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**DISCOVERY RIDGE**  
— PARK CITY, UTAH —

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND  
RESTRICTIONS FOR DISCOVERY RIDGE MASTER OWNERS ASSOCIATION**

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,  
EASEMENTS AND RESTRICTIONS OF DISCOVERY RIDGE MASTER OWNERS  
ASSOCIATION**

This Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions, of Discovery Ridge Master Owners Association hereinafter referred to as this “**Declaration**” is made and executed this 17 day of December, 2022, by Discovery Ridge, LLC, a Utah limited liability company, hereinafter referred to as the “**Declarant**.”

**RECITALS**

- A. Declarant is the developer and owner of a community located in Summit County, Utah known as the Discovery Ridge Subdivision (the "**Project**"), which Project is governed by the Declaration of Covenants, Conditions, and Restrictions recorded in Summit County on July 11, 2018, as Entry No. 01094872 (the "**CC&Rs**").
- B. As set forth in Sections 10.1 and 13.1 of the CC&Rs, Declarant has the unilateral right to amend the CC&Rs so long as Declarant owns any Lot within the Project. Declarant still owns Lots within the Project. Accordingly, Declarant is entitled to unilaterally amend the CC&Rs.
- C. Declarant desires to amend and restate the CC&Rs as set forth herein. This Amendment shall apply to the Project as it now exists as well and to any and all future phases and additional land and additional phases of the Project. The covenants, conditions and restrictions contained in this Amendment shall be enforceable equitable servitudes and shall run with the land.
- D. These covenants, conditions, restrictions, easements, and limitations shall run with the land described in **Exhibit “A”** and shall be binding on and burden all parties having or acquiring any right, title, or interest to the land or any party thereof and shall create servient tenements on the land. The covenants, conditions, restrictions, easements, and limitations shall also benefit all parties having or acquiring any right, title, or interest to the land and shall create dominant tenements on the land.
- E. The Association has been incorporated as a Utah nonprofit corporation and shall be entitled to the rights, obligations, and benefits of the Utah Revised Nonprofit Corporation Act (Utah Code § 16-6a-101, et. seq.), as amended from time to time.

- F. The Property is subject to that certain Workforce Housing Agreement for Discovery CORE recorded on July 11, 2018 as Entry No. 01094868, Book 2470, Page 817, as amended by that certain First Amendment to Workforce Housing Agreement for Discovery CORE recorded on July 18, 2019 as Entry No. 01114386, Book 2518, Page 0523 (the “**Workforce Housing Agreement**”) and that certain *Restrictions Concerning Workforce Housing Units at Discovery* recorded on July 11, 2018 as Entry No. 01094869 (the “**Deed Restrictions Agreement**”) in the Office of the Summit County Recorder. The Lots that are subject to deed restrictions pursuant to the Deed Restrictions Agreement are identified in **Exhibit “B”**);
- G. The Project is not a cooperative and no portion of the Property is subject to the Condominium Association Act, Utah Code § 57-8-1.

- Exhibit A:** Legal Description of Property  
**Exhibit B:** Deed Restricted Lots  
**Exhibit C:** Bylaws of Association  
**Exhibit D:** Hot Tub Improvement Area

## ARTICLE 1

### DEFINITIONS

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

1.1 Architectural Standard and Guidelines. Architectural Standards and Guidelines means the architectural and design standards, if any, adopted by the Architectural Control Committee.

1.2 Architectural Control Committee or Committee. Architectural Control Committee or Committee means the committee appointed by the Board to administer the Architectural Standards and Guidelines.

1.3 Articles. Articles mean the Articles of Incorporation for Discovery Ridge Master Owners Association, as amended from time to time.

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

1.5 Association. Association in this Declaration means Discovery Ridge Master Owners’ Association. It is intended that the Association be a Utah non-profit corporation. Failure

of the Association to maintain its corporate status will not result in dissolution of the Association. The Association may renew its corporate status, reinstate its corporate status, or incorporate without Owner approval. As long as the Association obtains the proper vote, any actions taken during any period of un-incorporation shall be binding. Pursuant to Section 2.4 hereof, the Association intends to form the Discovery Ridge Townhome Owners Association. The declaration for such sub-association (the "**Townhome Declaration**") (i) shall be subject to the terms and conditions of this Declaration, (ii) may create a subordinate owners association (sub-association) to administer and enforce the additional declaration, (iii) may contain additional restrictions, covenants, easements or provisions with respect to such property subject to such additional declaration beyond what is set forth in this Declaration, and (iv) may require such sub-association to assume such responsibilities of the Association as required therein. In the case of any conflict this Declaration shall control. Notwithstanding the foregoing, if any provisions of the Townhome Declaration are more restrictive than similar provisions of this Declaration, the provisions of the Townhome Declaration will control.

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

1.7 **Builder**. Builder means any natural person(s) or legal entity in the business of residential construction that purchases a Lot for the purpose of constructing a residence thereon for commercial sale.

1.8 **Bylaws**. Bylaws means the bylaws of the Association, as amended or restated from time to time. The initial Bylaws are attached as **Exhibit "C"** hereto.

1.9 **Common Areas**. Common Area means Parcels and any other areas shown on the Plat as Common Area and any areas shown on the Plat as Open Space, but not dedicated to the County, or the Snyderville Basin Special Recreation District, and any areas shown as utility easements and facilities which are not dedicated to the County. The Association owns all Common Area. The Association may delegate responsibility for any portion of the Common Area to any sub-association formed hereunder.

1.9.1 "Common Area" shall also include:

- (a) The Private Roadway depicted on Parcel 2G,
- (b) The Emergency Secondary Access Road to be known as Weilenmann Lane as depicted on Parcel 2C,
- (c) The Private Alleys named Gooseberry Lane and Sandalwood Lane,
- (d) Landscaping and associated irrigated equipment (except such landscaping as may be located within the boundaries of a Lot), and entry monument sign,
- (e) Playground Equipment, and other improvements,

(f) Retaining walls that are located outside any Lot,

(g) Roofs, siding, exterior window trim, siding trim, gutters, heat tape, exterior painting, driveway, and rear trellis (if any) of each Townhome Unit; the ten foot (10') public utility easement as shown on the Plat designed for the stormwater system to handle rainwater runoff and rainwater collection as well as private driveways upon the Townhome Lots;

(h) Ten foot (10') public utility easement as shown on the Plat designed for the stormwater system to handle rainwater runoff and rainwater collection,

(i) Private driveways upon the Townhome Lots.

1.9.2 "Common Area" does not include:

(a) Each Lot, except for any portions thereof specifically identified in this Declaration as Common Area,

(b) Dedicated rights of way,

(c) All private driveways of Detached Residences and Duplex Units,

(d) Fencing located within or upon Lot boundaries,

(e) Retaining walls located within any Lot, landscaping within the fenced area of any Lot or adjacent to the front doors, radon mitigation components, vent stacks, fireplace exhaust fans, doors and trim, garage doors and trim, decks, deck columns, deck railings, windows or window frames; and

(f) the portion of Townhome Common Area located between the boundary line of each Townhome Lot identified in **Exhibit "D"** and the exterior fencing of such Lot (the "**Hot Tub Improvements Area**") upon which Declarant has or may install a portion of a hot tub and patio which also extends onto such Lot, and the fencing, and landscaping for the benefit of the Owner of such Lot.

(g) Parcel 1D.

1.8 Common Expenses. Common Expenses mean all sums spent to administer, maintain, and/or replace the Common Areas; other expenses agreed upon as common expenses by a majority of a quorum of Owners, expenses authorized by the Governing Documents or the Community Association Act as common expenses; any other expenses necessary for the common benefit of the Owners.

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

1.10 County. County means Summit County in the State of Utah.

- 1.11 Declarant. Declarant means Discovery Ridge, LLC, and its successors and assigns.
- 1.12 Declaration. Declaration means this document, as amended, annexed, supplemented, or restated from time to time.
- 1.13 Deed Restricted Lot. Deed Restricted Lot means those certain Lots which are deed restricted for the construction of a Workforce Unit to be occupied by a Workforce Owner pursuant to the Workforce Housing Agreement and Deed Restrictions Agreement. The Deed Restricted Lots are described on **Exhibit "B"** to this Declaration.
- 1.14 Detached Residence. Detached Residence means a detached residence constructed upon a Lot.
- 1.15 Director. Director means a member of the Board.
- 1.16 Duplex Unit. Duplex Unit means a duplex constructed upon a Lot.
- 1.17 Governing Documents. Governing Documents mean the Plat, Final Site Plan, Declaration, Bylaws, Articles, Workforce Housing Agreement, Deed Restrictions Agreement, Architectural Standards and Guidelines, and Rules and Regulations.
- 1.18 Improvement. Improvement means any structure, paving, planting or other change in a Lot involving an expenditure of funds which does not constitute maintenance.
- 1.19 Living Unit. Living Unit means a structure or portion of a structure which is designed and intended for use and occupancy as a single-family residence located on a Lot together with all improvements located on the Lot concerned which are used in conjunction within such single-family residence. "Living Unit" includes both Detached Residences, Duplex Units and Townhome Units.
- 1.20 Lot. Lot means a lot, parcel, plot, or other division of land designated for separate ownership and separately numbered on the Plat. "Lot" shall include the Living Unit, and all Improvements to such Lot. Each Lot shall be assigned a separate "parcel" or "tax identification" number by the appropriate governmental agency. Lot shall include the lots for Detached Residences, Duplex Units, and the Townhome Lots.
- 1.21 Member. Member means a Person who is an Owner of a Lot and has the right to vote on matters presented to the Members of the Association. If an Owner is not a natural person, the Owner may designate in writing an individual to act as its representative. If no representative is designated, then an officer, trustee, director, manager, or member as shown in the entity's formative documents shall be its representative. The owner of Parcel 1D shall not be a Member of the Association and shall not be entitled to the rights or burdened with the obligations of a Member under the Declaration, except as specifically set forth in Section 5.1.1 of the Declaration.
- 1.22 Mortgage. Mortgage means and refers to any duly recorded mortgage or deed of trust encumbering a Lot.

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

1.24 Owner. Owner means a Person vested with record title to a Lot and whose interest in the Lot is held in fee simple, according to the records of the Summit County Recorder; provided, however, Owner shall not include a Person who holds an interest in a Lot merely as security for the performance of an obligation. If a Lot is subject to an executory purchase contract, the contract purchaser shall be considered the Owner. However, the seller and buyer may otherwise agree but must inform the Board in writing of the alternative arrangement. The term “Owner” shall include Townhome Owners.

1.25 Person. Person means an individual, corporation, partnership, association, trustee, or other legal entity.

1.26 Plat. Plat means the plats for Discovery Ridge Phases 1 through 3 (including all Phases on file or to be filed for record with the Summit County Recorder and any amendments or supplements thereto or any plat maps recorded for additional phases).

1.27 Project. Project means Phases 1, 2 and 3 of the Discovery Ridge Subdivision, as recorded with the County and as shown on the Plat. The project includes the land, buildings, Improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. Exhibit “A” contains the legal description for the Project. The Project is not a cooperative. The Project is not a condominium project and is not subject to the requirements of Utah Code § 57-8-101 et seq.

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

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

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

1.31 Townhome Lot. Townhome Lot means a Lot platted and developed for the construction of a Townhome Unit, as identified on the Plat.

1.32 Townhome Owner. Townhome Owner means the Owner of a Townhome Lot.

1.33 Townhome Unit. Townhome Unit means an attached townhome constructed upon a Townhome Lot.

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

1.35 Workforce Owner. Workforce Owner means those certain owners of Workforce Units.

1.36 Workforce Unit. Workforce Unit means those certain Living Units to be located upon the Deed Restricted Lots and deed restricted as workforce housing units pursuant to the Workforce Housing Agreement and Deed Restrictions Agreement. The Workforce Units consist of thirty (30) Living Units.

## ARTICLE 2

### SUBMISSION, WITHDRAWAL, EXPANSION, SUB-ASSOCIATIONS

2.1 Submission. The Project is submitted to be bound by the Governing Documents, to the provisions of the Community Association Act, and to the Nonprofit Act. All Owners shall take title subject to the Governing Documents, Community Association Act, and Nonprofit Act. All Residents and other users of the Project shall be subject to the Governing Documents and Community Association Act.

#### 2.2 Change; Withdrawal.

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

2.2.2 Prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, withdraw any property (excluding, however, any Common Areas conveyed to the Association by the Declarant) from the Project. Such withdrawn property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which benefits the withdrawn property and burdens any remaining property which is subject to the Declaration. Such withdrawal shall be made by recording a supplement to this Declaration with the Summit County Recorder's Office, withdrawing the effect of the covenants and restrictions of the Governing Documents from the withdrawn property. Such withdrawn property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

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

2.3.1 Any reconfiguration, increase or reduction in the number of Lots under Sections 2.2.1, 2.2.2, and 2.3 above, cannot be made without approval by Summit County of a proposed plat amendment submitted by Declarant.

2.4 Sub-Association. In addition to the Discovery Ridge Townhome Owners Association, nothing in this Declaration shall preclude Declarant from recording an additional declaration against any other sub association that may be formed pursuant to this Declaration, which additional declaration (i) shall be subject to the terms and conditions of this Declaration, (ii) may create a subordinate owners association (sub-association) to administer and enforce the additional declaration, and (iii) may contain additional restrictions, covenants, easements or provisions with respect to such Builder's property subject to such additional declaration beyond



what is set forth in this Declaration. However, in the case of any conflict this Declaration shall control.

**ARTICLE 3**

RESERVED

**ARTICLE 4**

**PROPERTY AND USE RIGHTS IN COMMON AREA**

**4.1 Member’s Right of Enjoyment.**

4.1.1 The Project will have Common Areas as designated in the Plat for the benefit of all Owners. Every Member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment in and to the Common Area and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth.

4.1.2 Subject to the Governing Documents, each Resident, guest, or invitee has the right to ingress and egress across the Common Areas necessary for access to its Lot. The rights described in this Section are appurtenant to and pass with title to the Lot.

4.1.3 No portion of the Common Area may be used exclusively by any Owner or Owners for personal gardens, storage facilities, or for any other purpose unless such use is authorized by a License Agreement or Easement Agreement signed by Declarant.

4.2 Delegation of Right of Use. Any Member may delegate its rights to the use and enjoyment of the Common Area to Residents, all subject to such reasonable Rules and Regulations which the Association may adopt.

4.3 Compliance with Covenants and Restrictions and Rules and Regulations. Each Owner and Resident shall comply with the covenants and restrictions imposed by this Declaration on the use and enjoyment of the Common Area. Further, each Owner and Resident shall fully and faithfully comply with the Rules and Regulations, and restrictions applicable to use of the Common Area, as such Rules and Regulations, and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Area.

**ARTICLE 5**

5.1 Association Responsibilities. The Declarant shall construct amenities as it deems necessary or as legally required by the County prior to the Turnover Meeting.

5.1.1 Responsibilities of Association. The Association shall supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore, and maintain the Common Areas located within the Project. Parcel 1D within the Phase One Discovery Ridge Plat, (as defined), is owned by a third party pursuant to a settlement agreement dated between Parley’s Creek Limited Partnership, Declarant’s predecessor, and James A. Robert, Jr. and Patricia K. Roberts dated

August 17, 2016, a copy of which the Association will provide upon request. The Association is obligated to maintain the landscaping and irrigation system on and ensure care commensurate with the care of the other Common Areas for Parcel 1D. The owner of Parcel 1D is not a member of the Association and has no obligation to the Association or for the care and maintenance of the parcel, and the Association cannot assess this parcel for any care of maintenance or other expenses; therefore, the expense of such maintenance and care shall be the sole responsibility of the Association and its Members.

5.1.2 Emergency Access to Living Unit. The Board, after notice and opportunity for hearing, or in the case of an emergency immediately, may assume the maintenance responsibility over a Lot or Living Unit if, in the opinion of the Board or according to the Governing Documents, the Owner is unwilling or unable to adequately provide such maintenance. Should the Board exercise its right under the provision, the Board shall not be liable for trespass or nuisance and shall have the right to levy an individual assessment pursuant to the Declaration against such Lot or Living Unit to recover its maintenance costs.

5.2 Owner Responsibility. All maintenance, repair, and replacement of the Lots, Living Units, and Improvements shall be the sole responsibility of the Owner thereof, who shall maintain such Lot and Living Unit in good repair and in accordance with the Governing Documents of the Association, except to the extent the Association has specifically retained responsibility therefor in this Declaration. Improvements to be maintained by the Owner includes, among other things: sidewalks, driveways, walkways, snow removal, landscaping, front yards, park strips, fencing, and retaining walls appurtenant to Owner's respective Lot. This Section 5.2 shall not apply to an Owner of a Living Unit covered by a declaration of covenants, conditions and restrictions recorded by any sub-association formed hereunder that assumes responsibility for any such areas.

5.3 Sub-Association Responsibility. In the event the Association determines a sub-association, if any, has failed to perform its responsibilities under this Declaration or any sub-association declaration of covenants, conditions and restrictions, then the Association shall have a right of entry and may perform the same and assess the cost thereof against the sub-association, if any, or the Living Units and Owners within the sub-association, if any.

**ARTICLE 6**

**ARCHITECTURAL CONTROL**

6.1 Architectural Standards and Guidelines. Architectural and design standards will adhere to the Architectural Standards and Guidelines. Until Architectural Standards and Guidelines are created, the provisions of this Declaration shall constitute the Architectural Standards and Guidelines. This Article 6 shall apply to all new construction as well as replacement, modification or alteration of any exterior elements of existing Living Units.

6.2 Architectural Control Committee. The Committee shall have at least three but not more than five persons appointed by the Board. Members of the Committee do not have to be Members of the Association and may include paid professionals. The expenses of the Committee shall be covered by fees adopted by the Board for the review and approval of plans submitted to

the Committee. Any fees charged shall not be more than the costs and expenses incurred by the Committee in reviewing and approving applications in accordance with Utah Code § 57-8a-109.

6.3 Authority. No improvements of any kind or changes in the natural condition of any Lot or exterior condition of any Living Unit shall be made on any Lot before architectural plans and specifications have been approved by the Committee. The Committee shall have the authority to approve or deny applications for the construction or replacement, modification or alteration of Living Units or other structures, fencing, grading, landscaping, retaining walls, garages, driveways, antennae, exterior materials, exterior lighting, satellite dishes, flag poles, exterior renovations, or any excavating, clearing or other site alterations.

6.4 Standards. The Committee shall evaluate and may deny or approve, among other things: the materials to be used on the exterior of any Improvements; exterior colors; consistency of architectural design with other Improvements within the Project; finished floor elevations, and other design features; location and finished grade elevations; integration of landscaping with the native vegetation; driveway design and alignment; and compliance with the Architectural Standards and Guidelines. Uniformity among the Living Units will be enforced.

6.5 Process and Record Keeping. The Committee shall adopt a process for reviewing applications which shall include the adoption of fees and other charges in connection with reviewing such applications, and a means for requiring financial assurances of completion and ability to pay for repair for any damage to the Project. The Committee shall also develop a process for maintaining records of all applications and actions taken in connection with such applications.

6.6 Waiver, Precedent, Estoppel. Approval or disapproval by the Committee of any requested architectural change shall not be deemed to constitute precedent, waiver, or estoppel impairing the Committee's right to withhold approval or grant approval as to any similar matter thereafter proposed or submitted to the Committee.

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

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

## ARTICLE 7

### ASSESSMENTS

7.1 Each Owner of a Lot, by accepting a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to have covenanted and agreed to pay the Association all Assessments levied from time to time as provided in this Declaration, including costs of collection (including attorney's fees) whether or not a lawsuit is commenced. No Owner may exempt themselves from liability for assessments by abandonment of their Lot, failure of the Association to maintain the Common Areas, or non-use of the Common Areas. Each such Assessment, together with late fees, interest and costs of collection, shall be the personal obligation of the Owner. A successor in title is entitled to a statement from the Association setting forth the amounts due by the prior owner. The amounts set forth in the statement shall be binding upon the Association.

7.2 Declarant's Covenants for Assessments. During the period of Declarant Control, Declarant shall not be subject to Assessments but Declarant shall contribute such amounts to the Association as are necessary for the Association to meet its obligation under the budget after collecting Assessments from any Lots owned by third parties.

7.3 Annual Budget. The Board shall prepare an annual budget for the Association. The annual budget shall provide for: the maintenance, repair, and replacement of the Common Areas; maintenance of other areas required to be maintained by the Association; insurance; all other Common Expenses; and the administration, management, operating, and reserves of the Association. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect.

7.4 Reserve Account. After the Turnover Meeting, the Association shall establish a reserve account to fund long-term capital expenditures, maintenance, and replacement items related to the Common Areas in accordance with the Community Associations Act. The Board shall use reasonable efforts under the circumstances at any given time, subject to the Owners rights under the Community Association Act, to fund the reserve account. "Reasonable efforts under the circumstances" shall be determined by the Board and does not require fully funding the reserve account. The Board shall not be personally liable for failure to fund the reserve except in the event gross negligence or intentional misconduct of the Board members is proven in a court of law.

7.5 Regular Assessment. The Association may collect the regular assessment for the Common Expenses on an annual basis, semi-annual basis, quarterly basis, or monthly basis, in accordance with the annual budget established pursuant to Section 7.3. Written notice of the regular assessment amount and payment schedule shall be sent to Owners at least 30 days in advance of the beginning of the fiscal year for which the regular assessment will be due. Apart from the initial notice of regular assessment, the Association is not obligated to send periodic invoices for regular assessments. If the Board fails to adjust a regular assessment, the amount of the last regular assessment and payment schedule will continue in effect, whether or not notice is sent. This Section 7.5 is subject to the provisions of the Workforce Housing Agreement.

7.5.1 At any time during the Period of Declarant Control, and without the consent of any Owner being required, the Declarant may create, modify, or discontinue one or more benefitted service areas (each, a “**Benefitted Area**”) which receive certain services or benefits from the Association which the Association does not provide to all areas of the Project. Alternatively, a Benefitted Area may receive the same services or benefits which the Association provides to other areas within the Project but at a higher level or more frequent occurrence than is otherwise applicable to other areas within the Project. Lots within the Project may be located within more than one Benefitted Area. A Benefitted Area may contain Lots or other parcels within the Project which are not contiguous. After the Period of Declarant Control, such Benefitted Areas shall continue unless the Board discontinues the Benefitted Areas; provided, however, that any such action must have the approval of at least sixty-seven percent (67%) of the Owners of Lots within the affected Benefitted Area. In connection with the budget, the Board will identify with specificity the allocation of the portion of Common Expenses which is attributable to each Benefitted Area and the basis for that allocation.

7.6 Special Assessment. Subject to the Workforce Housing Agreement, the Association may levy a special assessment for the purpose of defraying in whole or in part the cost of any construction, reconstruction, maintenance, repair, or replacement of the Common Areas or exteriors of Lots. The Association may levy a special assessment up to 50% of the annual budget without approval from the Owners. If a special assessment exceeds 50% of the annual budget, it must be approved by a majority of a quorum of Owners, except during the Period of Declarant Control, when the Declarant shall be permitted to unilaterally impose such a Special Assessment.

7.7 Supplemental Assessment. Subject to the Workforce Housing Agreement, if the regular assessments are inadequate to pay the Common Expenses pursuant to an annual budget, the Board shall determine the amount of the shortfall. Once the amount of the shortfall is determined, the Board shall adopt a supplemental budget. The Association may levy a supplemental assessment to fund the supplemental budget. The Association may levy a supplemental assessment up to 50% of the original annual budget without approval from the Owners. If a supplemental assessment exceeds 50% of the original annual budget, it must be approved by a majority of a quorum of Owners.

7.8 Individual Assessment. Any expenses attributable to less than all the Lots may be assessed exclusively against the affected Lots. Individual assessments include, without limitation:

7.8.1 Assessments levied against a Lot to reimburse the Association for costs incurred in correction a violation of the Governing Documents;

7.8.2 Fines, late fees, interest, collection costs (including attorney’s fees);

7.8.3 Services provided to a Lot due to an Owner’s failure to maintain, for emergency repairs, or to protect the health, safety, and welfare of adjoining Lots and Common Areas; and

7.8.4 Any charge described as an individual assessment in the Declaration.

7.9 Apportionment of Assessments. Regular, special, and supplemental assessments will be apportioned equally among the Lots. Individual assessments shall be apportioned exclusively to the Lots benefitted or affect.

7.10 Nonpayment for Assessment. Assessments not paid within 10 days after the due date established by the Board will be late and may be subject to late fees and interest as adopted by resolution of the Board.

7.11 Application of Payments. Payments shall be credited first to collection costs (including attorney's fees), then to interest and late fees, then to the oldest assessments, then the most recent assessments.

7.12 Acceleration. If an Owner fails to pay their Assessment for 61 days or more, the Board may elect to accelerate the remainder of the Assessments against that Owner due that year.

7.13 Suspension of Voting Rights. If an Owner has a delinquent assessment balance or is in violation of the Governing Documents and has received notice of this violation and has not cured the violation, the Association may suspend their right to vote in any meeting of the Association.

7.14 Lien and Personal Obligation for Assessment. The fees and Assessments identified above, together with any applicable late payment fees, interest, costs, and reasonable attorney fees, and any other financial obligations owed to the Association as permitted under this Declaration, shall be a charge and lien against the Lot against which such Assessment is imposed. In addition, each Owner's obligation to satisfy such Assessments and obligations is an independent and personal covenant of such Owner, with all amounts being due and payable without setoff or deduction when assessed. In the event of a failure to pay such Assessments, or other default, the Association may pursue an action against the Owner to collect the Assessment and enforce the lien against a Lot by foreclosure in the manner set forth below. The Association's lien shall be a continuing lien on each Lot and shall be subordinate to a First Mortgage, where the Mortgagee is a lender who loaned funds for the purchase of the Lot, and shall also be subordinate to a lien for property taxes or other public assessments, but the Association's lien shall be superior to all other liens, charges, or encumbrances of any sort which shall hereafter arise or be imposed on any Lot. The Association's lien shall not be affected by the sale or transfer of any Lot.

7.14.1 Limitation on HOA Fees and Assessments. All assessments under this Declaration shall be subject to the Limitations on HOA Fees and Assessments in the Restrictions Concerning Workforce Housing Units at Discovery ("Restrictions"), and where there is a conflict between this Declaration and the Restrictions, the Restrictions shall control.

7.15 Effect of Non-Payment and Remedies.

7.15.1 Late Fees and Interest. Any Assessment not paid within ten (10) days from the due date thereof shall be subject to a late payment fee in an amount to be determined by the Board. In addition, all fees and Assessments not paid when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lesser rate as may be set from time to time by the Board.

7.15.2 Legal Remedies. The Association may bring an action at law against the Owner personally obligated to pay the same, and may foreclose the lien against such Owner's Lot in the manner provided by the laws of the State of Utah, and in the event a judgment is obtained, such judgment shall include interest on the assessment and reasonable attorney fees to be fixed by the court, together with the costs of the action. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose the Association's lien for any subsequent assessments, charges, costs or fees, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the membership votes appurtenant to ownership of such Lot, and to convey or otherwise deal with such Lot. In addition to the other rights and remedies set forth herein, the Association shall have all of the rights and remedies pertaining to enforcement of Assessment liens as set forth in, and to be exercised in accordance with, the provisions of the Act, including, without limitation, the provisions in Utah Code §§ 57-8a-302 and -303, as the same may be amended. To this end, the Declarant (and each Owner by acceptance of a deed to a Lot) hereby conveys and warrants pursuant to Utah Code §§ 57-1-20 and 57-8a-302 to Park City Title Company as trustee, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of Assessments under the terms of this Declaration. The Association shall have the right to substitute said trustee and appoint a successor trustee as provided by statute. The lien of the Association shall be superior and prior to all other liens and encumbrances except liens and encumbrances recorded prior to the recordation of this Declaration, a First Mortgage on a Lot, and assessments, liens, and charges in favor of the State of Utah or a political subdivision thereof imposed for taxes or other governmental assessments or charges past due and unpaid. In any action brought by the Association (or counterclaim or cross-claim brought by the Association) to collect Assessments or to foreclose a lien for unpaid Assessments, the Association shall be entitled to have a receiver of the Owner appointed to collect all sums alleged to be due from the Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Assessments of any kind or nature permitted hereunder

7.16 Reinvestment Fee. As an additional funding source, the Association may establish and collect a Reinvestment Fee upon each transfer of title to a Living Unit (including the Lot). The fee shall be payable to the Association at the closing of the transfer, shall constitute an assessment against the Living Unit being transferred, and shall be secured by the Association's lien for assessments under Section 7.14. Each Owner shall notify the Association at least seven (7) days prior the scheduled transfer closing and provide the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

The Reinvestment Fee may be placed in a segregated account and used to provide funding for such purposes as the Board deems beneficial to the general good and welfare of the Association.

Notwithstanding the above, no Reinvestment Fee shall be levied upon transfer of title to a Unit:

- i. By a co-Owner to any Person who was a co-Owner immediately prior to such transfer;
- ii. To the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
- iii. To an entity wholly owned by the grantor or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the Reinvestment Fee shall become due;
- iv. To an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage;

7.17 Sub Association Assessment to the Master Association. Any sub-association formed pursuant to this Declaration shall pay to the Discovery Ridge Master Association an amount equal to the Regular Assessment for each member of such sub-association and at the same frequency. Failure by any sub-association to pay any Assessment required by the Master Association shall result in the immediate removal of all Directors presently elected to such sub-association with the Directors of the Discovery Ridge Master Owners Association acting as the Board for such sub-owners association until new Directors for such sub-owners association can be elected to the Board for such sub-association. Any sub-association Director removed for reasons provided in this Section 7.19 shall not be eligible to serve as a Director in either the Discovery Ridge Master Owners Association or any sub-association from the time of such removal.

## ARTICLE 8

### RESTRICTIONS ON USE

8.1 Use of Lots – Residential Use. Each of the Lots in the Project is limited to single-family, residential use only. Home-based businesses are an acceptable use so long as any such business does not impact the Project or detrimentally affect the use and enjoyment of the Community of other Owners within the Project. The use is further defined by applicable county zoning code. Each Lot and Owner is subject to the uses and restrictions imposed by such restrictions (including any parking restrictions).

8.2 No Obstruction of Common Areas. There shall be no obstruction of the Common Areas by the Owners, Residents, and their tenants, guests or invitees without the prior written consent of the Board. The Board, may by Rules and Regulations, prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Lots of the Common Areas.

Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Board, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Board.

8.3 Cancellation of Insurance, Illegal Activity. Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of the insurance on the Project or any part



thereof over what the Board, but for such activity, would pay, without the prior written consent of the Board.

Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. Regardless of the foregoing, the Association shall have no obligation to enforce the statutes, rules, ordinances, regulations, or the requirements imposed by a governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Board and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees.

8.4 Nuisances. No Resident shall create, maintain or permit a nuisance in, on or about the Project. For purpose of this section a “nuisance” included behavior which annoys, disturbs, or interferes with other Residents and interferes with their right to the quiet and peaceful enjoyment of their Lot(s). A nuisance includes but is not limited to the following:

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

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

8.4.3 The accumulation of rubbish, unsightly debris, garbage, equipment, or other things or materials so as to constitute an eyesore as reasonably determined by the Board or Association;

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

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

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

8.4.7 Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature that diminishes or destroys the enjoyment of the Community by other residents, their guests or invitees;

8.4.8 Too much noise in, on or about any Lot or the Common Areas, especially after 10:00 p.m. and before 7:00 a.m.;

8.4.9 Too much traffic in, on or about any Lot or the Common Areas, especially after 10:00 p.m. or before 7:00 a.m.;

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

8.4.11 Continuous barking, meowing, or other animal noises; and

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

8.5 Rules and Regulations. No Owner or Resident shall violate the Rules and Regulations for the use of the Lots and of the Common Areas as adopted from time to time by the Board. An Owner shall be responsible to advise their guests and invitees about the rules and shall be responsible for their guests and invitees compliance with the rules and regulations.

8.6 Structural Alterations. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of the Property or the improvements located thereon shall be made without the prior approval of the Committee during the time of Architectural Control under Article 6. No building, fence, wall or other structure shall be erected, maintained, improved, altered, made or done (including choice of exterior color scheme and building materials) without the prior written approval of the Committee. Depending on the nature and scope of the improvement, alteration or other work, the anticipated work may trigger the need to obtain a building permit.

8.7 Signs and Real Estate Signs. No signs shall be erected or maintained in the Common Areas without prior written consent of the Board except that Owners may have one real estate or for sale sign of industry standard size on their Lot. No other real estate signs or banners are permitted on or in the residence. All signs must conform to Summit County's codes and ordinances.

8.8 Pets. No animals, livestock, bird (except all varieties of budgerigars, parakeets, canaries and finches), insects, or poultry of any kind shall be raised, bred, or kept on any Lot, except that not more than two (2) domesticated dogs or two (2) cats shall be allowed on any one Lot as long as said animals do not unreasonably bother or constitute a nuisance to others and provided such animals are kept in compliance with the rules and regulations of the Association. However, the Board has discretion to make exceptions to this Section.

If a pet owner violates any of the pet rules and regulations, the Board shall have the express authority to issue citations or levy Assessments, and collect these by judgment, lien or foreclosure. In extreme cases, the Board may require that the Owner or Resident to remove their pet from the Project.

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

8.9.1 The parking rules and regulations adopted by the Board from time to time.

8.9.2 No recreational, commercial, or oversized vehicles shall be allowed within the Project unless said vehicle or trailer is kept at all times within the garage of the Lot and the garage door is closed, or for purposes of loading or unloading passengers or supplies (for a period of time up to 24 hours).

8.9.3 No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be parked or stationed in such a manner so as to block access to any Lot or create an obstacle.

8.9.4 Unregistered or inoperable vehicles shall not be parked on a driveway or street.

8.9.5 No resident shall repair or restore any vehicle of any kind in, on a Lot (outside the garage) or the Common Areas, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility, not to exceed seven days unless the Board approves otherwise for extenuating circumstances.

Vehicles parked in violation of this Declaration may be impounded or towed without further notice, and at the Owner's sole expense. No parking is permitted within the public right of way.

8.10 Aerials, Antennas, and Satellite Dishes. Aerials, antennas, and satellite dishes larger than one meter in diameter are prohibited. Aerials, antennas, and satellite dishes may not be installed on Common Areas. One antenna or satellite dish smaller than one meter in diameter may be installed within the Lot. The Association may create policies to create a hierarchy of preferred installation locations to protect the aesthetics of the Project.

8.11 Timeshares. Timeshares and time-sharing of Living Units within the Project is prohibited, and under no circumstances shall any Living Unit be owned or used for time sharing, including but not limited to a "Timeshare Interest" as the term is defined in Utah Code § 57-19-2(17), as amended.

8.12 Rental. Any lease agreement or short-term rental relating to any Living Unit shall be subject to this Declaration, the Bylaws and the Rules and Regulations promulgated by the Board. Each Owner shall be responsible and liable for any damage caused by such Owner's tenants. Each Owner shall comply with federal and State law and local ordinances. Except as provided by statute, no Living Unit shall be rented for less than seven (7) days. The Board may, by rule and regulation, require the purchase of rental permits or impose such other rental conditions as may be necessary for the benefit of the Association.

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

8.14 Temporary Structures, etc. No structure of a temporary character, or trailer, camper, tent, shack, garage, or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently, unless first approved in writing by the Board.

8.15 Repair of Buildings. No Improvement upon any Lot shall be permitted to fall into disrepair, and each such Improvement shall be at all times be kept in good condition and repair and adequately painted or otherwise finished pursuant to the Architectural Standards and Guidelines.

8.16 Subdivision of Lots. No Lot shall be further subdivided or separated into smaller Lots or parcels by any Owner, and no portion less than all of any such Lot, shall be conveyed or transferred by any Owner without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity without the prior written approval of the Board. No further covenants, conditions restrictions or easements shall be recorded against any Lot without the written consent of the Board being evidence on the recorded instrument containing such restrictions and without such approval such restrictions shall be null and void. No applications for rezoning, variances, or use permits shall be filed without written approval of the Board and then only if such proposed use is in compliance with this Declaration. During the Period of Declarant Control, the Declarant shall have the sole right to grant the approvals in this Section 8.16. Nothing in this section shall affect the rights of the Declarant in amending subdivision plats prior to the Turnover Meeting. This section is subject to all Summit County codes, ordinances, and planning and zoning requirements.

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

## ARTICLE 9

### MEMBERSHIP AND ASSOCIATION

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

9.2 Voting Rights. Voting is governed by the Bylaws.

9.3 Status and Authority of Board. The Board is the governing body of the Association. It is obligated to manage, operate, and maintain the Project and to enforce the Governing Documents. The Board has exclusive authority to act in the Association's name. Any action taken by the Board on behalf of the Association will be deemed to be done in the Association's name. The rights and powers of the Board are governed by the Bylaws.

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

9.5 Adoption of Bylaws. The Association has adopted Bylaws which are being recorded simultaneously with this Declaration as **Exhibit "C"**.

## ARTICLE 10

### DECLARANT RIGHTS

10.1 Administrative Control of Association. Declarant shall assume full administrative control of the Association through an interim Board appointed by the Declarant, which shall serve until the Turnover Meeting (the "Period of Declarant Control").

The Turnover Meeting shall be held at the Declarant's option and sole discretion but shall not be held later than one (1) year from the date the Declarant closes the last Lot of which

Declarant is considered the Owner or as further described below. For purposes of calculating the date when Declarant closes its last Lot, a bulk sale of the Project to another Developer shall be excluded; it being the intent of this provision that the Turnover Meeting shall be no later than one (1) year after Declarant, or its assigns or successors, closing the last Lot to a builder or owner to construct a Living Unit.

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

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

10.2.1 Sales Office and Model. Shall have the right to maintain a sales office and model on one of more of the Lots which Declarant owns and may grant the same right to purchaser of multiple lots that wishes to maintain a sales office or model. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and model during reasonable hours any day of the week.

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

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

10.2.4 Signage. May maintain a reasonable number of directional signs and “wayfinding” signage within the community to direct potential sales traffic to sales offices and model homes – including within Association-owned or maintained property.

10.3 Easements Reserved to Declarant.

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

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

10.3.3 Easement granting the privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be

restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to affect such purposes.

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

10.3.5 The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Project in, over, through, upon and across each and every Lot in any easement area set forth in this Declaration or as shown on the Plat.

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

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

10.3.8 Declarant further reserves unto itself and any builder (Declarant-chosen builder) and their successors and assigns, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Project other than those Lots conveyed to Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community.

10.4 Assignment of Rights. Notwithstanding anything to the contrary, Declarant may transfer and/or assign all rights and responsibilities of the Declarant, whether provided in this Article or elsewhere within the Declaration.

## ARTICLE 11

### COMPLIANCE AND ENFORCEMENT

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

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

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

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

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

11.2.4 To terminate the right to receive utility services paid for out of Assessments, if any, or, except for the right to an assigned parking space, to terminate the right of access to and use of recreational and service facilities of the Association, until the correction of the violation has occurred;

11.2.5 The right of the Association to suspend the voting rights in Association and the rights to use of the Common Area after notice and a hearing for any period not exceed sixty (60) days for any infraction of any of the Governing Documents; and/or

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

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

11.4 Injunctive Relief. Nothing in this Section shall prevent an Owner, the Association, or other interested party from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

11.5 Hearing. The Board shall, by resolution, promulgated procedures for hearings. When a hearing is requested or required, the hearing shall be conducted in accordance with the Board's resolution on hearings.

## ARTICLE 12

### INSURANCE

12.1 Types of Insurance Maintained by the Association. The Association shall maintain the following insurance coverages:

12.1.1 Property casualty and fire insurance for the Common Areas to the extent reasonably available or deemed advisable by an insurance company;

12.1.2 Liability insurance in an amount deemed advisable by an insurance company; and

12.1.3 Full coverage directors and officers liability insurance for such amount as deemed advisable by an insurance company.

The Board may adopt insurance rules and policies to maintain the insurance required under this Section and keep the premiums reasonable.

12.2 Insurance Company. The Association shall use an insurance company knowledgeable with community association insurance that is licensed in Utah.

12.3 Premium as Common Expense. The premiums for the Association's insurance policies shall be a Common Expense.

12.4 Insurance by Owner. Owners of a Lot upon which a Detached Residence or Duplex Unit is constructed shall insure their Lots and all improvements thereon for the full replacement value. If requested, an Owner shall provide the Association with a certificate of insurance.

12.5 Payment of Deductible. Payment of the Association's property insurance deductible in connection with a loss shall be governed by Utah Code § 57-8a-405. Each Owner shall be required to maintain a H06 policy of insurance in the amount of the Association's property insurance deductible, which shall initially be \$10,000.00.

12.6 Right to Adjust Claims. The Association has the right and authority to adjust claims.

12.7 Insurance Proceeds. If an Owner suffers a loss of their Lot or the improvements thereon, they shall use any insurance proceeds to restore the Lot and improvements to their original or better condition. If an insurable loss to the Common Areas occurs, the Association shall use the insurance proceeds to restore the Common Areas to their original or better condition.

12.8 Damage and Destruction of Common Areas.

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



the improvements to substantially the same condition in which they existed prior to the fire or casualty.

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

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

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

#### 12.9 Obligation of Lot Owner to Repair and Restore.

12.9.1 In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration, or replacement of the insured Improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such Improvements originally approved by the Board; unless the Owner desires to construct Improvements differing from the original, in which event the Owner shall submit plans and specifications for the improvements to the Board and obtain its approval prior to commencing the repair, restoration or replacement.

12.9.2 If any Owner of an improved Lot fails to maintain the insurance required by this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Owner is liable for assessments levied against its Lot, and, upon the failure of the Owner to pay such costs within 10 days after such Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

## ARTICLE 13

### AMENDMENT, DURATION AND TERMINATION

#### 13.1 Amendments.

13.1.1 Approval Required. Except during the Declarant Control Period and as otherwise provided in this Declaration, this Declaration may be amended by approval of Owners holding sixty-seven percent (67%) of the voting rights of the Association. Notwithstanding the foregoing, the Architectural Standards may be amended by a majority vote of the Association. The Board, without Owner approval, may amend the Declaration to correct spelling and grammatical errors or to comply with Utah law.

13.1.2 Execution and Recordation. An amendment shall not be effective until the amendment is certified by the Declarant, during the Period of Declarant Control, and thereafter by the president and secretary of the Association as being adopted in accordance with this Declaration, is acknowledged, and is recorded in the Summit County Recorder's Office, Utah.

13.1.3 Declarant's Right to Amend. Notwithstanding anything in this Declaration, so long as the Turnover Meeting has not occurred, the written consent of the Declarant is required to amend this Declaration or the Plat. As long as the Association is under the Period of Declarant Control, the Declarant shall have the unilateral right to amend the Declaration.

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

## ARTICLE 14

### MISCELLANEOUS PROVISIONS

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

14.2 Invalidity; Number; Captions. The invalidity of any part of this Declaration shall impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

14.3 Joint Owners. In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this

Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

14.4 Lessees and Other Invitees. Lessees, invites, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration, the Bylaws and rules and regulations adopted by the Association restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

14.5 Covenants Run with the Land. The Declaration contains covenants which run with the land and create equitable servitudes. The Declaration shall be binding upon and inure to the benefit of the Association, all parties who hereafter acquire any interest in or occupy a Lot or any part of the Project, their heirs, successors, assigns, grantees, devisees, personal representatives, guests, and invitees. Each Owner or Resident shall comply with the Governing Documents. All interests in the Lots shall be subject to the Governing Documents. Failure to comply shall be grounds for an action for damages or injunctive relief by the Association or an Owner. By acquiring any interest in a Lot, each Owner or Resident agrees to be bound by the Governing Documents.

14.6 Waiver, Precedent, and Estoppel. No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association or Owner as to any similar matter.

14.7 Mediation and Right to Cure. Prior to any claim for damages being made for construction defect or construction related issues (including breach of contract), an Owner or the Association must provide the Declarant or Builder with reasonable notice of any alleged deficiencies and the Declarant or Builder shall have reasonable opportunity to cure any deficiencies. If the Association or Owner, after having provided reasonable notice and reasonable opportunity to cure, feels the matter has not been resolved and still wishes to pursue claims for damages against the Declarant or Builder, the parties shall submit the dispute to mediation in Utah prior to filing any action.

14.8 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any Lot, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenants. No lease for less than seven (7) days shall be permitted.

14.9 Taxes on Lots. Each Owner will pay all taxes which may be assessed against his/her Lot.

14.10 Service of Process. The registered agent of the Association will be the Person named in the corporate records on file with the Utah State Department of Commerce.

If the corporate status of the Association expires, the president shall be the successor agent. The name and address of the president shall be kept with the Association's records at its principal place of business.

14.11 Conflicts. If the Declaration conflicts with the Community Association Act, the Community Association Act shall control. If the Declaration conflicts with the Plat, the Plat shall control. If the Declaration conflicts with the Bylaws, Articles, or rules, the Declaration shall control.

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

## ARTICLE 15

### DISPUTE RESOLUTION; MANDATORY BINDING ARBITRATION

15.1 STATEMENT OF INTENT. EVERY OWNER IS CAPABLE OF OBTAINING AN INSPECTION AND IS PERMITTED TO PERFORM, OR PAY SOMEONE ELSE TO PERFORM, ANY INSPECTION ON ANY UNIT THAT OWNER IS PURCHASING OR ANY ASPECT OF THE PROJECT PRIOR TO PURCHASING A UNIT. MOREOVER, IF ANY WARRANTY HAS BEEN PROVIDED, IT IDENTIFIES THE ONLY ITEMS THAT ARE WARRANTED BY THE DECLARANT. HAVING HAD THE ABILITY TO INSPECT PRIOR TO PURCHASING A UNIT, HAVING RECEIVED A WRITTEN WARRANTY IF ANY WARRANTY IS PROVIDED, AND HAVING PAID MARKET PRICE FOR A UNIT IN THE CONDITION IT AND THE UNITS AND COMMON AREA ARE IN AT THE TIME OF PURCHASE, IT IS ACKNOWLEDGED THAT IT IS UNFAIR AND IMPROPER TO LATER SEEK TO HAVE THE DECLARANT AND/OR ANY SUBCONTRACTOR PERFORMING WORK IN THE PROJECT TO CHANGE, UPGRADE, OR ADD ADDITIONAL WORK TO THE PROJECT OUTSIDE OF ANY EXPRESS WARRANTY OBLIGATION. MOREOVER, THE OWNERS (BY PURCHASING A UNIT) AND THE DECLARANT ACKNOWLEDGE AND AGREE THAT LITIGATION IS AN UNDESIRABLE METHOD OF RESOLVING DISPUTES AND CONFLICTS IN THAT IT CAN BE SLOW, EXPENSIVE, UNCERTAIN, AND CAN OFTEN NEGATIVELY IMPACT THE SALE VALUE AND ABILITY TO OBTAIN FINANCING FOR THE PURCHASE OF UNITS FOR YEARS, UNFAIRLY PREJUDICING THOSE OWNERS WHO MUST OR WANT TO SELL THEIR UNIT DURING ANY PERIOD WHEN LITIGATION IS PENDING. FOR THIS REASON, THE OWNERS BY PURCHASING A UNIT AND THE DECLARANT AGREE AND ACKNOWLEDGE THAT CLAIMS AND DISPUTES SHALL NOT BE PURSUED THROUGH COURT ACTION, BUT SHALL BE

ASSERTED AND RESOLVED ONLY THROUGH CERTAIN SPECIFIC ALTERNATIVE DISPUTE RESOLUTION MECHANISMS AND ONLY AFTER FULL DISCLOSURE, RIGHT TO CURE PERIODS, AND KNOWING APPROVAL OF THE OWNERS, AS SET FORTH HEREIN. IN ADDITION, THE ASSOCIATION AND THE OWNERS AGREE THAT THEY TAKE OWNERSHIP AND POSSESSION OF THE UNITS, COMMON AREAS, AND LIMITED COMMON AREAS AS IS, WITH NO WARRANTIES OF ANY KIND EXCEPT AS OTHERWISE REQUIRED AS A MATTER OF LAW. THE DECLARANT SPECIFICALLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR OF HABITABILITY, TO THE FULL EXTENT ALLOWED BY LAW.

15.2 To the fullest extent permitted by law, all claims and disputes of any kind that any Owner or the Association may have involving the Declarant, or any agent, employee, executing officer, manager, affiliate or owner of the Declarant, or any engineer, consultant, or contractor involved in the design or construction of the Project, which arises from or is in any way related to a Living Unit, Building, Common Areas and Facilities, Limited Common Areas and Facilities, or any other component of the Project (a “**Dispute**”), shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving claims and disputes between or involving the Declarant and any Owner or between or involving the Declarant and the Association. Arbitration proceedings shall not be commenced unless the Pre-Arbitration Requirements set forth below have been satisfied in full. Without in any way limiting the foregoing, Disputes subject to binding arbitration shall include:

- 15.2.1.1 Any allegation that a condition in any of the Living Units, Buildings, Common Areas and Facilities, Limited Common Areas and Facilities is a construction defect;
- 15.2.1.2 Any disagreement as to whether an alleged construction defect has been corrected;
- 15.2.1.3 Any disagreement about whether any warranties, including implied warranties, are applicable to the subject matter of any Dispute;
- 15.2.1.4 Any disagreement as to the enforceability of any warranties alleged to be applicable to the subject matter of any Dispute;
- 15.2.1.5 Any disagreement about whether any warranty alleged to be applicable to the subject matter of any Dispute has been breached;
- 15.2.1.6 Any alleged violations of consumer protection, unfair trade practice, or other statutes;
- 15.2.1.7 Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;
- 15.2.1.8 Any allegation that any condition existing in the Project or created by the Declarant, including construction-related noise, dust, and traffic, is a nuisance;

- 15.2.1.9 Any disagreement concerning the issues that should be submitted to binding arbitration;
- 15.2.1.10 Any disagreement concerning the timeliness of performance of any act to be performed by Declarant;
- 15.2.1.11 Any disagreement as to the payment or reimbursement of any fees associated with binding arbitration; and
- 15.2.1.12 Any other claim or disagreement arising out of or relating to the sale, design, or construction of any of the Living Units, Buildings, Common Areas and Facilities, Limited Common Areas and Facilities.

15.3 Pre-Arbitration Requirements. An Owner or the Association may only pursue a claim against the Declarant, to the extent allowed herein or by law after the following efforts of dispute resolution have been completed: (1) Right to Cure: the Owner shall provide to the Declarant a written Notice of Claim (defined below) and permit the Declarant one hundred eighty (180) days to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to initiating any formal arbitration proceedings; (2) if the dispute is not resolved within the 180-day Right to Cure period, the parties agree to mediate the dispute prior to taking further action. If additional, different, or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against the Declarant that were not included in any previously submitted Notice of Claim, the Right to Cure period provided for in this section shall immediately apply again and any pending action or proceedings, including any mediation or arbitration, shall be stayed during the 180-day period.

15.3.1 "Notice of Claim" shall mean and include the following information: (1) an explanation of the nature of the claim, (2) a specific breakdown and calculation of any alleged damages, (3) a specific description of the claim along with any supporting opinions, information, or factual evidence upon which the claim is based, (4) photographs of any alleged condition, if applicable, (5) samples of any alleged defective conditions or materials, (6) all efforts taken to avoid, mitigate, or minimize the claim or any alleged damages arising therefrom, and (7) the names, phone numbers, and address of each person providing factual information, legal or factual analysis, or legal or factual opinions related to the claim.

15.4 If a claim or dispute has not been resolved after satisfying and complying with the above-described "Pre-Arbitration Requirements," then the claimant (Owner or Association) shall have the right to proceed with binding arbitration; however, the Association shall not pursue or commence binding arbitration unless such action is first approved by a majority of the Total Votes of the Association after first obtaining a written opinion from legal counsel advising the Association of the likelihood of success on the merits of the claims, the anticipated costs and legal fees, the anticipated expert witness fees, and the likelihood of recovery if the Association prevails. The written opinion from legal counsel, addressing these topics, must be provided to all Owners before the formal vote on whether to proceed with binding arbitration. The binding arbitration

shall be conducted by a member of the American Arbitration Association’s Panel of Construction Arbitrators. The binding arbitration shall be conducted according to the rules and procedures set forth in the Construction Industry Arbitration Rules promulgated by the American Arbitration Association. The award of the arbitrator shall be final and may be entered as a judgment by any court of competent jurisdiction.

15.5 Each party shall bear its own attorney fees and costs (including expert witness costs) for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. Notwithstanding the foregoing, the arbitrator shall, as part of any decision, award to the prevailing party any applicable filing fees or other arbitration fees paid by that party.

15.6 If any Owner, the Association, or the Declarant files a proceeding in any court to resolve any Dispute, such action shall not constitute a waiver of the right of such party, or a bar to the right of any other party, to seek arbitration of that or any other Dispute and such court shall, upon motion of any party to the proceeding, stay the proceeding before it and direct that such Dispute be arbitrated in accordance with the terms set forth herein.

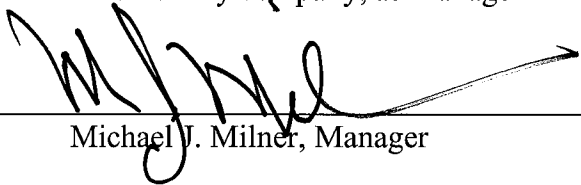
15.7 The Association and each Owner waives any right to subrogation against the Declarant and any builder, architect, consultant and engineer in the Project. This waiver shall be broadly construed and applied to waive, among other things, any attempt by any insurer of any Owner or of the Association from pursuing or exercising any subrogation rights, whether arising by contract, common law, or otherwise, against the Declarant, the engineer, and builder, and their officers, employees, owners, and representatives. To the full extent permitted by law, the Association and Owners hereby release Declarant, the Project engineer, and builder, their respective officers, employees, owners, and representatives from any and all liability to the Association and all Owners, and anyone claiming through or under them by way of subrogation or otherwise, for any loss, injury, or damage to property, caused by fire or any other casualty or event, even if such fire or other casualty shall have been caused by the fault or negligence of Declarant or builder, their officers, employees, owners, and representatives. The Association and each Owner agrees that all policies of insurance shall contain a clause or endorsement to the effect that this release and waiver of subrogation shall not adversely affect or impair such policies or prejudice the right of the Association or any Owner to recover thereunder. The Association and all Owners shall indemnify and defend the Declarant, the builder, the architect, consultant and engineer and any of their officers, employees, owners, or representatives from any claims barred or released by this provision, including but not limited to any claim brought under any right of subrogation.

*[Signature on following page]*

IN WITNESS WHEREOF, the Declarant has executed this instrument this 1<sup>st</sup> day of December, 2022.

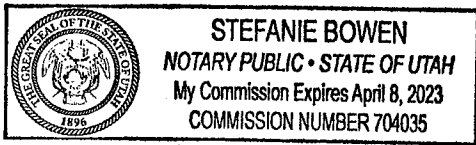
**DECLARANT:**

DISCOVERY RIDGE, LLC  
a Utah limited liability company  
By: DISCOVERY RIDGE MANAGEMENT, LLC  
a Utah limited liability company, as Manager

By:   
Michael J. Milner, Manager

STATE OF UTAH )  
County of Summit ) :ss.

On the 1<sup>st</sup> day of December, 2022, personally appeared before me MICHAEL J. MILNER, who being by me duly sworn, did say that he is the Manager of DISCOVERY RIDGE MANAGEMENT LLC, a Utah limited liability company, which limited liability company is the Manager of DISCOVERY RIDGE LLC, a Utah limited liability company, and duly acknowledged to me that he is authorized to sign the foregoing instrument on behalf of said limited liability company by authority of its Operating Agreement, and further acknowledged to me that he is authorized to execute the same as Manager of DISCOVERY RIDGE MANAGEMENT, LLC.



  
NOTARY PUBLIC



**EXHIBIT "A"**

**Legal Description of Project**

The above instrument shall be recorded against all of Phases 1 through 3 of Discovery Ridge, a community of detached single-family homes and attached townhomes and duplexes located in Summit County, Utah, according to the official plat thereof on file and of record with the Summit County Recorder's Office, State of Utah, also described as:

All of Lots 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, and 117, and all Common Areas, DISCOVERY RIDGE, PHASE 1, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-1-101, DR-1-102, DR-1-103, DR-1-104, DR-1-105, DR-1-106, DR-1-107, DR-1-108, DR-1-109, DR-1-110, DR-1-111, DR-1-112, DR-1-113, DR-1-114, DR-1-115, DR-1-116, DR-1-117

All of Lots 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, and all Common Areas, DISCOVERY RIDGE, PHASE 2, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-2-201, DR-2-202, DR-2-203, DR-2-204, DR-2-205, DR-2-206, DR-2-207, DR-2-208, DR-2-209, DR-2-210, DR-2-211, DR-2-212, DR-2-213, DR-2-214, DR-2-215, DR-2-216, DR-2-217, DR-2-218, DR-2-219, DR-2-220, DR-2-221, DR-2-222, DR-2-223, DR-2-224, DR-2-225, DR-2-226, DR-2-227, DR-2-228, DR-2-229, DR-2-230, DR-2-231, DR-2-232, DR-2-233, DR-2-234, DR-2-235, DR-2-236, DR-2-237, DR-2-238, DR-2-239, DR-2-240, DR-2-241, DR-2-242, DR-2-243, DR-2-244, DR-2-245, DR-2-246, DR-2-247, DR-2-248, DR-2-249, DR-2-250, DR-2-251, DR-2-252

All of Lots 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, and all Common Areas, DISCOVERY RIDGE, PHASE 3, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-3-301, DR-3-302, DR-3-303, DR-3-304, DR-3-305, DR-3-306, DR-3-307, DR-3-308, DR-3-309, DR-3-310, DR-3-311, DR-3-312, DR-3-313, DR-3-314, DR-3-315, DR-3-316, DR-3-317, DR-3-318, DR-3-319, DR-3-320, DR-3-321, DR-3-322, DR-3-323, DR-3-324, DR-3-325, DR-3-326, DR-3-327, DR-3-328

**EXHIBIT "B"**

**Deed Restricted Lots**

Lots 101, 102, 103, 104, 105, 108, 109, 110, 111, 112, 113, 114, DISCOVERY RIDGE, PHASE 1, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-1-101, DR-1-102, DR-1-103, DR-1-104, DR-1-105, DR-1-108, DR-1-109, DR-1-110,  
DR-1-111, DR-1-112, DR-1-113, DR-1-114

Lots 217, 218, 219, 220, 221, 222, 223, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, and 250, DISCOVERY RIDGE, PHASE 2, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-2-217, DR-2-218, DR-2-219, DR-2-220, DR-2-221, DR-2-222, DR-2-223, DR-2-240,  
DR-2-241, DR-2-242, DR-2-243, DR-2-244, DR-2-245, DR-2-246, DR-2-247, DR-2-248,  
DR-2-249, DR-2-250

**EXHIBIT "C"**  
**Bylaws**

**BYLAWS FOR DISCOVERY RIDGE MASTER OWNERS ASSOCIATION**

**DECEMBER 2022**

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BYLAWS OF DISCOVERY RIDGE MASTER OWNERS ASSOCIATION

**ARTICLE 1**

**BYLAW APPLICABILITY/DEFINITIONS**

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Discovery Ridge Master Owners Association, a Utah nonprofit corporation (the “**Association**”), organized to be the association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for the Discovery Ridge Subdivision, recorded in the Office of the Summit County Recorder on July 11, 2018 as Entry No. 01094872, Book 2470, Page 0859, as amended and restated by that certain Amended and Restate Declaration of Covenants, Conditions and Restrictions for Discovery Ridge Subdivision, recorded on even date herewith, as amended or supplemented from time to time (the “**Declaration**”), to perform the functions as provided in the Declaration and to further the interests of “Owner(s)” of “Lots” within Discovery Ridge Phase 1, Discovery Phase 2, and Discovery Phase 3 Subdivision (the “**Development**”).

1.2 Subject to Workforce Housing Requirements. The Property is subject to that certain Workforce Housing Agreement for Discovery CORE recorded on July 11, 2018 as Entry No. 01094868, Book 2470, Page 817, as amended by that certain First Amendment to Workforce Housing Agreement for Discovery CORE recorded on July 18, 2019 as Entry No. 01114386, Book 2518, Page 0523 (the “**Workforce Housing Agreement**”) and that certain *Restrictions Concerning Workforce Housing Units at Discovery* recorded on July 11, 2018 as Entry No. 01094869 (the “**Deed Restrictions Agreement**”) in the Office of the Summit County Recorder.

1.3 Subject to the Utah Revised Nonprofit Corporation Act. The Association may be incorporated as a Utah nonprofit corporation and shall be entitled to the rights, obligations, and benefits of the Utah Revised Nonprofit Corporation Act (Utah Code Ann. 16-6a-101, et. seq.), as amended from time to time.

1.4 Definitions. The capitalized terms used in the Bylaws shall have the same meaning given to them in the Declaration, unless otherwise specifically stated.

1.5 Bylaw Applicability. The provisions of these Bylaws are binding upon the Association and the Owners. All present and future Owners shall be subject to these Bylaws, as amended from time to time. Acquisition of any Lot constitutes an acknowledgment that the Owner has agreed to and ratified these Bylaws and will comply with them.

**ARTICLE 2**

**ASSOCIATION**

2.1 Composition. Declarant, so long as Declarant owns a Lot, and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to ownership of any Lot. Each Lot in the Project shall be entitled to one (1) vote. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically

upon ceasing to be an Owner. If a Lot is owned by more than one person, the membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. Ownership of a Lot within the Project cannot be separated from the Association membership appurtenant thereto, and any devise, conveyance, or other disposition of a Lot shall constitute a devise, conveyance, or other disposition, respectively, of such Owner's membership in the Association and the rights appurtenant thereto. The foregoing is not intended to include conveyances made solely for the purpose of securing performance of an obligation.

2.2 Annual Meeting. Annual meetings shall be held once a year after the Turnover Meeting. The Board shall determine the date, time, and place of the annual meeting. The Association shall send notice of annual meetings at least 10 days but not more than 60 days in advance of the meeting. At the annual meeting the Association shall conduct the following business in any order the Board sees fit:

- 2.2.1 Roll call and verification of quorum;
- 2.2.2 Approval of minutes from preceding annual meeting;
- 2.2.3 Reports of officers, if any;
- 2.2.4 Special committee reports, if any;
- 2.2.5 Election of Directors;
- 2.2.6 Review of reserve analysis;
- 2.2.7 Unfinished business from preceding annual meeting, if any; and
- 2.2.8 New business, if any.

2.3 Special Meeting of Owners. Special meetings may be held at any time for any purpose. A special meeting may be called by a majority of the Directors or, after the expiration of the Period of Declarant Control, upon petition of at least 20% of the Owners in good standing. The Association shall schedule and send notice of a special meeting within 30 days of request. The notice of a special meeting shall state the date, time, place, and purpose of the meeting. The Association shall send notice of a special meeting at least 10 days in advance of the meeting. No business may be transacted at a special meeting except as stated in the notice.

2.4 Place of Meeting. Meetings shall be held at a place designated by the Board and stated in the notice of meeting. Meetings shall be held in Summit County, State of Utah.

2.5 Conduct of Meeting. The President shall preside over all meeting of the Association, unless the President delegates this function to someone else. The Secretary shall keep the minutes of the meeting and take record of all resolutions adopted at the meeting, unless delegated to someone else.



2.6 Quorum. A quorum shall be the Owners present in person or by proxy at a meeting.

2.7 Voting. Unless otherwise provided for herein, or required by the Declaration, all matters submitted to a vote shall be by a majority vote of all votes cast. Notwithstanding the foregoing, during the Period of Declarant's Control, Declarant may act in all Association matters with or without a vote of the Owners. To the extent any matters are submitted to a vote of the Owners during the Period of Declarant's Control, such matters shall be approved and implemented if, and only if, the Declarant also approves such matters. After the Period of Declarant's Control, all matters submitted to a vote of the Association shall be decided by the votes of the Owners. A change in the ownership of a Lot shall be effective for voting purposes from the time the deed or other instrument effecting such change is recorded. Thereafter, the new Owner shall give the Board written notice of such change of ownership and provide satisfactory evidence thereof. The vote for each Lot must be cast as one vote, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one (1) Owner the vote for the Lot shall be cast as such Owners decide among themselves. In the event such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one Owner attempts to cast the vote for a particular Lot, the vote for that Lot shall be deemed void and shall not be counted.

Except where a greater number is required by the Governing Documents or the Nonprofit Act and elections of Directors, any decision requiring Owner consent shall be passed by majority vote of a quorum.

2.8 Good Standing. An Owner shall be in good standing if he has paid assessments levied against his Lot, including late fees, interest, fines, collection costs, and attorney fees and does not have any outstanding violations of the governing documents for which the Owner has been sent notice. An Owner must have paid in full at least three days prior to the meeting or action.

2.9 Proxies. An Owner in good standing may vote or otherwise act by proxy. An Owner may appoint a proxy by signing a proxy appointment form. The proxy appointment form may be submitted to the Association in person, by mail, or electronically. The proxy appointment form must name a proxy, be dated, and signed by the Owner. Any proxy appointment form that does not contain a proxy's name, date, or signature shall be void. A proxy appointment form is valid until revoked by the Owner's attendance at a meeting, a signed and dated revocation delivered to the Association, a subsequent proxy appointment, notice of death or incapacity of the Owner, or the passage of 11 months.

2.10 Mail-in Ballots. Any action requiring a vote of the Owners, except election of Directors, may be taken by mail-in ballots. Action by mail-in ballot shall comply with the procedures set forth in the Nonprofit Act Section 16-6a-709, as amended from time to time. A combination of mail-in ballots, ballots collected electronically, and ballots cast in person may be used.

2.11 Written Consent in Lieu of Vote. Any action requiring a vote of the Owners, except election of Directors, may be taken by written consent. Action by written consent shall comply with the procedures set forth in the Nonprofit Act Section 16-6a-707, as amended from time to time. Written consents may be collected electronically.

2.12 Record Date. The record date for determining which people are entitled to vote shall be the date notice of the meeting or action is sent. The Board may change the record date prior to sending notice of the action. The Owners shown on the records of the Association on the record date shall be the people entitled to vote on an action.

### ARTICLE 3

#### BOARD OF DIRECTORS

3.1 Number and Qualification of Directors. There shall be no less than three (3) and no more than five (5) Directors and there must be an odd number of Directors. Except for Directors appointed by Declarant, Directors must be Members in good standing.

3.2 Selection and Term of Directors. Prior to the Turnover Meeting, Directors shall be appointed by the Declarant. After the Turnover Meeting, Directors shall be elected by the Owners. Directors shall serve for a term of two years and shall serve until their successors have been elected. There is no limit on the number of terms an Owner may serve as a Director. Directors' terms shall be staggered as follows: (i) two Directors shall be elected in years ending with an even number; and (ii) three Directors shall be elected in years ending with an odd number. At the initial election of the Directors, the newly elected Directors shall determine their terms, but must do so such that this same staggering occurs.

3.3 Vacancies. After the Turnover Meeting, Director vacancies for any reason other than removal by vote of the Association shall be filled by vote of a majority of the remaining Directors. The Board shall conduct a board meeting for the purpose of filling the vacancy. The meeting shall be valid even if a quorum is not present. Each replacement Director shall serve until the next annual Owners' meeting, then the vacancy shall be filled by vote of the Owners. The replacement Director elected by the Owners shall serve the remaining term of the replaced Director.

3.4 Removal of Directors. After the Turnover Meeting, a Director may be removed at a Special Meeting with or without cause by vote of a majority of all Owners. If the Owners propose to remove a Director, the Association shall give the Director and Owners at least 15 days' written notice of the meeting and the purpose of the meeting. The Director shall be given an opportunity to be heard at the meeting prior to the vote to remove him. At any meeting where a Director is removed by the Owners, the Owners must vote to replace the Director. The replacement will serve the remaining term of the removed Director.

After the Turnover Meeting, any Director who allows their Assessments to become more than 90 days past due may be removed and replaced by vote of a majority of the Board. The Board shall give the Director 10 days' written notice to cure the default prior to voting to remove the Director.

After the Turnover Meeting, any Director who fails to attend three successive Board Meetings may be removed and replaced by a vote of a majority of the Board. However, if any Director fails to attend three successive Board Meetings, but then attends a Board Meeting before a majority of the Board takes action to remove and replace that Director, the opportunity for removal based on those three successive absences terminates.

3.5 Organization Meeting. The Directors shall hold a meeting following the annual Owners meeting for the purpose of electing officers. Notice of the organization meeting shall be given verbally at the annual meeting. The organization meeting shall be conducted at the next regular meeting of the Board or may be conducted at a special meeting.

3.6 Regular Meetings. The Board shall hold regular meetings. The Board shall determine frequency, times, and locations of regular meetings. However, the Board shall conduct at least two regular meetings per year. Notice of regular meetings shall be given to each Director at least three days prior to the meeting.

3.7 Special Meetings of the Board. A Director may call a special meeting of the Board. Notice shall be given at least three days prior to the meeting. The notice shall state the time, place, and purpose of the meeting.

3.8 Conduct of Meetings. The President shall preside over all meetings of the Board, unless otherwise delegated. The Secretary shall take minutes of the Board meetings and shall make record of all resolutions, unless otherwise delegated.

3.9 Quorum. A majority of the Board shall constitute a quorum. A quorum shall be required to conduct business at a meeting. If less than a quorum is present at a meeting, the majority of those present may adjourn the meeting until such time as a quorum is present. Once established, a quorum will be present even if any Directors leave. Directors may attend a meeting telephonically.

3.10 Notice and Waiver of Meeting Notice. Notice to Directors may be personally delivered, mailed, or delivered by any available electronic mean, including, without limitation: text, email, fax, or posting on the website. Directors may waive notice of meetings in writing. A waiver shall be deemed equivalent to notice. Attendance of a Director at a meeting will be considered a waiver of notice, unless the Director attends to dispute notice. If all Directors are present at a meeting, notice of the meeting is waived and any business may be conducted.

3.11 Action without Meeting. Any action by the Board may be taken without a meeting if all the Directors submit a written vote either for, against, or abstaining from the action. Written votes may be given in person, by mail, or electronically. The Association shall file the written votes with its record of minutes.

3.12 Powers and Duties. The Board shall manage the affairs and business of the Association. The Board is vested with all power and authority necessary to administer the affairs of the Association in accordance with the Governing Documents. The Board may do any act required or allowed by the Governing Documents, the Community Association Act, the Nonprofit Act, or any other rule of law. Subject to the limitations contained in the Declaration, Bylaws, or Community Association Act, the Board shall have the following authority:

- 3.12.1 Prepare an annual budget and establish what constitutes a Common Expense;
- 3.12.2 Adopt and amend rules, regulations, policies, and procedures governing the Common Areas, administration of the Association, and to enforce and interpret the Governing Documents;
- 3.12.3 Delegate authority to a managing agent to act on behalf of the Association;
- 3.12.4 Provide for the maintenance, repair, and replacement of the Common Areas;
- 3.12.5 Hire, contract for, and terminate personnel or contractors necessary for the maintenance, repair and replacement of the Common Areas, and administration of Association business. Provide for the compensation of personnel. Purchase supplies, equipment, and materials for use in the Association;
- 3.12.6 Open and maintain bank accounts on behalf of the Association. Designate authorized signers for the bank accounts;
- 3.12.7 File lawsuits or initiate other legal proceedings on behalf of the Association;
- 3.12.8 Defend lawsuits, administrative actions, and other legal proceedings against the Association;
- 3.12.9 Enter into contracts on behalf of the Association;
- 3.12.10 Pay costs of any services rendered to the Development or multiple Owners, but not billed to the Owners individually;
- 3.12.11 Keep books with detailed accounts of the receipts and expenditures of the Association. Make the books available to the Owners as required by the Community Association Act and Nonprofit Act. The books shall be kept in accordance with generally accepted accounting practices. Upon resolution by the Board, retain an independent auditor to audit the books;
- 3.12.12 Grant easements, licenses, or permission over, under, and through the Common Areas;
- 3.12.13 Upon approval by 75% of the Members, to convey Common Areas;
- 3.12.14 Create committees;
- 3.12.15 Any other act allowed or required by the Governing Documents, the Community Association Act, or the Nonprofit Act; and
- 3.12.16 Any act allowed or required to be done in the name of the Association.

3.13 Manager. The Board shall employ a manager to perform such duties and services as the Board shall authorize. The Board may delegate to the manager all powers granted to the Board and officers by the Governing Documents.

3.14 Compensation. Directors shall not be compensated for their work. However, Directors may seek reimbursement for actual costs and mileage incurred during their service.

3.15 Limitation of Liability. The Directors shall not be liable to the Owners for any mistake of judgment, negligence, or other errors, unless it was by willful misconduct or criminal conduct. The Association shall indemnify and hold the Directors harmless against liability to third parties for actions taken on behalf of the Association, while acting in their capacity as Director, unless the action constitutes willful misconduct or gross negligence.

**ARTICLE 4**

**OFFICERS**

4.1 Election and Term of Officers. The Board shall elect the officers of the Association. Officers shall be elected from the Directors. Officers shall serve one-year terms and shall serve until their successor is elected.

4.2 Removal of Officers. The Board may remove any officer with or without cause by affirmative vote of a majority of a quorum of the Board. If an officer is removed, the Board shall replace them.

4.3 Offices. The Association officers shall be president, vice president, secretary, and treasurer. The Board may appoint assistant officers, who need not be Directors, as it may deem necessary. Except for the president, the same person may hold two offices.

4.3.1 President. The president shall be the chief executive officer. The president shall preside at meetings of the Association and the Board. The president shall be an unofficial member of all committees. The president shall have general and active management of Association business. The president shall see that all resolutions and policies of the Association are executed.

4.3.2 Vice President. The vice president shall perform the duties and exercise the powers of the president in the absence or disability of the president. If the president and vice president are unable to act, the Board shall appoint a Director to fulfill the duties on an interim basis.

4.3.3 Secretary. The secretary shall attend all meetings and take minutes thereof, unless otherwise delegated. The secretary shall also make record of all resolutions, rule, policies, and procedures. The secretary shall give or cause to be given notice of all meetings. The secretary shall compile or cause to be compiled a complete list of the owners and their contact information.

4.3.4 Treasurer. The treasurer shall oversee the finances of the Association. The treasurer shall be responsible to ensure that the Association has full and accurate records of

income and expenses. The treasurer shall give financial reports at regular Board meetings and the annual Owners' meeting.

4.4 Delegation of Duties. The Association officers may delegate any of their duties to a manager or to committee. However, the officers shall be responsible to oversee and ensure that the duties so delegated are being properly discharged.

4.5 Compensation. Officers shall not be compensated for their work. However, officers may seek reimbursement for actual costs and mileage incurred during their service.

**ARTICLE 5**

**NOTICE**

5.1 Manner of Notice. All notices and other communications required under the Governing Documents shall be in writing.

5.1.1 Notices to Owners may be delivered using the following methods:

- (a) By professional courier service or first-class U.S. mail, postage prepaid, to the address of the Lot or to any other address designated by the Owner in writing to the Association;
- (b) By hand to the address of the Lot or to any other address designated by the Owner in writing to the Association;
- (c) By posting on the Association website; or
- (d) By electronic mail, or any other electronic means to an Owner's number or address as designated by the Owner in writing to the Association.

5.1.2 Notice to the Association may be delivered using the following methods:

- (a) By professional overnight courier service or first-class U.S. mail, postage prepaid, to the principal office of the Association as designated in writing to the Owners;
- (b) By electronic mail, or any other electronic means to the Associations official electronic contact as designated in writing to the Owners; or
- (c) Notices sent via courier shall be deemed received the following business day, first-class U.S. mail shall be deemed received 3 days after being sent. Notices hand delivered or sent via electronic means, including, but not limited to the Association website shall be deemed received upon delivery or being sent.

5.2 Waiver of Notice. Whenever any notice is required under the Governing Documents, the Community Association Act, or the Nonprofit Act, an Owner may waive notice in writing. The waiver may be signed before or after the time for notice. A waiver of notice shall be equivalent to notice.

## ARTICLE 6

### FINANCES

- 6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.
- 6.2 Checks, Agreements, Contracts. All checks, contracts, deeds, leases, and other instruments used for expenditures or obligations may be executed by any person authorized by the Board.
- 6.3 Availability of Records. Association financial records shall be available as provided by the Community Association Act and Nonprofit Act.

## ARTICLE 7

### AMENDMENT TO BYLAWS

- 7.1 Amendments. These Bylaws may be amended by the Board. These Bylaws may also be amended at a Special Meeting by a majority vote of all Owners. Prior to the Turnover Meeting, the Declarant shall have the right to unilaterally amend these Bylaws, notwithstanding any other provision to the contrary.
- 7.2 Recording. Any amendment to these Bylaws shall become effective on the date it is signed by the President or Vice President.

## ARTICLE 8

### MISCELLANEOUS

- 8.1 Office. The principal office of the Association shall be located at any place within the State of Utah which may be designated from time to time by the Board.
- 8.2 Conflicts. The Bylaws are subordinate to any conflicting provisions in the Community Association Act, the Nonprofit Act, the Articles of Incorporation, the Plat Map, or the Declaration. The Bylaws are superior to the rules, regulations, and policies of the Association.
- 8.3 Severability. If any provision of these Bylaws is held by a court of law to be invalid, the validity of the remainder of these Bylaws shall not be affected.
- 8.4 Waiver. No provision of these Bylaws shall be deemed to be waived because of a failure to enforce the provision.
- 8.5 Captions. The captions contained in these Bylaws are for convenience only. The captions shall not be used to interpret, limit, or enlarge the provisions of these Bylaws.
- 8.6 Gender. Whenever the context so requires, the singular shall include the plural and vice versa. The use of any gender shall include all genders.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be executed by its duly authorized officers.

DATED: 1<sup>st</sup> December 2022

DISCOVERY RIDGE, LLC

a Utah limited liability company

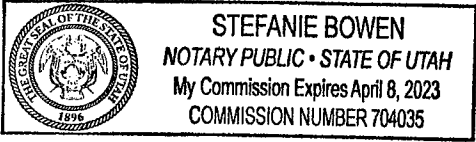
By: DISCOVERY RIDGE MANAGEMENT, LLC

a Utah limited liability company, as Manager

By: [Signature]  
Michael J. Milner, Manager

STATE OF UTAH )  
:ss.  
County of Summit )

On the 1<sup>st</sup> day of December, 2022, personally appeared before me MICHAEL J. MILNER, who being by me duly sworn, did say that he is the Manager of DISCOVERY RIDGE MANAGEMENT LLC, a Utah limited liability company, which limited liability company is the Manager of DISCOVERY RIDGE LLC, a Utah limited liability company, and duly acknowledged to me that he is authorized to sign the foregoing instrument on behalf of said limited liability company by authority of its Operating Agreement, and further acknowledged to me that he is authorized to execute the same as Manager of DISCOVERY RIDGE MANAGEMENT, LLC.



[Signature]  
NOTARY PUBLIC



**EXHIBIT "D"**

**Hot Tub Improvements Area Lots**

Lots 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, DISCOVERY RIDGE, PHASE 2, a Subdivision, according to the official plat thereof, on file and of record in the office of the Summit County Recorder, Summit County, Utah.

DR-2-232, DR-2-233, DR-2-234, DR-2-235, DR-2-236, DR-2-237, DR-2-238, DR-2-239,  
DR-2-240, DR-2-241, DR-2-242, DR-2-243, DR-2-244, DR-2-245, DR-2-246, DR-2-247