other extraordinary telephone charges, extraordinary repairs or charges for damage to the Shared Ownership Residence, its furniture, furnishings, equipment, fixtures, appliances, and carpeting caused by a Shared Ownership Owner or his or her guest and other charges rendered by the Manager on behalf of the particular Shared Ownership Owner;

18.7.6. To collect the Shared Ownership Assessment provided for in this Article. Costs and expenses solely related to the operation of the Shared Ownership Program shall be charged to Shared Ownership Owners only and not other Lot Owners. The Association, in conjunction with the particular Shared Ownership Committee, shall use reasonable judgment in determining the Shared Ownership Expenses attributed to the Shared Ownership Program;

18.7.7. To establish, subject to modification at any time, publish, and administer such rules and regulations as the Association deems necessary or desirable, specifically including but not limited to fines and restrictions on use and occupancy if a Shared Ownership Owner is not current on Assessments or is otherwise in violation of the provisions of this Article;

18.7.8. To enforce the remedies for non-payment of the Shared Ownership Assessments set forth in this Article or elsewhere in this Declaration; and

18.7.9. To do and perform any and all other acts which may be either necessary for, or proper or incidental to, the exercise of any of the foregoing powers.

18.7.10. To designate, with respect to this Section 18.7, all or some of the powers and duties to the Shared Ownership Committee of a particular Shared Ownership Lot for implementation.

18.8. Shared Ownership Assessment. In addition to the Assessment for Community Expenses established by the Association to meet the expenses of the Community, the Association shall also establish a separate Shared Ownership Assessment which will be assessed against Shared Ownership Interests to cover the additional costs of operating the Shared Ownership Program ("Shared Ownership Expenses") for a Shared Ownership Lot. The Shared Ownership Assessment for each Shared Ownership Interest in a Shared Ownership Lot may include but is not limited to, the following:

18.8.1. The allocated share of the Community Expenses liability attributable to each Shared Ownership Interest;

18.8.2. Maintenance and upkeep of the Shared Ownership Residences and Landscaped Areas;

18.8.3. Maintenance, repair and replacement of a Shared Ownership Lot, Shared Ownership Residence and Shared Ownership Furnishings;

18.8.4. Any additional premium for property or liability insurance occasioned by the operation of the Shared Ownership Program;

18.8.5. Real and personal property taxes assessed against the Shared Ownership Interests;

18.8.6. Management fees assessed by the Manager or the Association to cover the costs of operating the Shared Ownership Program that are in addition to the management fees set by the Manager for management of the Community;

18.8.7. A reserve for refurbishment and/or replacement of the Shared Ownership Residences and Shared Ownership Furnishings; and

18.8.8. Any other expenses incurred in the normal operation of the Community attributable to operation of the Shared Ownership Lots as part of the Shared Ownership Program and not otherwise within the definition of Community Expenses provided for in the Declaration.

The Shared Ownership Assessment shall be assessed and prorated among Shared Ownership Owners and shall be fixed at a uniform and equal rate per Shared Ownership Interest in a Shared Ownership Lot. The expenses for each Shared Ownership Residence, including but not limited to its Shared Ownership Furnishings, costs related to the Landscaped Areas, and all other costs related to the Shared Ownership Lot, shall be separately and independently determined by the Shared Ownership Committee for each Shared Ownership Lot and shall be paid by the Shared Ownership Owners who hold title to such Lot. The Shared Ownership Assessment shall be paid by the Shared Ownership Owner pursuant to a schedule established by the Association and levied against the particular Shared Ownership Lot. These Shared Ownership Assessments shall be the personal and individual debt of the Shared Ownership Owner and all sums assessed but unpaid shall constitute a lien on the Shared Ownership Interest. The Association shall have all of the rights in connection with the collection thereof as it has in connection with the collection of unpaid Assessments for Community Expenses.

18.9. Shared Ownership Special Assessments. In the event that the Shared Ownership Assessments prove inadequate during any fiscal year for whatever reason, including nonpayment of any Shared Ownership Assessment, the Association may, at any time and from time to time, levy in any calendar year Shared Ownership Special Assessments applicable to that year only for any purpose as the Board shall determine in its sole and exclusive discretion. Shared Ownership Special Assessments shall be assessed and prorated among the Shared Ownership Owners on the same basis as regular Shared Ownership Assessments, except when the Shared Ownership Special Assessment against a Shared Ownership Owner is a remedy utilized to reimburse the Association for costs incurred in bringing the Shared Ownership Owner into compliance with the provisions of the Governing Documents.

18.10. Reserve Study.

18.10.1. The Board shall cause to be conducted at least once every six (6) years, a study of the reserves required to repair, replace and restore the Shared Ownership Lot, Shared Ownership Residence and Shared Ownership Furnishings. The Board shall thereafter review the results of that study at least every three (3) years to determine if those reserves are sufficient and shall make any adjustments it deems necessary to maintain the required reserves.

18.10.2. The study required by this Section 18.10, and covering the components described in Section 7.9.2 hereof, must be conducted by a person qualified by training and experience to conduct such a study, including a member of the Board, an Owner or the Manager of the Association who is so qualified. The study must include, without limitation:

18.10.2.1. Identification of the major components of the Shared Ownership Lot, Shared Ownership Residence and Shared Ownership Furnishings which have a use life of no fewer than three (3) years but not less than thirty (30) years that will reasonably require reserve funds;

18.10.2.2. An estimate of the probable remaining useful life of each major component identified pursuant to Section 18.10.2.1;

18.10.2.3. An estimate of the necessary cost to repair, replacement or restoration of each major component identified pursuant to Section 18.10.2.1;

18.10.2.4. An estimate of the total annual contribution that may be required to cover the cost of repairing, replacement or restoration the major components during and at the end of its useful life; and

18.10.2.5. A reserve funding plan that recommends how the Association may fund annual contribution described in Section 18.10.2.4.

18.11. Acceptance; Enforcement; Indemnification. By acceptance of a Deed to a Shared Ownership Interest, a Shared Ownership Owner agrees to be bound by the terms and conditions of the Declaration. In addition to all remedies provided to the Association in this Declaration the Association shall also have the right, with respect to Shared Ownership Owners who are in

default under any documents governing the Shared Ownership Program, to withhold use or possession of the Residence during a Shared Ownership Owner's designated use period. All of the remedies granted by the Governing Documents, including the specific remedies provided for in this Article are cumulative, and the exercise of one right or remedy by the Association shall not impair the Association's right to exercise any other remedy. The Association shall not be limited to the remedies set forth herein and may invoke any other or additional remedies provided for or allowed at law or in equity. The Association may pursue any of the remedies provided for in whatever order is determined by the Association. The failure by the Association to insist in any one or more instances upon the strict compliance with any provision of the Governing Documents, to exercise any right or option contained therein, to serve any notice or to institute any action or proceeding, shall not be construed as a waiver or relinquishment of any such provision, option or right.

18.12. Failure to Vacate Shared Ownership Residence. In the event any Shared Ownership Owner fails to vacate a Shared Ownership Residence after the end of his, her or its designated occupancy period or otherwise uses or occupies or prevents another Shared Ownership Owner from using or occupying the Residence during another Shared Ownership Owner's occupancy period, that Shared Ownership Owner shall be in default hereunder and shall be subject to immediate removal, eviction or ejection from the Shared Ownership Residence wrongfully occupied; shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection; and shall pay to the Shared Ownership Owner entitled to use the Shared Ownership Residence during such wrongful occupancy, as liquidated damages for the wrongful use of the Shared Ownership Residence, a sum equal to two hundred percent (200%) of the estimated expense of providing the arriving Shared Ownership Owner with equivalent lodging and amenities, as determined by the Association in its sole discretion for each day, or portion thereof, including the day of surrender, during which the Shared Ownership Owner wrongfully occupies a Shared Ownership Residence, plus all costs of enforcement which amounts may be collected by the Association in the manner provided herein for the collection of Assessments for Community Expenses.

18.13. Mechanics' Liens. Any Shared Ownership Owner who suffers or allows a mechanics' lien or other lien to be placed against his or her Shared Ownership Interest or the entire Shared Ownership Lot shall indemnify, defend and hold each of the other Shared Ownership Owners harmless from and against all liability or loss arising from the claim or such lien. The Association may enforce such indemnity by collecting from the Shared Ownership Owner who suffers or allows such a lien the amount necessary to discharge the lien and all costs of enforcement incidental thereto. If such amount is not promptly paid, the Association may collect the same in the manner provided herein for the collection of Assessments for Shared Ownership Expenses.

18.14. Transfers Void while in Default. Except as to a transfer to a First Mortgagee by foreclosure or deed in lieu of foreclosure, no transfer of a Shared Ownership Interest shall be permitted unless and until the proposed transferor is current as to all Assessments due to the Association and is otherwise not in default under any other provision of the Declaration. Any purported transfer of a Shared Ownership Interest while a Shared Ownership Owner is delinquent or is in default on any other obligation shall be null and void.

18.15. Right of Repurchase. The Shared Ownership Interests, and any and all rights and interests now or hereafter appurtenant to each of them, shall be subject to a right of first refusal to repurchase ("Repurchase Option") by Declarant if a Shared Ownership Owner wants to or is required to sell, assign, or otherwise transfer its Shared Ownership Interest (not including a deed in lieu of foreclosure, transfer by trustee or sheriff's deed, or any transfer in connection with the merger, consolidation, liquidation or reorganization in Shared Ownership Owner) (a "Transfer"). A Transfer shall not include the sale, assignment or other transfer of a First Mortgagee of its right or interest in a Shared Ownership Interest. Declarant shall have the right to exercise the Repurchase Option by giving written notice at any time within sixty (60) calendar days after the date upon which Shared Ownership Owner shall have given written notice to Declarant of the potential Transfer, together with a copy of the proposed contract of sale or other document affecting the Transfer, which includes all material terms to the Transfer. If any such notice shall not be so given by Declarant to the Shared Ownership Owner on or before the expiration of the respective 60 day period and if the Shared Ownership Owner completes the Transfer to a third party, Declarant's right to exercise the Repurchase Option with regard to the Shared Ownership Interest shall thereupon cease and terminate. If the Shared Ownership Owner does not complete the Transfer within ninety (90) days of giving written notice to Declarant, the Repurchase Option with regard to the Shared Ownership Interest shall not terminate and the Shared Ownership Owner shall be required to provide a successive written notice(s) of a proposed Transfer.

18.15.1. The "Repurchase Option Price" shall mean the bona fide purchase price offered to a Shared Ownership Owner with respect to a Shared Ownership Interest.

18.15.2. The Shared Ownership Owner shall deliver title to the Shared Ownership Interest to Declarant at the closing of the Repurchase Option in the same condition as when delivered by Declarant to the Shared Ownership Owner, except as to nondelinquent property taxes and assessments for the year of said closing, which taxes and assessments shall be prorated between Declarant and the Shared Ownership Owner to the date of such closing, so that the Shared Ownership Owner bears such taxes and assessments for the period of its ownership of the Shared Ownership Interest. The Shared Ownership Owner agrees to pay all costs and expenses for such closing, including the premium for an standard owners title insurance policy in the amount of the Repurchase Option Price, insuring that title to the Shared Ownership Interest is vested in Declarant.

18.15.3. In the event Declarant fails to exercise the Repurchase Option within the time and in the manner set forth above, Declarant shall not have any further right to exercise the Repurchase Option with regard to such Shared Ownership Interest and Declarant agrees, upon the Shared Ownership Owner's written request, to Record a duly executed and acknowledged release releasing Declarant's right to exercise the Repurchase Option with regard to such Shared Ownership Interest.

18.15.4. This Repurchase Option shall be subordinate and junior to the legal operation and effect of the security interests of First Mortgagees.

18.16. Declarant Subsidy. To the extent permitted by law, and as described in Section 7.16 below, Declarant may pay the Association an amount less than its proportionate share of

Shared Ownership Expenses or other permitted Shared Ownership Assessments for which it owes; provided, however, Declarant has executed a subsidy agreement requiring Declarant to pay monies which are sufficient, together with the Shared Ownership Assessments paid by all other Shared Ownership Owners, to enable the Association to timely pay all of the Shared Ownership Assessments.

18.17. Creation of Different Interests. It is the intent of Declarant to convey undivided one-twelfth (1/12th) fee ownership interests in the Shared Ownership Lots. No other undivided fee ownership interests in the Shared Ownership Lots shall be created at any time, without the prior written consent of Declarant.

18.18. Exchange Program. Declarant or the Board is authorized to establish an exchange relationship for the Shared Ownership Owners with any bona fide exchange company or network, as permitted by local law.

18.19. Destruction, Damage or Taking.

18.19.1. Attorney-in-Fact. Each Shared Ownership Owner hereby irrevocably constitutes and appoints each member of the Board as such Shared Ownership Owner's true and lawful attorney-in-fact in such Shared Ownership Owner's name, place, and stead for the purpose of dealing with the improvements on the Community Areas upon damage or destruction or a complete or partial taking as provided in the Declaration. Acceptance by a Shared Ownership Owner of a Deed or other instrument of conveyance from the Declarant shall constitute appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Board members shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Shared Ownership Owner which may be necessary or appropriate to exercise the powers granted to the Board as attorney-in-fact. All insurance proceeds shall be payable to the Association except as otherwise provided in the Declaration.

18.19.2. Repair, Restoration of Shared Ownership Residence. In the event any Shared Ownership Residence is rendered unusable as a result of damage or destruction, the Board shall cause the Shared Ownership Residence to be reconstructed, repaired and restored subject to the provisions of the Declaration.

18.19.3. Completing Taking of Shared Ownership Residence. In the event that a Shared Ownership Residence is taken by any power having the authority of eminent domain, and such taking shall render the Shared Ownership Residence unusable, all compensation for and on account of the destruction shall be shared by the Shared Ownership Owners owning a fee simple interest in such Shared Ownership Residence in proportion to their respective ownership interests therein. In the event of such taking, the Shared Ownership Residence shall be removed from the Shared Ownership Program and the Shared Ownership Owners owning an ownership interest in such Shared Ownership Residence shall have no further use rights under the Shared Ownership Program and the Shared Ownership Interests associated therewith shall be terminated without any further action by the Declarant or the Board.

18.19.4. Rights of Mortgagees. Notwithstanding anything in this Section 18.19 to the contrary, no Shared Ownership Owner or any other party shall have priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Shared Ownership Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of a Shared Ownership Residence. All proceeds or awards shall be paid directly to any Mortgagees of Record, as their interests may appear.

18.19.5. Amendment of Section 18.20; Provisions Binding. By acceptance of a Deed or other instrument of conveyance or by acquiring any interest in any of the property subject to this Declaration, each Person, for himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, agrees to be bound by the terms and conditions of this Section 18.19.

ARTICLE 19
ADDITIONAL LAND. EXPANSION AND WITHDRAWAL OF PROPERTY

19.1. Right to Expand and State of Title to New Lots and Parcels. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand the Community at any time (within the limits herein prescribed) and from time to time by adding to the Community the Additional Land or a portion or portions thereof. Notwithstanding any provision of this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Owner or Mortgagee) and shall be limited only as specifically provided in this Declaration. Any given portion of the Additional Land shall be deemed added to the Community at such time as a Supplemental Declaration containing the information required by Section 19.3 below has been recorded with respect to the portion of the Additional Land concerned. After the date such Supplemental Declaration is Recorded, title to each Lot thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Community Areas shall be vested in and held by Declarant, and none of the other Owners or the Association shall have any claim or title to or interest in such Lot or its appurtenant right and easement of use and enjoyment to the Community Areas.

19.2. Rights and Statements Respecting Additional Land. Declarant hereby furnishes the following information and statements respecting the Additional Land and Declarant's right and option concerning expansion of the Community by the addition thereto of the Additional Land or a portion or portions thereof:

19.2.1. All of the Additional Land need not be added to the Community if any of such Additional Land is added. Rather, a portion or portions of the Additional Land may be added to the Community at any time (within the limits herein prescribed) and from time to time.

19.2.2. There are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to the Community or relative to the order in which particular portions of the Additional Land can be added to the Community. Provided, however, future Improvements shall be consistent with the initial Improvements in quality of construction.

19.3. Procedure for Expansion. Each Supplemental Declaration by which an addition to the Community of any portion of the Additional Land is accomplished shall be executed by Declarant, shall be in recordable form, and must be Recorded on or before the date which is fifty (50) years from the date that this Declaration is Recorded, and shall contain the following information for that portion of the Additional Land which is being added:

19.3.1. Data sufficient to identify this Declaration with respect to that portion of the Additional Land being added.

19.3.2. The legal description of the portion of the Additional Land being added.

19.3.3. A statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this Declaration.

19.3.4. Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the date any supplement contemplated above is Recorded, it shall automatically supplement this Declaration and any supplements previously recorded. At any point in time, this Declaration for the Community shall consist of this Declaration, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

19.4. Allocation of Assessments and Voting Rights Following Expansion. Each Lot created shall be apportioned a share of the Community Expenses attributable to the Community, as provided in Article 7. Each Owner of a Lot shall be entitled to votes in the Association as provided for in Section 6.2. Assessments and voting rights shall commence as of the date the Declarant executes a Supplemental Declaration.

19.5. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the addition to the Community of any or all of the Additional Land; (ii) the creation or construction of any Lot or other Improvement; (iii) the carrying out in any particular way or within any particular time of any development or addition which may be undertaken; or (iv) the taking of any particular action with respect to any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Community.

19.6. Withdrawal of Property. At any time on or before the date which is fifty (50) years from the date that this Declaration is recorded, the Declarant shall have the right to withdraw property ("Withdrawable Land") from the Community without the consent of any other Owner or Person (other than the Owner of such Withdrawable Land, if other than the Declarant). The withdrawal of all or any portion of the Withdrawable Land from the Community

shall be effected by the Declarant Recording a written instrument that shall contain the following information for that portion of the Withdrawable Land which is being withdrawn:

19.6.1. Data sufficient to identify this Declaration with respect to that portion of the Withdrawable Land being withdrawn.

19.6.2. The legal description of the portion of the Withdrawable Land being withdrawn.

19.6.3. A statement that such portion of the Withdrawable Land shall thereafter be free and clear of the covenants, restrictions, easements, charges, and liens set forth in this Declaration.

19.6.4. Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the date any supplement contemplated above is Recorded, it shall automatically supplement this Declaration and any supplements previously Recorded and upon the withdrawal of any Withdrawable Land from the Community pursuant to this Section, such property shall no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

ARTICLE 20
BINDING ARBITRATION AND ENFORCEMENT OF COMMUNITY DOCUMENTS

20.1. Opt-Out Right. IF AN OWNER DOES NOT WANT THE FOLLOWING ARBITRATION PROVISION TO APPLY, THE OWNER MUST SEND A LETTER TO DECLARANT, SIGNED BY THE OWNER (AND ANY CO-OWNER) AND ADDRESSED TO ATTN: SANCTUARY ARBITRATION OPT-OUT, C/O PAXTON R. GUYMON, 64085 SOUTH 3000 EAST, SUITE 150, SALT LAKE CITY, UTAH 84121. THE LETTER MUST BE SENT WITHIN THIRTY (30) DAYS AFTER THE DATE OF THE OWNER'S REAL ESTATE PURCHASE CONTRACT, AND MUST STATE THAT THE OWNER DOES NOT WANT ARBITRATION TO APPLY TO THE MATTERS DESCRIBED IN THIS ARTICLE 20. ANY OPT OUT WILL RENDER THIS ARBITRATION PROVISION NULL AND VOID BUT WILL HAVE NO OTHER EFFECT ON THE OWNER'S RIGHTS.

20.2. Arbitration Terms Defined. In the arbitration provision described in this Article 20 ("Arbitration Provision"), the following capitalized words, phrases or terms have the meanings set forth below:

20.2.1. "Institutional Party" means Declarant; the Association during the Declarant Control Period; any third party that provides any product or service to a Consumer Party in connection with this Declaration, if and only if such third party is named as a co-party with another Institutional Party in a Claim asserted by a Consumer Party; their successors and assigns; and the agents, representatives, members, employees, officers and/or directors of the foregoing entities.

20.2.2. "Consumer Party" means the Owners, their heirs, successors and assigns; the Residents; and the Association after the Declarant Control Period.

20.2.3. "Bound Party" means any Institutional Party or Consumer Party who asserts a Claim or has a Claim asserted against such party.

20.2.4. "Claim" means any claim, dispute or controversy between an Institutional Party and a Consumer Party, other than an Exempt Claim, arising out of or relating in any way to this Declaration or any other Governing Documents, the Community, the Lots, and Improvements, including any such claim, dispute or controversy regarding or arising over the marketing and sale of Lots or Shared Ownership Interests; the terms of this Declaration or any other Governing Documents; the design, specifications, surveying, planning, supervision, testing, observation of construction or construction of any Improvements, or survey of the Lots; or the maintenance or use of the Community. This includes, without limitation, disputes concerning the validity, enforceability, arbitrability or scope of this Arbitration Provision or this Declaration; disputes involving alleged fraud or misrepresentation, breach of contract, negligence or violation of statute, regulation or common law; and disputes involving requests for declaratory relief, injunctions or other equitable relief.

20.2.5. "Exempt Claim" means any of the following Claims, which will not be subject to this Arbitration Provision: (a) any individual action brought by a Consumer Party in small claims court or a relevant state's equivalent court, unless such action is transferred, removed, or appealed to a different court; (b) any action to effect a judicial or non-judicial foreclosure; (c) any eviction or other summary proceeding to secure possession of real property or an interest therein; (d) any action in any bankruptcy proceeding to assert, collect, protect, realize upon or obtain possession of the collateral for any amount owed; (e) any action to quiet title; (f) any action insofar as it seeks provisional or ancillary remedies in connection with any of the foregoing; (g) any self-help remedy, such as the refusal of an Institutional Party to allow a Consumer Party to use a Lot, or any individual action in court by one party that is limited to preventing the other party from using a self-help remedy and that does not involve a request for damages or monetary relief of any kind; and (h) any dispute concerning the validity and effect of Section 20.8 below, the ban on class actions and certain other proceedings (the "Class Action Ban"). Notwithstanding the prior sentence, at the request of a Consumer Party, the Institutional Parties will agree to arbitrate under this Arbitration Provision any matter covered by items (b)–(f) above if arbitration will afford the parties substantially the same rights and remedies as a court action. Any dispute regarding the question of whether arbitration will afford the parties substantially the same rights and remedies as a court action is also an Exempt Claim and shall be determined exclusively by the court and not by an arbitrator. If one or more Institutional Parties are allowed to proceed outside arbitration with respect to any of the matters covered by items (b)–(f) above, the Consumer Party may assert in court on an individual basis any related defenses or Claims such Consumer Party may have.

20.2.6. "Administrator" means either of the following companies, to be selected by the Bound Party initiating the arbitration: JAMS ("JAMS"), 18881 Von Karman Ave., Suite 350, Irving, CA 92612, https://www.jamsadr.com. , or the American Arbitration Association ("AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, http://www.adr.org. However, if neither JAMS nor AAA may serve as Administrator,

without the consent of all Bound Parties asserting or defending a Claim, if it adopts or has in place any formal or informal policy that is inconsistent with and purports to override the terms of the Class Action Ban.

20.3. Arbitration of Claims. Unless a Consumer Party has opted out of this Arbitration Provision, upon the election of any Consumer Party or Institutional Party asserting or defending a Claim, such Claim shall be resolved by binding individual (and not class) arbitration. Notice of an election to arbitrate a Claim may be given after a lawsuit begins and may be given in papers filed in the lawsuit. Any arbitration will be conducted in accordance with this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the rules of the Administrator in effect at the time the Claim is filed.

20.4. Fees. If a Consumer Party cannot obtain a waiver of any fees of the Administrator or arbitrator, the Institutional Parties will consider in good faith any request for them to pay such fees for the Consumer Party. Each Bound Party shall bear the fees and expenses of that Bound Party's attorneys, experts, and witnesses, provided that the Institutional Parties will bear the reasonable fees and expenses incurred by a Consumer Party if the Consumer Party prevails on a Claim the Consumer Party has asserted against the Institutional Parties. Also, the Institutional Parties will pay any arbitration, attorneys' and/or other fees and expenses they are required to pay by applicable law or they are required to pay in order to enforce this Arbitration Provision. If a participatory arbitration hearing is requested, it will take place in Weber County, Utah or, if the Administrator determines that such location would be unfair to a Consumer Party, at a location reasonably convenient to such Consumer Party and the Institutional Parties.

20.5. Governing Law. This Arbitration Provision shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1–16 (the "FAA") and not state arbitration laws, provided that Utah law shall govern to the extent that state law is relevant under the FAA in determining the enforceability of this Arbitration Provision. The arbitrator shall be obligated to follow applicable substantive laws, statutes of limitations and privilege rules related to any Claim. The arbitrator shall award the remedies, if any, that would be available in an individual court proceeding if arbitration had not been elected. This includes, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings); declaratory, injunctive and other equitable relief; and attorneys' fees and costs. Upon the timely request of any Bound Party, the arbitrator shall write a brief explanation of the grounds for his or her decision. In addition to the Bound Parties' rights under the Administrator's rules to obtain information prior to the hearing, any Bound Party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other Bound Party the opportunity to object.

20.6. Appeal of Arbitrator's Decision. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA. However, for Claims involving more than $50,000, any Bound Party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider from the start any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Fees and costs associated with an appeal shall be governed by Section 20.4 above.

20.7. Jury Trial Waiver. IF A BOUND PARTY ELECTS TO ARBITRATE A CLAIM, NO BOUND PARTY WILL HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM.

20.8. Class Action Ban. NO BOUND PARTY MAY PARTICIPATE IN A CLASS ACTION IN COURT OR IN CLASS-WIDE ARBITRATION, EITHER AS A REPRESENTATIVE, CLASS MEMBER OR OTHERWISE. NO BOUND PARTY MAY PARTICIPATE IN A PRIVATE ATTORNEY GENERAL PROCEEDING IN COURT OR IN ARBITRATION. NO CLAIMS BY OR AGAINST A BOUND PARTY MAY BE JOINED OR CONSOLIDATED WITH CLAIMS BY OR AGAINST ANY OTHER PERSON (EXCEPT FOR CLAIMS INVOLVING THE HEIRS AND SUCCESSORS OF SUCH CONSUMER PARTIES). THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTI-PARTY ARBITRATION INCONSISTENT WITH THIS SECTION. Notwithstanding any language in this Arbitration Provision to the contrary, any dispute about the validity or effect of the above Class Action Ban shall be resolved by a court and not an arbitrator or the Administrator.

20.9. Severability. If a determination is made that any part of this Arbitration Provision is unenforceable (other than the Class Action Ban) or that this Arbitration Provision is unenforceable as to any party or parties, this provision shall nonetheless remain enforceable in all other respects and as to all other parties. If the Class Action Ban is held to be unenforceable in connection with any Claim subject to the Class Action Ban, this Arbitration Provision (other than this sentence) shall be null and void in such proceeding, provided that the Institutional Party seeking to enforce the Class Action Ban shall have the right to appeal at the earliest possible time any holding that the Class Action Ban is unenforceable.

20.10. Notice of Claim; Right to Address. Prior to asserting a Claim, the Bound Party with the Claim (the "Claimant") shall give the Bound Party that is the subject of the Claim written notice of the Claim and a reasonable opportunity, not less than thirty (30) days, to resolve the Claim. The Claimant's claim notice must include the Claimant's name, address and telephone number. Any claim notice must explain the nature of the Claim and the relief that is demanded. A Consumer Party may only submit a claim notice on his or her own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other Bound Party reasonably requests. If: (a) a Consumer Party submits a claim notice in accordance with this Section on his or her own behalf (and not on behalf of any other party); (b) the Institutional Party refuses to provide the requested relief; and (c) an arbitrator subsequently determines that the Consumer Party was entitled to such relief (or greater relief), the arbitrator shall award the Consumer Party at least $7,500 (not including any arbitration fees and attorneys' fees and costs to which the Consumer Party may be entitled under this Arbitration Provision or applicable law).

ARTICLE 21
MISCELLANEOUS

21.1. Interpretation of Declaration. Except for judicial construction, the Association, by its 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 benefited or bound by the covenants and provisions hereof.

21.2. Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

21.3. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

21.4. Rules and Regulations. In addition to the right to adopt the Community Rules on the matters expressly mentioned elsewhere in this Declaration, the Association (through its Board) shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

21.5. Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a Plat or other Recorded instrument, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Community can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect.

21.6. References to Declaration in Deeds. Deeds or any instruments affecting any Lot or any part of the Community may contain the covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the covenants set forth herein shall be binding upon the grantee-Owner or other person claiming through any instrument and his or her heirs, executors, administrators, successors and assigns.

21.7. List of Owners and Eligible Members. The Board shall maintain up-to-date records showing: (a) the name of each Person who is an Owner, the address of such Person, and the Lot or Shared Ownership Interest which is owned by him or her; (b) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity and the Lot or Shared Ownership Interest which is encumbered by the Mortgage held by such person or entity; and (c) the name of each person or entity who is an insurer or governmental guarantor together with the address of such person or entity. In the event of any transfer of a fee or undivided fee interest in a Lot or Shared Ownership Interest, either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of Record. The Board may for all purposes act and rely on the information concerning Owners and Lot ownership or or Shared Ownership Interest which is thus acquired by it or, at its option, the Board may act and rely on current ownership

information respecting any Lot or Lots which is obtained from the office of the County Recorder of Weber County, Utah, as applicable. The address of an Owner shall be deemed to be the address of the Lot (or Shared Ownership Interest associated with the Lot) owned by such person unless the Board is otherwise advised. The list of Owners shall be made available by the Board ~~to any Owner for noncommercial purposes upon such Owner's written request and such Owner's~~ payment of any copying charges. The Association may, as a condition to permitting a Member to inspect the Membership register or to its furnishing information from the register, require that the Member agree in writing not to use, or allow the use of, information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the Member's interest in the Association.

21.8. General Obligations. Each Owner shall ~~enjoy and be subject to all rights and~~ duties assigned to Owners pursuant to this Declaration. With respect to unsold Lots or Shared Ownership Interest, the Declarant shall enjoy the same rights and assumes the same duties with respect to each unsold Lot or Shared Ownership Interest.

21.9. Rights of Action. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of this Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association.

21.10. Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder. Declarant may assign any or all of such rights by Recording an assignment of Declarant's rights.

21.11. Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

21.12. Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

21.13. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such person at the address given by that person to the Association for the purpose of service of such notice or to the address of the Lot of such person if no address has been given. Such address may be changed from time to time by notice in writing ~~received by the Association. Notice to the Board shall also be delivered or mailed to the~~ Declarant or such other address as the Board may designate after the end of Declarant's control of the Board.

21.14. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than it otherwise might be. NEITHER THE ASSOCIATION, NOR THE DECLARANT SHALL IN ANY WAY

BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY, HOWEVER, AND NEITHER THE ASSOCIATION, NOR THE DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, RESIDENTS, TENANTS, GUESTS AND INVITEES OF ANY OWNER OR RESIDENT, AS APPLICABLE, ACKNOWLEDGE THAT THE DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE NOR THAT FIRE PROTECTION OR BURGLARY ALARM SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, RESIDENT, TENANT, GUEST OR INVITEE OF AN OWNER OR RESIDENT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE DECLARANT, THE ASSOCIATION, AND ITS BOARD OF DIRECTORS ARE NOT INSURERS AND THAT EACH OWNER, RESIDENT, TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENCES AND TO THE CONTENTS OF RESIDENCES AND FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, AND ITS BOARD OF DIRECTORS HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, RESIDENT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMUNITY.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day first above written.

DECLARANT:
Sanctuary Utah, LLC, a Utah limited liability company

By: Tim Charlwood
Its: Managing Member

STATE OF Utah)
:ss.
COUNTY OF Summit)

The foregoing instrument was acknowledged before me this 09 day of January 2019, by Timothy Charlwood, the Managing Member of Sanctuary Utah, LLC.

Ava Fairclough-LaFave
Notary Public
My Commission Expires: 09-04-2022

NOTARY PUBLIC
AVA FAIRCLOUGH LAFAVE
COMM. # 702076
COMMISSION EXPIRES
SEPTEMBER 4, 2022
STATE OF UTAH

fresquesa@ballardspahr.com

www.ballardspahr.com

LENDER CONSENT, SUBORDINATION AND NON-DISTURBANCE

MOUNTAIN WEST DEBT FUND, LP ("Lender") is the beneficiary under that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, executed by Sanctuary Ranch Utah, LLC, a Utah limited liability company and Timothy P. Charlwood, an individual (collectively the "Grantors") dated July 15, 2016 and recorded July 15, 2016, as Entry Number 2803929 in the Recorder's Office for Weber County, Utah, and which was modified by that certain Modification Agreement dated December 13, 2016, and recorded on December 13, 2016, as Entry Number 2831753 in the Recorder's Office for Weber County, Utah, and which was further modified by that certain Modification Agreement dated May 1, 2017, and recorded on May 1, 2017 as Entry Number 2854988 in the Recorder's Office for Weber County, Utah (collectively, the "Deed of Trust"), which Deed of Trust encumbers the real property (or a portion thereof) subject to and described in the attached Second Amended and Restated of Declaration of Covenants, Conditions, Easements and Restrictions of Sanctuary Utah executed by Grantor and recorded in the official records of Weber County, Utah (the "Declaration").

NOW, THEREFORE, Lender hereby consents to all of the provisions contained in the attached Declaration, and covenants and agrees that the lien of the Deed of Trust and other related documents shall be junior, subordinate and subject to said Declaration, and that any foreclosure of the Deed of Trust and other related documents, whether judicially or through the exercise of power of sale, or the exercise of any other rights and remedies thereunder shall not terminate or otherwise adversely affect the continuing validity and enforceability of any of the terms and provisions of the Declaration. Any person acquiring property or interest therein, whether through Grantor, Mortgagee, their successors or assigns, shall take such property subject to the Declaration and the provisions contained therein.

IN WITNESS WHEREOF, Lender executes this Lender Consent, Subordination and Non-Disturbance as of JANUARY 9, 2019.

"LENDER"

MOUNTAIN WEST DEBT FUND, a Delaware limited partnership

By: _____
Its: AUTHORIZED SIGNER

EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTION

Lots 1, 2, 3, 6 and Private Roadways within THE SANCTUARY SUBDIVISION, according to the official plat thereof as recorded in the office of the Weber County Recorder, State of Utah.

Lots 4, 5, 7 and 8 within THE SANCTUARY FIRST AMENDMENT SUBDIVISION, according to the official plat thereof as recorded in the office of the Weber County Recorder, State of Utah.

ALL OF THE ABOVE DESCRIBED PROPERTY IS TOGETHER WITH a perpetual easement for ingress, egress and utilities over and across the existing 50' private road as more particularly described and conveyed in that certain Right of Way and Easement recorded January 14, 1998 as Entry No. 1515370 in Book 1901 at Page 2685, and in that certain Easement Agreement and Declaration of Covenants recorded September 23, 2004 as Entry No. 2058175 of official records.

Proposed SANCTUARY LAKESIDE SUBDIVISION, being more particularly described as follows:

A part of Sections 12 and 13, Township 6 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey, Huntsville City, Weber County, Utah: Beginning at a point on the section line which is 1013.80 feet North 89°24'41" West from the Southeast corner of the Southwest corner of said Section 12 and running thence South 01°46'50" West (South record) 216.24 feet to the Northerly right of way line of 100 South Street the following two (2) courses: (1) Northwesterly along the arc of a 3363.73 foot radius curve to the left a distance of 369.40 feet (delta equals 06°17'32" and long chord bears North 58°56'40" West 369.21 feet), (2) Northwesterly along the arc of a 568.69 foot radius curve to the left a distance of 51.84 feet (delta equals 05°13'23" and long chord bears North 64°26'09" West 51.82 feet) to the Easterly line of The United States of America property; thence along said Easterly and Southerly lines the following two (2) courses: (1) North 00°32'32" East (North record) 161.46 feet and (2) North 71°15'00" East (North 73°01'00" East record) 326.43 feet to the Westerly line of the Ogden Boat Club property; thence along said Westerly and Southerly lines the following two (2) courses: (1) South 00°32'25" West

(South record) 262.46 feet to the section line and (2) along said section line South 89°24'21" East (East record) 61.61 feet to the point of beginning.

EXHIBIT "B"

ADDITIONAL LAND LEGAL DESCRIPTION

Lots 4 and 5 (the same being the East half of the Northeast quarter) of Section 4, Township 6 North, Range 2 East, Salt Lake Base and Meridian.

EXCEPTING THEREFROM that portion lying within the bounds of The Sanctuary Subdivision and The Sanctuary First Amendment Subdivision.

The Northwest quarter of Section 3, Township 6 North, Range 2 East, Salt Lake Base and Meridian.

EXCEPTING THEREFROM that portion lying within the bounds of The Sanctuary Subdivision and The Sanctuary First Amendment Subdivision.

The Southwest quarter of Section 34, Township 7 North, Range 2 East, Salt Lake Base and Meridian.

EXHIBIT "D"

RECREATIONAL BARN DESCRIPTION

Lot 3, within THE SANCTUARY SUBDIVISION, according to the official plat thereof as recorded in the office of the Weber County Recorder, State of Utah.

TOGETHER WITH a perpetual easement for ingress, egress and utilities over and across the existing 50' private road as more particularly described and conveyed in that certain Right of Way and Easement recorded January 14, 1998 as Entry No. 1515370 in Book 1901 at Page 2685, and in that certain Easement Agreement and Declaration of Covenants recorded September 23, 2004 as Entry No. 2058175 of official records.

EXHIBIT "C"

HELI-PAD AND SANCTUARY DOME DESCRIPTION

Lot 6, THE SANCTUARY SUBDIVISION, according to the official plat thereof as recorded in the office of the Weber County Recorder, State of Utah.

TOGETHER WITH a perpetual easement for ingress, egress and utilities over and across the existing 50' private road as more particularly described and conveyed in that certain Right of Way and Easement recorded January 14, 1998 as Entry No. 1515370 in Book 1901 at Page 2685, and in that certain Easement Agreement and Declaration of Covenants recorded September 23, 2004 as Entry No. 2058175 of official records.