



**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
THE WATERDANCE SUBDIVISION PHASE 4 Building J**

THIS DECLARATION (the "Declaration") made on the date hereinafter set forth, of the certain covenants, conditions, and restrictions pertaining to that certain real estate development known as The Waterdance Subdivision Phase 4 Building J (hereinafter the "Development"), as well as all of the Property as defined in Section 1.23, by the undersigned Waterdance Holdings, LLC, a Utah limited liability company (hereinafter the "Declarant") for itself, its successors, grantees and assigns.

WITNESSETH

WHEREAS, the Declarant owns the Property subject to this Declaration which is more particularly described on Exhibit A which is attached to this Declaration and incorporated herein;

WHEREAS, the Declarant desires to provide for the preservation of the values in the Development, the maintenance of the Open Space and limited common areas and related improvements, and to subject the Property together with such additions as may hereafter be made thereto to the covenants, conditions, and restrictions, and easements hereinafter set forth, each and all of which is and are for the benefit of the Property and each subsequent owner thereof;

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values in the Development, to create a homeowner's association to which should be delegated and assigned the power of maintaining and administering the limited common areas and related improvements and administering and enforcing the covenants, conditions, and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Declarant desires and intends in the future to sell and convey its interest in the individual lots which are to be contained in the Development together with the undivided ownership interests in the limited common areas to various purchasers, subject to this Declaration.

NOW THEREFORE, the following is hereby declared, agreed, covenanted and established.

ARTICLE I

DEFINITIONS

When used in this Declaration, the following terms shall have the meaning indicated

1.01 "Assessment" shall mean any dues, fees, assessments, charges penalties, interest, fees, attorney fees, and costs assessed by the Association through the Board or otherwise and which are chargeable and applicable to any Lot.

1.02 "Association" shall mean and refer to the Waterdance Building J Homeowners' Association, Inc., a Utah non-profit corporation, as set forth in Article IV below.

1.03 "Board of Directors or Board" shall mean the governing body of the Association as provided in the Governing Documents.

1.04 "Bylaws" shall mean the current Bylaws of the Association.

1.05 "Declarant" means Waterdance Holdings, LLC, a Utah limited liability company, its successors or assigned.

1.06 "Declaration" shall mean this Declaration of Covenants, Conditions, and Restrictions.

1.07 "Development" shall mean and refer to Building J of The Waterdance Subdivision Phase 4, which is part of the Waterdance PUD.

1.08 "Final Plat." "Plat" or "Survey Map" shall mean and refer to the final subdivision plat for The Waterdance Subdivision Phase 4 recorded with the Rich County Recorder' s Office, State of Utah.

1.09 "Governing Documents" shall mean the Association's Articles of Incorporation, the Association's Bylaws, this Declaration, and any rules and regulations established by the Association or the Board, all of the foregoing as now existing or hereafter amended.

1.10 "HOA Lien" shall mean the charge or lien set forth in Article 5.02(c) of this Declaration.

1.11 "Joint Cost Percentage" shall mean the following percentages for each Townhome Dwelling: 25%.

1.12 "Law" or "Laws" shall mean and refer to the applicable laws of the State of Utah, applicable county or municipal ordinances, and any other applicable laws, regulations, rules, or ordinances, as the same may be amended from time to time.

1.13 "Limited Common Area" or "Limited Common Areas and Facilities" shall

mean and refer to the portions of the Townhome Dwellings commonly shared between all Townhome Dwellings including, but not limited to, foundations, columns, girders, beams, supports, weight bearing walls, roofs, siding or other exterior cladding, the foyer, and any fixture required for any shared utility or service for the Townhome Dwellings.

1.14 "Lot" or "Lots" when not followed by any specific number shall mean and refer to lot numbers 36 through 39 of the Development as set forth on the Final Plat.

1.15 "Member" shall mean an Owner who has voting rights in the Association as set forth in the Governing Documents and the Recreational Facilities Owner or its successor or assign.

1.16 "Membership" shall mean an Owner's status and rights as a voting Member of the Association.

1.17 "Open Space" shall mean those areas within the Waterdance PUD that have been designated for non-development or constrained development such as areas of landscaping, parking and access and includes, but is not limited to, the following lots within the Waterdance PUD: Lot 6 (Phase 1), Lot 18 (Phase 2), Lot 35 (Phase 3) and Lot 52 (Phase 4). Open Space does not include any Recreational Facilities. Access to the Open Space in this phase (Phase 4), shall be given to Owners in all prior and future phases of the Waterdance PUD. Owners in this Phase 4 shall be given access to Open Space in all prior and future phases of the Waterdance PUD.

1.18 "Owner" shall mean the entity, person or group of persons who has an Ownership Interest. Regardless of the number of parties participating in ownership of each Lot, each Lot shall be deemed to have one "Owner" for Membership and voting rights in the Association.

1.19 "Ownership Interest" shall mean having a fee simple interest to any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust or like instrument, the term Ownership Interest shall not mean or include the interest of a Mortgagee unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.20 "Open Space Maintenance Fee" shall mean a fee paid to the Open Space Owner, or assigns, based on the square footage of the Townhome Dwelling as a percentage of aggregate square footage of all Townhome Dwellings constructed in the Waterdance PUD. Such Open Space Maintenance Fee shall not exceed the actual costs and reasonable profit of the maintenance of said Open Space, including snow removal, lawn care, road and sidewalk repair, and landscape maintenance.

1.21 "Open Space Owner" shall mean the record owner, or agent or assigns of the

record owner, of the Open Space.

1.22 "Period of Administrative Control" means the period beginning when the Final Plat is recorded and terminating at the earliest of the following to occur: (1) the date all Lots have been conveyed by Declarant to an individual Owner or Owners for occupancy or (2) the day the Declarant records a written instrument voluntarily terminating the Period of Administrative Control; provided, however, that so long as any mortgagee of Declarant holds a security interest in any portion of the Property as security for a development loan to Declarant, the Period of Administrative Control shall not terminate without the prior written consent of such mortgagee if so required by the mortgage security documents.

1.23 "The Property" means the following lots within the Waterdance PUD: Lots 1 and 6 (Phase 1), Lot 18 (Phase 2), Lot 35 (Phase 3) and Lots 36, 37, 38, 39 and 52 (Phase 4).

1.24 "Townhome Dwelling" shall mean the townhome unit located on any Lot in the Development as shown on the Final Plat.

1.25 "Recreational Facilities" shall mean the facilities and amenities located on Lot 1 of the Waterdance PUD (Phase 1) and operated by the Recreational Facilities Owner including, without limitation, swimming pools, hot tubs, gym, spa, and other similar features.

1.26 "Recreational Facilities Dues" shall mean the monthly amounts that must be paid by each Owner to allow the Owner or the Owner's tenants or guests access to and use of the Recreational Facilities.

1.27 "Recreational Facilities Owner" shall mean the record owner or agent or assign of the record owner of the Recreational Facilities.

1.28 "Short-term Rental" shall mean the renting or holding out for rent of a Townhome Dwelling, Lot, or any improvement thereon, or any part thereof, in any way for a rental period of less than one month.

1.29 "Waterdance Property Management Company" shall mean the Waterdance Property Management Company, LLC, a Utah limited liability company.

1.30 "Waterdance PUD" shall mean a Planned Unit Development in Garden City Utah on a tract of land with an overall boundary description described in Exhibit B.

ARTICLE II

SUBMISSION

2.01. Submission. The Declarant hereby submits to the provisions of this Declaration the Property and the buildings, structures, and other improvements constructed or to be constructed thereon, together with all appurtenances thereto.

2.02. Covenants to Run with Land. All of the Property shall be held, sold, conveyed and occupied subject to this Declaration as well as the Plat recorded previously, and any Plats subsequently recorded for the Waterdance PUD. This is for the purpose of protecting the value and desirability of the Property. This Declaration and the Plat shall be construed as real covenants and equitable servitudes and shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

2.03. Conveyance to Trustee. The Declarant hereby appoints Rich Land Title Company, a Utah Corporation located in Logan, Utah, as trustee pursuant to the Utah Community Association Act, Utah Code Ann. § 57-8a-212(1)G), and hereby conveys and warrants pursuant to Utah Code Ann. §§ 57-1-20 and 57-8a-302 to Rich Land Title Company, with power of sale, the Property and all Lots and all improvements to the Property for the purpose of securing payment of assessments under the terms of this Declaration.

ARTICLE III

OPEN SPACE

3.01 Open Space. Except as otherwise provided for herein, all Open Space is hereby set aside for the non-exclusive use and benefit of the respective Owners in accordance with and for all purposes provided by the Law and this Declaration. Subject to the limits contained in the Governing Documents, and the Governing Documents of the Master Association which will be later filed, any Owner shall have the non-exclusive right to use the Open Space and Facilities. Declarant and the Open Space Owner reserve the right to grant access to and use of all Open Space to the owners of any lots of any phases of the Waterdance PUD, whether now existing or which may exist in the future. The Open Space shall be used only in a manner which is consistent with their community nature.

3.02 Right of Enjoyment. Every Owner shall have a right and easement to use and enjoy the Open Space in accordance with the provisions below and subject to the Governing Documents, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Open Space by all other owners and their guests of other lots in the Waterdance PUD. The right and easement of enjoyment granted or permitted by this Section is subject to suspension by the Association as provided in

Article 4.06 and for non-payment of the Open Space Maintenance Fee.

ARTICLE IV

THE HOMEOWNERS' ASSOCIATION

4.01 Purposes, Powers and Duties of the Association.

(a) The Association shall be formed as a non-profit corporation for the sole purpose of performing certain functions for the common good and general welfare of the Owners. To the extent necessary to carry out such purpose, the Association shall have all of the powers of a corporation organized under Law, and shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Governing Documents.

(b) The Association shall be responsible for the establishment and enforcement of rules and regulations with respect to Limited Common Areas and Lots within the Development and shall be solely responsible for the operation, maintenance, upkeep, and repair of all such Limited Common Areas.

(c) Each Owner covenants to promptly, fully, and faithfully comply with and conform to all the rights and obligations of the Governing Documents, including, but not limited to, the payment in full all dues, fees, or assessments levied by the Association.

(d) The Association is not a cooperative.

4.02 Membership in the Association. Every Owner shall automatically be a Member of the Association, and any transfer of an Owner's Ownership Interest in any Lot shall automatically transfer the Owner's Membership in the Association to the transferee or transferees. The Recreational Facilities Owner, or its successor and assign, shall also be a Member of the Association.

4.03 Voting Rights.

(a) Class A Voting. Except as otherwise provided herein, every Member of the Association shall be entitled to Class A voting rights which consist of one (1) vote in the Association for each Lot for which the Member's Ownership Interest is acquired. Transfer of the Ownership Interest to a Lot shall automatically transfer the Membership in the Association appurtenant to such Lot to the transferee(s). In the event there is more than one (1) Owner of a Lot, the vote relating to such Lot shall be exercised as such Owners

may determine among themselves. A vote cast at any Association meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever.

(b) Class B Voting. During the Period of Administrative Control, the Declarant shall be entitled to Class B voting rights which consist of four (4) votes for each Lot owned. The Class B voting rights cease upon termination of the Period of Administrative Control. If at the time of termination of the Class B voting rights Declarant still owns any Lots, then as to each such Lot, Declarant shall have Class A voting rights.

(c) Class C Voting. Subject to the provisions of Section 4.08, the Recreational facilities Owner shall have four (4) votes in the Association.

4.04 Meetings, Voting, Notice, Quorum. Matters pertaining to meetings, voting procedures, notice, and quorum requirements of Members of the Association shall be as set forth in the Association's Governing Documents, and if no provision is found in any Bylaws of the Association, then in accordance with Law.

4.05 Board of Directors and Officers.

(a) Board. The affairs of the Association shall be managed by a Board of Directors. The number of directors and the method of election of directors shall be as set forth in the Governing Documents of the Association. Except to the extent otherwise required or authorized by Law or the Governing Documents, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members. Notwithstanding the provisions of this paragraph, during the Period of Administrative Control, the affairs of the Association shall be managed by the Declarant unless the Declarant voluntarily surrenders this right in a written notice to all members.

(b) Officers. The number of officers and the method of election of officers shall be as set forth in the Bylaws of the Association.

(c) Meetings, Voting, Notice, Quorum. Matters pertaining to meetings, voting procedures, notice, and quorum requirements of the Board of the Association shall be as set forth in the Association's Bylaws, and if no provision is found in any Bylaws of the Association, then in accordance with Law.

4.06 Suspension of Membership. In accordance with the limitations and procedures set forth in Law and the Governing Documents, the Board may suspend the Membership, including but not limited to, the voting rights of any Member and the right of enjoyment of the Open Space and Facilities, of any Owner who:

(a) Is delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article V or any amount owing the Association as set forth herein or is otherwise in breach of this Declaration; or

(b) Is in breach of the rules and regulations of the Association as set forth in the Governing Documents.

No suspension of any Membership shall affect the suspended Members' obligation to pay any dues, fees, and assessments, as hereinafter provided for, due and payable for any period prior to or after the date of such suspension.

4.07 Master Association. The Declarant may at any time, but the Declarant shall upon 90% of all the lots and townhome dwellings in the entire Waterdance PUD being conveyed by the Declarant to individual Owner or Owners, form a master association which shall be known as the Waterdance Master Homeowners' Association, Inc., a non-profit corporation (the "Master Association"). The purpose of the Master Association would be to take over and govern the Open Space in lieu of the Open Space Owner, and if the conditions of Section 4.08 below are met, take over and govern the powers and duties of the Waterdance Property Management Company. At such time as the Master Association is formed, the Property shall be subject to the Governing Documents of the Master Association.

4.08 Alternative Property Management Company. Notwithstanding anything to the contrary herein, the Master Association may take over and govern the powers and duties of the Waterdance Property Management Company, or select another property management company to take its place, so long as it or the replacement property management company first purchases the Waterdance Property Management Company. The purchase price for the Waterdance Property Management Company must be not less than 3 times the annual projected gross income of the Waterdance Property Management Company projected to the year when 90% of the townhome dwellings in the Waterdance PUD are completed and in rental.

ARTICLE V

ASSESSMENTS

5.01 Dues, Fees, and Assessments. The Association shall have such powers and authorities to assess and collect dues, fees, and assessments, and any charges, penalties, fines and interest for any failure to pay the same ("Assessments"), as the Board may fix and determine in accordance with the Governing Documents. Each

Owner hereby covenants and agrees, jointly and severally, for the Owner and the Owner's heirs, distributes, legal representatives successors and assigns, by acceptance of a deed or other instrument of conveyance for a Lot, whether or not the covenants contained herein are expressed in any such deed or other instrument of conveyance as follows:

(a) To pay the Association any amounts due and owing under this Declaration and any Assessments which are levied by the Association pursuant to this Declaration or the Governing Documents together with any late charges, interest, or penalties thereon; and

(b) To pay the fees, charges, and costs of the Association associated with collecting an unpaid amount due and owing under this Declaration or any Assessment, including, but not limited to, court costs, reasonable attorney fees, and any other amount set forth in the Governing Documents.

5.02 The HOA Lien.

(a) There is hereby created a continuing charge and lien upon each Lot against which all such Assessments are made to secure payment of the same together with any other charges, interest, or penalties thereon and any cost of collection including, but not limited to, court costs, reasonable attorney fees, and any other amount set forth in the Governing Documents, which charge and lien is known as the "HOA Lien."

(b) Such continuing charge and lien on each Lot bind such Lot in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter arise or be imposed upon such Lots, whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or the instrument, except (1) such liens for real estate taxes or other governmental assessments or charges against the Lot, (2) a first or second security interest on the Lot secured by a mortgage or trust deed that is recorded before a recorded notice of lien by or on behalf of the Association, and (3) a lien or encumbrance recorded before the Declaration is recorded.

(c) The HOA Lien is appurtenant to each Lot and no sale or transfer of the Lot, whether at foreclosure or in lieu of foreclosure or otherwise, shall relieve any Lot from liability for any Assessment thereafter accruing or made;

(d) Assessments, together with charges, interest, or penalties thereon and any costs of collection as set forth above and levied against any Lot owned by the Owner during

the period of the Owner's ownership of the Lot, shall also be a personal obligation which will survive any sale or transfer of the Lot owned by the Owner; provided, however, that such personal obligation for the foregoing shall not pass to an Owner's successor in title, unless expressly assumed by such successor, but such sums shall remain as an HOA Lien against the Lot.

5.03 Purpose of Assessment. The Assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the Development, including, but not limited to, and in addition to other purposes set forth in this Declaration, security, the acquisition, construction, improvement, maintenance and equipping of Limited Common Areas and Facilities, the enforcement of the covenants, conditions, and restrictions contained in this Declaration, the payment of operating costs and expenses of the Association, and the payment of all principal and interest when due on all debts owed by the Association.

5.04. Accumulation of Funds Permitted. To the extent allowable by Law, the Association shall not be obligated to spend, in any calendar year, all the sums collected in such year by way of Assessments or otherwise, and may carry forward, reasonable reserves for future Association needs and contingencies as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

ARTICLE VI

MAINTENANCE

6.01 Maintenance and Repair of Townhome Dwellings Interior. Subject to the limitations set forth in Article VIII below, each Owner shall be responsible at the Owner's sole cost and expense, for the maintenance and repair of any portion of the interior of the Townhome Dwelling.

6.02 Maintenance and Repair of Limited Common Areas. The Association shall be responsible for the maintenance and repair of the Limited Common Areas. Each Owner shall be responsible for the payment of a portion of the costs and expenses of the maintenance and repair of any portion of any Limited Common Area in proportion to the Joint Cost Percentage for that Owner's Lot as provided in Section 1.11. The Association shall retain the services of Waterdance Property Management Company, or its successor and assigns, to perform its obligations under this Section, which services must be reasonably priced based on the rates common in the community for similar services.

6.03 Open Space Maintenance. The Open Space Owner, or assigns, shall be responsible for the maintenance and repair of the lawns, landscaping and parking and access area including snow

removal. Each Owner shall be responsible to the Open Space Owner for paying a portion of the reasonable costs and expenses of maintaining and repairing the Open Space

that is equal to the Open Space Maintenance Fee for that Owner's Lot as set forth in Section 1.20.

6.04 Owner Damage to Open Space and Limited Common Areas. Notwithstanding Sections 6.02 and 6.03, each Owner shall timely repair, at the Owner's sole cost and expense, all injury or damage to any portion of any Open Space and Limited Common Area caused by the act, negligence or carelessness of the Owner or that of any tenant or guest of the Owner, and all such repairs shall be of a quality and kind equal to the original work. All maintenance and repair of any portion of any Limited Common Area done pursuant to this Section must be approved by the Association before the maintenance or repairs are performed. All maintenance and repair of any portion of the Open Space done pursuant to this Section must be approved by the Open Space Owner before the maintenance or repairs are performed.

ARTICLE VII

UTILITIES

7.01 Electricity. Electricity is provided and metered separately to each Townhome Dwelling. Each Owner shall be responsible at the Owner's sole cost and expense for providing electricity to the Owner's Townhome Dwelling.

7.02 Water. Water is provided to the Townhome Dwellings combined as a whole on a single meter payable by the Waterdance Property Management Company. Each Owner shall pay to the Waterdance Property Management Company for the portion of the total cost and expense of providing water to that Owner's Townhome Dwelling based upon the Town of Garden City rate for one residential unit.

7.03 Propane. Propane is provided and metered separately to each Townhome Dwelling. Each Owner shall be responsible at the Owner's sole cost and expense for providing propane to the Owner's Townhome Dwelling,

7.04 Internet. Internet is provided to the Townhome Dwellings combined as a whole on a single account and is provided by the Association through the Waterdance Property Management Company or its successors and assigns. Each Owner shall pay the Waterdance Property Management Company for one fourth of the total cost and expense of providing internet to the Development.

7.05 Sewer Services and Sanitation. Sewer Services and Sanitation are provided separately to each Townhome Dwelling. Each Owner shall be responsible at the Owner's sole cost and expense for providing Sewer Services and Sanitation to the Owner's Townhome Dwelling.

ARTICLE VIII

ARCHITECTURAL/LANDSCAPING CONTROL

8.01 Submission of Plans and Specifications. No Townhome Dwelling, or Lot, may be altered, including without limitation painted or stained, in any way which materially changes the exterior appearance of the Townhome Dwelling, unless plans and specifications therefor have been submitted to and approved in writing by the Association. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Association.

8.02 Approval of Plans and Specifications. The Association shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the Association, if granted, together with any reasonable conditions imposed by it as a condition of approval, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the Association to take action within thirty (30) days of receipt of plans and specifications submitted for approval shall be deemed an approval of such plans and specifications.

ARTICLE IX

GENERAL COVENANTS AND RESTRICTIOS

9.01 Permitted Use. All Townhome Dwellings shall be used by the Owners or their tenants and guests for residential purposes and purposes generally associated with short-term or vacation rentals.

9.02 Short-term Rentals. No Townhome Dwelling or any portion of any Lot, or any improvement thereon, may be rented or held out for rent as a Short-term Rental unless it is accomplished and managed through the Waterdance Property Management Company or its successors and assigns. Before renting or holding out for rent any Townhome Dwelling or any portion of any Lot, or any improvement thereon, each Owner shall enter into a written contract with the Waterdance Property Management Company, or its successors and assigns, for rental and property management services which services must be reasonably priced based on the rates common in the community for similar services.

9.03 Subdivision of Property. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the Association.

9.04 Structural Integrity. Nothing shall be done in any Townhome Dwelling or

any Limited Common Area that may impair the structural integrity of the Townhome Dwellings or any part thereof or that would structurally change the Townhome Dwellings or any part thereof except as is otherwise provided in this Declaration.

9.05 Signs. No sign of any kind shall be erected by any Owner or Owner's tenant or guest without the written consent and approval of the Association. Notwithstanding the foregoing, Owners shall have the right to erect reasonable and appropriate "For Sale" and "For Rent" signs on the Owner's lot. For the purposes of this Section, the size of a "For Sale" or "For Rent" sign shall be deemed reasonable if it is 24" x 18" in size or smaller. Declarant may erect entry signs and sales and information signs.

9.06 Vehicles. The term "vehicles" as used herein shall include without limitation motorcycles, minibikes, scooters, go-carts, trucks, cars, and automobiles. All vehicles shall be parked within designated parking areas within the Open Space. No inoperable, junk or abandoned vehicles shall be allowed on any Lot or in Open Space. No vehicles shall be permitted on any Lot or within the Open Space on a permanent basis but shall be allowed for only as much time as is consistent with the owner of the vehicle's use and occupancy of any Townhome Dwelling.

9.07 Animals and Pets. Except as may be required by federal or state law, no animals, livestock or poultry, or pets of any kind may be raised, bred, kept, or permitted in any Townhome Dwelling or on any Lot, including, but not limited to, dogs, cats, and any other usual and common household pets.

9.08 Nuisance. No property within the Development shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept what will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious, illegal, or offensive activity shall be carried on within the Development, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property within the Development.

9.09 Fences and Outbuildings. No fence, wall or outbuilding of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the Association or on any portion of the Open Space without the prior written approval of the Open Space Owner. Under no circumstances shall any chain link, barbed wire or hog wire fence be permitted in the Waterdance PUD.

9.10 Antennae. Except as otherwise provided by Law, no exterior television or radio antenna satellite dish, cell phone tower, receiver, or the like, shall be placed, allowed, or maintained upon any portion of the Development, including any Lot without the

approval of the Association. Notwithstanding the above, a reasonably sized television antenna which is typical for residential use and a satellite dish no larger than 36" in diameter may be placed and maintained upon any Lot. The Association must provide written approval before an antenna or dish may be installed, and the antennae or dish must be placed so as to minimize its visibility from streets in the Development.

9.11 Firearms. The discharge of firearms in the Development or the Waterdance PUD is prohibited.

9.12 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations or any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern.

ARTICLE X

EASEMENTS

10.01 Parking and Access in the Open Space. Declarant reserves, for the benefit of all Owners and their guests, a non-exclusive easement appurtenant to all Lots for vehicular and pedestrian traffic over the Open Space including the private streets, parking stalls, and walkways within the Open Space. Such easement is subject to the Open Space Maintenance Fee as described in Sections 1.20 and 6.03.

10.02 Emergency Vehicular Access and Public Service Purposes. Declarant reserves easements over the Property for public services of any local government agencies, including the right of law enforcement and fire protection personnel to enter upon any part of the Property for the purpose of carrying out their official duties and for emergency vehicle access.

10.03 Private and Public Utility Purposes. Declarant reserves an easement over the Property for public and private utility purposes, including the right of any public utility of access over the Property for purposes of reading and maintaining meters and using and maintaining fire hydrants located on the Property. Declarant also reserves reciprocal, nonexclusive easements over all Lots for installation and maintenance of utility improvements.

10.04 Recreational Facilities. Each Owner, and the Owner' s tenants or guests currently occupying the Townhome Dwelling, shall have access to the Recreational Facilities

so long as the Owner has paid and is current on all required Recreational Facilities Dues and is not in violation of any Rules as may be established from time to time by the Recreational Facilities Owner as provided in Section 10.06. Recreational Facilities Dues shall be paid to the Recreational Facilities Owner on or before the first day of each month beginning the first of the month following which the Owner acquires an Ownership Interest in the Lot.

10.05 Increases in Recreational Facilities Dues. The Recreational Facilities Owner may increase the Recreational Facilities Dues once annually in the sole discretion of the Recreational Facilities Owner by providing written notice of the raise to the Owners. However, in no event may the Dues be raised more than 20% per year except that the Recreational Facilities Owner may raise the Recreational Facilities Dues more than 20% in any given year if there was not a raise in any preceding consecutive year. The raise in this instance may not exceed the total amount that could have been imposed had the Recreational Facilities Owner raised the Recreational Facilities Dues 20% per year in the preceding consecutive years where a raise was not made.

10.06 Recreational Facilities Rules. Each Owner's, and the Owner's tenants or guests', use of the Recreational Facilities pursuant to this Declaration shall be subject to any rules adopted by the Recreational Facilities Owner and provided to the Owners in writing ("Rules"). The Recreational Facilities Owner may amend the Rules at any time. The Recreational Facilities Owner may suspend any Owner or Owner's tenant or guests' right to use the Recreational Facilities if the Owner or Owner's tenant or guest violates any Rule. A suspension under this Section shall be in the length as set forth in the Rules.

ARTICLE XI

ENFORCEMENT

11.01 Right of Enforcement. This Declaration and the restrictions contained herein shall inure to the benefit of and shall be enforceable by the Association, each Owner, the Recreational Facilities Owner, and their legal representatives, heirs, successors and assigns.

11.02 No Waiver. The failure of the Association or any Owner to enforce any covenant, condition, or restriction herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE XII

INSURANCE

12.01 Property Insurance.

(a) The Association shall maintain blanket property insurance or guaranteed replacement cost insurance on the physical structure of the Townhome Dwellings and Limited Common Areas, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. The total amount of coverage provided by blanket property insurance or guaranteed replacement cost insurance may not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies. The cost of that property insurance or guaranteed replacement cost insurance shall be allocated and assessed against the Members as determined by the Board.

(b) The property insurance required under this Article XII shall include coverage for any fixture, improvement, or betterment installed at any time to a Townhome Dwelling or Limited Common Area whether installed in the original construction or in any remodel or later alteration, including a floor covering, cabinet, light fixture electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to the Townhome Dwelling or Limited Common Area. Each Owner shall report to the Association any material change or improvement the Owner makes to any Townhome Dwelling.

(c) If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner: (i) the Association's policy provides primary insurance coverage; (ii) the Owner is responsible for the Association's policy deductible; and (iii) building property coverage, often referred to as coverage A, of the Owner's policy applies to that portion of the loss attributable to the Association's policy deductible.

(d) An Owner who has suffered damage on the Owner's Lot as part of a covered loss is responsible for an amount calculated by applying the damage percentage for that Lot to the amount of the deductible under the Association's property insurance policy. If an Owner does not pay the amount required under this subsection within 30 days after substantial completion of the repairs to, as applicable the Lot, a Townhome Dwelling on the Lot, the Association may levy an assessment against an Owner for that amount.

(e) The Association shall provide notice to each Owner of the Owner's obligation under Section 12.01(d) and any change in the amount of the deductible.

(f) The Association shall set aside an amount equal to the amount of the Association's property insurance policy deductible or, if the policy deductible exceeds \$10,000, an amount not less than \$10,000.

(g) Each Owner of a Townhome Dwelling is responsible for any insurance to cover loss to personal property or other contents of any Townhome Dwelling.

12.02 Liability Insurance.

(a) The Association shall maintain liability insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Limited Common Areas. The policy shall name the Owners, the Association, the Waterdance Property Management Company, the Open Space Owner and the Recreational Facilities Owner as insureds.

(b) The amount of the liability insurance policy shall be determined by the Board of Directors of the Association but cannot be less than \$1 million.

ARTICLE XIII

DURATION and AMENDMENTS

13.01 Duration. The provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by Law.

13.02 Amendments. To be valid and binding, any amendments to this Declaration must be approved and adopted by: (1) the Declarant if the amendment takes place during the Period of Administrative Control, and (2) a vote of at least 67% of all votes (Class A, B, and C combined) available to Members if the amendment takes place after the Period of Administrative Control. Amendments to this Declaration may only be adopted after written notice of the proposed amendment has been provided to each Owner and the Declarant Owner at least thirty (30) days prior to adoption of the amendment. Any duly approved amendment to this Declaration shall be recorded with the Rich County Recorder and must be signed and acknowledged by: the Association, and if the amendment takes place during the Period of Administrative Control, the Declarant.

ARTICLE XIV

MISCELLANEOUS

14.01 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.

14.02 References to the Declaration in the Deed. Deeds or any instruments affecting any Lot, or any part of the Development may contain the covenants conditions,

restrictions and easements 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, conditions, restrictions, and easements shall be binding upon the grantee-Owner or other person claiming through any instrument and the Owner' s heirs executors administrators, successors and assigns.

14.03 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of protecting the value and desirability of the Development and the Waterdance PUD. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

14.04 Effective Date. This Declaration shall take effect upon its recording in the office of the Rich County Recorder, State of Utah as provided by Law.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 21 day of OCTOBER, 2021.

DECLARANT

WATERDANCE HOLDINGS, LLC



By: Norman Mecham
Its: Manager

STATE OF UTAH)

County of Rich) ss.

On the 21 day of Oct, 2021, personally appeared before me Norman Mecham being by me duly sworn, did say that he is the Manager of WATERDANCE HOLDINGS , LLC, and that the said instrument was signed in behalf of the foregoing Company by authority of the Company, and the aforesaid officer acknowledged to me that the Company executed the same.

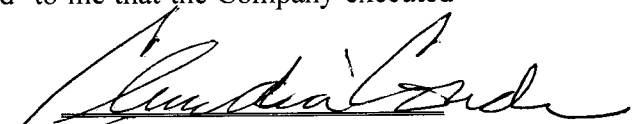
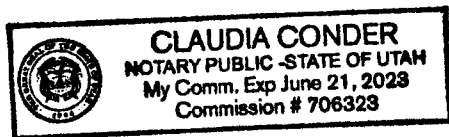

NOTARY PUBLIC

EXHIBIT "A"

(Legal Description of the Property)

The following described tract of land located in Rich County, State of Utah, as follows:

Lots 36, 37, 38, 39, and 52 of the Waterdance Subdivision Phase 4, Lot 35 of the Waterdance Subdivision Phase 3, Lot 18 of the Waterdance Subdivision Phase 2, and Lots 1 and 6 of the Waterdance Subdivision Phase 1, as shown by the official plats thereof, in the office of the Recorder of Rich County, Utah.

Tax Parcel Nos:

Lot 1 (Phase 1) - 41-21-492-0001
Lot 6 (Phase 1) - 41-21-492-0006
Lot 18 (Phase 2) - 41-21-493-0018
Lot 35 (Phase 3) - 41-21-494-0035
Lot 36 (Phase 4)
Lot 37 (Phase 4)
Lot 38 (Phase 4)
Lot 39 (Phase 4)
Lot 52 (Phase 4)

EXHIBIT "B"

(Legal Description of the Waterdance PUD)

The following described tract of land located in Rich County, State of Utah, as follows:

Commencing at a point which is North 00°52'25" East 131.92 feet (North 1.9 chains by-record) from the Southwest Corner of the Northwest Quarter of Section 21, Township 14, North 5 East of the Salt Lake Base and Meridian, said point also being the Northwest Corner of the Price Minor Subdivision; and running thence South 89°11'48" East 1167.55 feet (East 17.57 chains by record), along the North line of said Price Minor Subdivision to the West right of way line of 100 West Street; thence North 9.45' chains, more or less, along said right of way line to a point which is described by record as being North 11.35 chains and East 17.57 chains from the Southwest Corner of the Northwest Quarter of said Section 21; thence West 17.57 chains, more or less, to the West line of said Section 21 and a point which is described by record as being North 11.35 chains from the Southwest Corner of the Northwest Quarter of said Section 21; thence South 9.45 chains, more or less, along said West line to the point of beginning.

Less and Excepting therefrom any portion of the above described property lying within the bounds of 300 West Street, as described in that certain Road Dedication Plat recorded in Book G11, Page 549 in the office of the Recorder of Rich County, Utah.

Tax Roll No. 41-21-400-0271

Return to:
Rocky Mountain Power
Lisa Louder/Scott Jessen
West North Temple Ste. 110
Salt Lake City, UT 84116



W0#6547440

BLANKET EASEMENT

For good and valuable consideration, NORMAN MECHAM / FOR THE LODGE AT BEAR LAKE HOLDING LLC, ("Grantor"), hereby grants to Rocky Mountain Power, an unincorporated division of PacifiCorp, its successors and assigns, ("Grantee"), a blanket easement for the construction, reconstruction, operation, maintenance, repair, replacement, enlargement, and removal of electric power transmission, distribution and communication lines and all necessary or desirable accessories and appurtenances thereto, including without limitation: supporting towers, poles, props, guys and anchors, including guys and anchors; wires, fibers, cables and other conductors and conduits therefore; and pads, transformers, switches, vaults and cabinets, on, over, or under the surface of the real property of Grantor in RICH County, State of Utah more particularly described as follows and as more particularly described and/or shown on Exhibit A attached hereto and by this reference made a part hereof:

Legal Description:

Part of the Northwest Quarter of Section 21, Township 14 North, Range 5 East of the Salt Lake Base and Meridian, described as follows: Commencing at a point which is North 00°52'25" East 131.92 feet (North 1.9 chains by record) from the Southwest Corner of the Northwest Quarter of Section 21, Township 14 North, Range 5 East of the Salt Lake Base and Meridian, said point also being the Northwest Corner of the Price Minor Subdivision; and running thence South 89°11'48" East 1167.55 feet (East 17.57 chains by record), along the North line of said Price Minor Subdivision to the West right of way line of 100 West Street; thence North 9.45 chains, more or less, along said right of way line to a point which is described by record as being North 11.35 chains and East 17.57 chains from the Southwest Corner of the Northwest Quarter of said Section 21; thence West 17.57 chains, more or less, to the West line of said Section 21 and a point which is described by record as being North 11.35 chains from the Southwest Corner of the Northwest Quarter of said Section 21; thence South 9.45 chains, more or less, along said West line to the point of beginning.

Less and Excepting therefrom any portion of the above described property lying within the bounds of 300 West Street, as described in that certain Road Dedication Plat recorded in Book G11, Page 549 in the office of the Recorder of Rich County, Utah.
Tax Roll No. 41-21-400-0271

ORIGINAL