

WHEN RECORDED, RETURN TO:

Wohali Land Estates LLC  
Attn: David Boyden  
721 Icy Springs Road  
Coalville, Utah 84017

**01210101 B: 2795 P: 1018**

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Rhonda Francis Summit County Recorder

09/25/2023 04:12:25 PM Fee \$76.00

By SNELL & WILMER LLP

Electronically Recorded

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Affecting Tax Parcel ID Nos.: WOH-1-1 through WOH-1-15  
and WOH-1-64 through WOH-1-73;  
CT-WOH-COMB; CT-441; and CT-449

**AMENDED & RESTATED**  
**MASTER DECLARATION OF COVENANTS,**  
**CONDITIONS, RESTRICTIONS, AND EASEMENTS**  
**FOR WOHALI**

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This AMENDED & RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR WOHALI (this "Declaration"), is made effective as of September \_\_, 2023, by WOHALI LAND ESTATES LLC, a Utah limited liability company ("Declarant"), with respect to the following:

**RECITALS:**

A. Declarant owned and controlled, or owns and controls, certain real property located in Summit County, Utah (the "Property") described in **Exhibit A** attached hereto. Declarant desires to develop, in phases, portions of the Property as a planned community to be known and referred to as "Wohali" which may consist of residential, commercial, recreational, and other areas and uses, as more particularly set forth in this Declaration. In accordance with Utah Code Ann. § 57-8a-212(1)(c), Wohali is not a cooperative.

B. Declarant's predecessor-in-interest previously recorded that certain Master Declaration of Covenants, Conditions, Restrictions, and Easements for Wohali Resort, dated as of and recorded on March 9, 2022, as Entry No. 01184953, in the Summit County Recorder's Office (the "Original Declaration"), which Original Declaration encumbered all of the Property.

C. Wohali is located in a mountainous setting in Coalville, Summit County, Utah and is intended to be a golf and recreation resort development. It is intended, without obligation, that Wohali will encompass several residential villages, condominium developments, townhouse developments, resort units, and recreational areas which may include, without obligation, trail systems, open spaces, walkways, tennis and pickleball courts, swimming pools, and clubhouses and other social, commercial, civic, and/or cultural buildings and facilities.

D. The permitted land uses, residential and commercial densities, and development locations, among other matters, are set forth in that certain Wohali Master Planned Development: Development Agreement by and between Coalville City Corporation, a municipal corporation of the State of Utah ("City"), by and through its City Council, and Declarant, dated May 25, 2021 and recorded on July 14, 2021, as Entry No. 01168499, with the Summit County Recorder's Office (the "Development Agreement").

E. The Declarant Control Period (as defined below) is still in effect and the Declarant thereby, having the right to do so by law and the express terms of the Declaration, including, but not limited to, Section 19.3 hereof, desires to amend and restate the Original Declaration in its entirety, pursuant to the terms and provisions of this Declaration; it being understood that this Declaration shall amend and restate the Original Declaration in its entirety, and shall completely supersede and replace the Original Declaration.

NOW, THEREFORE, Declarant hereby declares, covenants, and agrees as follows:

**ARTICLE I  
ORIGINAL DECLARATION**

1.1 Incorporation of Recitals. The recitals set forth above are incorporated in this Declaration as if fully set forth in the body of this Declaration.

1.2 Amended and Restated. This Declaration amends, restates, supersedes, and replaces in its entirety the Original Declaration.

**ARTICLE II  
DEFINITIONS**

The following words, phrases, or terms used in this Declaration (including within the "Recitals" set forth above) shall have the following meanings:

2.1 "Additional Land" shall mean, refer to, and consist of the parcels of real property situated in Summit County or Morgan County, Utah now or in the future owned and controlled by Declarant and/or Declarant's affiliates. This Declaration is not intended as, and should not be deemed to constitute, any lien, encumbrance, restriction, or limitation upon any portion of the Additional Land unless and until such portion is added to the existing Wohali in accordance with the provisions of Article XVII of this Declaration.

2.2 "Amendment" shall mean (a) an amendment to this Declaration Recorded by the Master Association pursuant to Section 19.2 of this Declaration, and/or (b) an amendment to this Declaration Recorded by the Declarant pursuant to Sections 19.3 or 19.4 of this Declaration.

2.3 "Annual Assessment" shall mean the charge levied and assessed each year against each Lot, Unit, or Parcel (other than Exempt Property) pursuant to Section 8.3, hereof.

2.4 "Articles" shall mean the Articles of Incorporation of the Master Association as the same may from time to time be amended or supplemented.

2.5 "Assessable Property" shall mean any Lot, Unit, or Parcel that permits Residential Use, except such part or parts thereof as may from time to time constitute Exempt Property; *provided however*, that Exempt Property shall not be exempt from Maintenance Charges, Reinvestment Fee Covenants, and Special Assessments. Assessable Property shall include Casita Developments, Residential Condominium Developments, and Single Family Lot Developments.

2.6 "Assessments" shall mean collectively the Annual Assessment, Special Assessment, and Reinvestment Fee Covenant imposed by the Master Association.

2.7 "Assessment Lien" shall mean the lien created and imposed by Article VIII.

2.8 "Assessment Period" shall mean the term set forth in Section 8.8.

2.9 "Board" shall mean the Board of Directors of the Master Association.

2.10 “Bulk Service Provider” means a private, public or quasi-public utility or other company which provides, or proposes to provide, cable television, community satellite television, high speed internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to Owners, Residents, Lots, Units and/or Parcels within Wohali, or within one or more portions thereof, pursuant to a Bulk Service Agreement.

2.11 “Bulk Service Agreement” means an agreement between Master Association and a Bulk Service Provider pursuant to which the Bulk Service Provider would provide cable television, community satellite television, high speed internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to Owners, Residents, Lots, Units, and/or Parcels within Wohali, or within one or more portions thereof.

2.12 “Bylaws” shall mean the Amended and Restated Bylaws of the Master Association, recorded of equal date herewith, as the same may from time to time be amended or supplemented.

2.13 “Casita Development” and/or “Casita Development Use” shall mean a Parcel or portion thereof that is dedicated for such purpose in this Declaration, Amendment, Supplemental Declaration, or in the Master Land Use Plan, and which may be comprised of Resort Units or Condominium Development(s) within a Sub-Association, or Hotels, and surrounding areas that are intended, as shown by the site plan therefor approved by the Municipal Authority and the Design Review Board or otherwise.

2.14 “Championship Golf” means the Wohali Championship Golf, a private club located within Coalville, Summit County, Utah.

2.15 “Championship Golf Documents” means collectively, the Championship Golf Membership Application in effect from time to time, the Championship Golf Membership Plan, Championship Golf Rules and Regulations, and such other documents adopted by the Championship Golf Operator from time-to-time governing membership in Championship Golf, all as the same may be amended, modified, or supplemented from time to time. Championship Golf Documents pertain solely to Championship Golf, are separate from this Declaration, and are not enforced by Declarant, Master Association, or Village Association in any manner.

2.16 “Championship Golf Facilities” shall be defined as such term is defined under the Championship Golf Membership Plan.

2.17 “Championship Golf Membership Application” means the Wohali Championship Golf Membership Application and Agreement, as such may be amended and supplemented from time to time.

2.18 “Championship Golf Membership Plan” means the Wohali Championship Golf Membership Plan, as such may be amended and supplemented from time to time.

2.19 “Championship Golf Operator” means the operator of the Championship Golf Facilities and/or the Championship Golf Property, and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Championship Golf Operator

hereunder. Such assignment need not be Recorded in order to be effective. In the event of a partial assignment, the assignee shall not be deemed to be a Championship Golf Operator, but may exercise such rights of Championship Golf Operator specifically assigned to it. Any such assignment may be made on a non-exclusive basis. As of the date this Declaration is Recorded, Wohali Resort, Inc., a Utah corporation, is the Championship Golf Operator. The identity of the Championship Golf Operator may change from time to time. Notwithstanding that the Championship Golf Operator and the Declarant may be the same party, affiliates, or related parties from time to time, each Owner acknowledges that Championship Golf Operator and Declarant shall not be considered one and the same party, and neither of them shall be considered the agent or partner of the other. At all times, Championship Golf Operator and Declarant shall be considered separate and viewed in their separate capacities.

2.20 “Championship Golf Property” shall mean that real property now or hereafter owned, controlled, leased, and/or licensed by the Championship Golf Operator (or its affiliates, as the case may be) upon which the Championship Golf Facilities are located and whose use is limited to the operation of Championship Golf, together with all of the Championship Golf Operator’s interest in the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining. Neither Declarant nor Master Association shall have any responsibility for the care, maintenance, upkeep or other operation of the Championship Golf Property, except as otherwise expressly agreed upon and set forth in a separate written agreement.

2.21 “Church Use” shall mean use of portions of the Property by a church or religious organization for a permanent church facility, including a chapel used for religious services and which may be used for church, cultural, and recreational activities. Residential Areas and Commercial Areas may not be utilized for Church Use, except as permitted by this Declaration, a Supplemental Declaration, or the Declarant. No Dwelling Unit may be utilized for Church Use.

2.22 “City” shall mean Coalville City Corporation, a municipal corporation of the State of Utah.

2.23 “Commercial Area(s)” and/or “Commercial Use” shall mean any Parcel or portion thereof owned or leased by one Person or a group of Persons, which is used for one or more commercial purposes, including, but not limited to the following: Retail Use, Hotel Use, restaurants, spas and health clubs, and other areas used for non-residential purposes. Commercial Areas shall not include any Community Areas owned by the Master Association or other Community Areas owned by a Sub-Association or Community Areas owned in common by Residential Condominium Unit Owners. Declarant specifically acknowledges and intends that certain Lots or Parcels within Wohali may contain structures that will have a mixture of Residential Areas and Commercial Areas within the same structure. In that event, the provisions of this Declaration pertaining to Residential Areas shall apply to and govern the Residential Areas within such structure, and the provisions of this Declaration pertaining to Commercial Areas shall apply to and govern the Commercial Areas within such structure.

2.24 “Commercial Condominium Development” and/or “Commercial Condominium Development Use” shall mean a Condominium Development intended for Commercial Use.

2.25 “Community Area(s)” shall mean (a) all Master Association Land designated from time to time by the Board for use by the Members, Residents and their guests, including, but not limited to, roadways, entry monument areas for Wohali, and the entry monuments related to projects subject to Village Declarations and/or Supplemental Declarations; (b) all Master Association Land identified as open space on the Master Land Use Plan; (c) all land within Wohali which the Declarant, by this Declaration or other instrument, makes available for use by Members of the Master Association including, but not limited to, enhanced parkways and median strips and areas between roadways and Lots, even if owned by a Municipal Authority, and the Master Association Amenities; (d) all land within Wohali which the Declarant indicates on a Plat, Village Declaration or Supplemental Declaration is to be used for landscaping, drainage, and/or flood control for the benefit of Wohali and is to be dedicated to a Municipal Authority upon the expiration of a fixed period of time, but only until such land is so dedicated; (e) all land or right-of-way easements within Wohali that is required to be maintained by the Master Association; (f) areas on a Lot, Unit, or Parcel within easements granted to the Master Association or its Members for the location, construction, maintenance, repair and replacement of a utility or other Improvement, which easement may be granted or created on a Plat or Village Declaration or Supplemental Declaration or by a Deed or other conveyance accepted by the Master Association; (g) roadways, walkways, bridges, culinary water system components, tunnels and certain storm drain pipes within the existing and subsequent phases of Wohali; (h) Improvements located outside of Wohali that the Master Association has the duty, obligation or right to improve, maintain, replace or repair; and (i) other public infrastructure within the existing and subsequent phases of Wohali.

2.26 “Community Expense Fund” shall mean and refer to the fund created or to be created pursuant to the provisions of Article VIII of this Declaration and into which all monies of the Master Association shall be deposited. A minimum of two (2) separate and distinct funds shall be created and maintained thereunder, including at least one (1) for operating expenses and at least one (1) for capital or reserve expenses which together shall constitute the Community Expense Fund.

2.27 “Community Expenses” shall mean and refer to those costs and expenses incurred by or on behalf of the Master Association arising out of or connected with the maintenance, improvements and operation (including capital repairs and replacements) of Wohali and the Master Association as described in Article VIII hereof and which determine the Assessments made to Owners.

2.28 “Condominium Development” shall mean a condominium ownership regime established under the laws of the State of Utah including both Residential and Commercial Condominium Developments.

2.29 “Condominium Unit” shall mean a condominium unit (as defined under Utah Code Ann. § 57-8-3(11)) or a townhome unit, including its appurtenant interest in all common areas as set forth on a condominium plat, established under Utah law. Such term may include a Resort Unit, if so specified under the map or plat and/or associated declaration.

2.30 “Consideration” shall mean the total of money paid and the Gross Sales Price of any property delivered, or contracted to be paid or delivered, in return for the Transfer of any Lot,

Unit, or Parcel, and includes the amount of any note, contract indebtedness, or rental payment payable to the transferor in connection with such Transfer, whether or not secured by any lien, deed of trust, or other encumbrance given to secure the Gross Sales Price, or any part thereof, or remaining unpaid on and encumbering such Lot, Unit, or Parcel at the time of Transfer, whether or not assumed by the Transferee. The term “Consideration” does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvements, in favor of the United States, the State of Utah, or a municipal or quasi-municipal governmental corporation or district.

2.31 “Covenants” shall mean the covenants, conditions, restrictions, assessments, charges, rights, obligations, servitudes, liens, reservations and easements set forth in this Declaration, as amended or supplemented from time to time.

2.32 “Declarant” shall mean Wohali Land Estates LLC, a Utah limited liability company. The term Declarant shall also mean the successors and assigns of Declarant’s rights and powers hereunder. Declarant shall also include any Person or Persons that have been assigned and have agreed to assume certain of Declarant’s rights and/or obligations under this Declaration pursuant to Section 20.1 effective upon the Recording of a written instrument signed by the Declarant and such Person or Persons and duly Recorded in the Office of the Recorder of Summit County, Utah, that evidences such assignment and assumption.

2.33 “Declarant Control Period” shall mean the period commencing on March 9, 2022 and ending on the earlier of:

- (a) one hundred twenty (120) days after the conveyance of title by Declarant to the last Lot, Unit, or Parcel owned by the Declarant, or
- (b) such earlier date on which the Declarant elects, in its sole and absolute discretion, to terminate the Declarant Control Period by Declarant’s providing written notice of Declarant’s termination to the Master Association.

2.34 “Declaration” shall mean this Amended & Restated Master Declaration of Covenants, Conditions, Restrictions, and Easements for Wohali, as amended or supplemented from time to time.

2.35 “Deed” shall mean a deed or other instrument conveying the fee simple title in a Lot, Unit, or Parcel.

2.36 “Design Guidelines” means those design guidelines for development of all the real property subject to this Declaration as established by the Declarant during the Declarant Control Period and/or the Design Review Board from time to time. Declarant or the Design Review Board reserves the right to modify the Design Guidelines. The Design Guidelines may impose, without limitation, certain restrictions with respect to a Dwelling Unit’s mandatory minimum and maximum square footage, building materials used in constructing the Dwelling Unit, architectural standards and other matters. The Design Guidelines also may include certain signage guidelines for development of all the real property subject to this Declaration as established by the Declarant and/or the Design Review Board from time to time. There is no assurance that such Design Guidelines will not change from time to time, and they may change with respect to unsold Lots,

Units, or Parcels, subject to this Declaration, after one or more other such Lots, Units, or Parcels, have been sold by Declarant.

2.37 “Design Review Board” shall mean the committee created pursuant to Article XII.

2.38 “Development Agreement(s)” shall mean (a) that certain Wohali Master Planned Development: Development Agreement by and between City, by and through its City Council, and Declarant, dated May 25, 2021 and recorded on July 14, 2021, as Entry No. 01168499, with the Summit County Recorder’s Office, as may be amended or supplemented from time to time; and (b) any other development agreement(s) that may be entered into between Declarant and any Municipal Authority with respect to development of Wohali.

2.39 “Development Guidelines” shall mean those development guidelines for Wohali that may be established by Declarant and applicable Municipal Authorities which relate to the development and construction of roadways, major infrastructure and other matters related to both off-site and on-site development of Lots and Parcels, but excluding the guidelines for construction of Dwelling Units and buildings on Lots and Parcels which are governed and controlled by the Design Guidelines. Certain of the Development Guidelines are currently set forth in the Development Agreement or may be subsequently incorporated into the Development Agreement from time to time, and upon such incorporation they shall be part of the Development Guidelines. The Development Guidelines may also include certain technical reports, studies and agreements on file with City and/or the Declarant, if any.

2.40 “Drainage Control Features” shall mean the term set forth in Section 4.4.

2.41 “Dwelling Unit” shall mean any building or portion thereof designed for use as a residence or sleeping place of one (1) or more Persons or families and includes a kitchen.

2.42 “Eligible Mortgagee” shall mean and refer to a Mortgagee which has requested notice of certain matters from the Master Association in accordance with Section 18.1 of this Declaration.

2.43 “Exempt Property” shall mean the following parts of Wohali:

2.43.1 All land and Improvements owned by or dedicated to and accepted by the United States, a Municipal Authority, or any political subdivision thereof, for as long as any such entity or political subdivision is the owner thereof or for so long as said dedication remains effective, including all Municipal Authority Property;

2.43.2 All Master Association Land, for as long as the Master Association is the owner thereof.

2.43.3 All land and/or Improvements (or portions thereof) utilized for Church Use.

2.43.4 All land and/or Improvements (or portions thereof) utilized for Private Amenities, including the Resort Property and Resort Facilities.



2.43.5 All land and/or Improvements (or portions thereof) utilized exclusively for Commercial Uses.

2.43.6 All land and/or Improvements (or portions thereof) utilized for providing irrigation or culinary services to Wohali.

2.43.7 Each other property, including each Lot, Unit, or Parcel, while owned by Declarant, a Declarant related developer entity, or Merchant Builder until the earliest to occur of (a) the acquisition of its record title by a Member holding Class A Membership (except for Merchant Builder), (b) the sixtieth (60<sup>th</sup>) day after the Municipal Authority having jurisdiction over such property issues a certificate of occupancy for the first Dwelling Unit or building hereafter constructed thereon, or (c) the tenth (10<sup>th</sup>) anniversary of the date on which the real property comprising such Exempt Property is subjected to this Declaration. Declarant or a Declarant related developer entity may expressly waive its right to an exemption from Annual Assessments and Special Assessments as to some or all Exempt Properties of which it is then the Owner, by a Supplemental Declaration identifying such Exempt Properties and signed by it. In such event, such exemption shall terminate as to each such identified Exempt Property when such Supplemental Declaration is Recorded. Any such waiver shall run with the title to each such Exempt Property and bind its subsequent Owners, including Declarant or any Declarant related developer entity.

2.44 “FHA” shall mean and refer to the Federal Housing Administration.

2.45 “FHLMC” shall mean the Federal Home Loan Mortgage Corporation.

2.46 “First Mortgage” means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

2.47 “First Mortgagee” means any person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such person under a First Mortgage.

2.48 “FNMA” shall mean and refer to Federal National Mortgage Association.

2.49 “Governing Documents” shall mean this Declaration, Amendment(s), Village Declaration(s), Supplemental Declaration(s), the Bylaws, the Articles, the rules and regulations for Wohali (the “Wohali Rules”), the Design Guidelines, the Development Guidelines, the Board’s resolutions, the Recorded Plats, and the Development Agreement.

2.50 “Gross Sales Price” shall mean with respect to a Lot, Unit, or Parcel subject to Transfer, in the case of a Transfer that is in all respects a bona fide sale, the Consideration given for the Transfer less actual customary expenses of sale (or the equivalent thereof which would have been received by the transferor had the transaction been an arms-length, third-party cash transaction, in the event the Transfer is not an arms-length, third-party cash transaction) of the Lot, Unit, or Parcel subject to Transfer. In case of a Transfer that is a lease or is otherwise not in all respects a bona fide sale, Gross Sales Price of the Lot, Unit, or Parcel subject to Transfer shall be determined by the Master Association. A Transferee may make written objection to the Master Association’s determination within fifteen (15) days after the Master Association has given notice of such determination, in which event the Master Association shall obtain an appraisal, at the

Transferee's sole expense, from an MAI real estate appraiser of good reputation, who is qualified to perform appraisals in Utah, who is familiar with Summit County and City area real estate values, and who shall be selected by the Master Association. The appraisal so obtained shall be binding on both the Master Association and the Transferee. Notwithstanding any provision herein to the contrary, where a Transferee does not object within fifteen (15) days after the time required herein for objecting, the Transferee shall be deemed to have waived all right of objection concerning Gross Sales Price, and the Master Association's determination of such shall be binding.

2.51 "Hotel" and/or "Hotel Use" shall mean a building containing sleeping rooms for the occupancy of guests for compensation on a nightly basis and accessory facilities such as a lobby, meeting rooms, recreation facilities, and group dining facilities.

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

2.53 "Lease" shall mean a written lease or sublease for the leasing or rental of Residential or Commercial Area.

2.54 "Lot" shall mean any portion of the Property designated as a subdivided unit of land on any Plat Recorded and approved by Declarant, including any subsequent adjustment of boundary lines thereto, and limited by this Declaration, by a Village Declaration and/or by a Supplemental Declaration to Single Family Lot Use.

2.55 "Maintenance Charges" shall mean any and all costs assessed to an Owner pursuant to Sections 11.2 and 11.3.

2.56 "Manager" shall mean such Person retained by the Board to perform certain functions of the Board pursuant to this Declaration or the Bylaws. The Manager for the Master Association shall carry out certain responsibilities of the Master Association as required herein, by the Development Agreement, and by any other Governing Document.

2.57 "Master Association" shall mean Wohali Master Owners Association, Inc., a Utah nonprofit corporation, organized by Declarant to administer and enforce the Covenants and to exercise the rights, powers and duties set forth in this Declaration, the Articles, the Bylaws and any other Governing Document and the successors and assigns of such nonprofit corporation.

2.58 "Master Association Amenities" shall mean amenities provided by the Master Association for the use and enjoyment of the Members and Residents, if any. The Master Association Amenities may be owned, leased, or otherwise licensed by the Master Association and available to Members, Residents, or other Persons, as may be more particularly set forth and subject to the Wohali Rules to be established, administered, and enforced by the Declarant and/or the Board.

2.59 “Master Association Land” shall mean such parts of Wohali, together with the buildings, structures and Improvements thereon, and other real property which the Master Association now or hereafter owns in fee or has a leasehold interest in, for as long as the Master Association is the fee owner or has a leasehold interest, as the case may be.

2.60 “Master Association Use” shall mean those portions of Wohali intended for the use and benefit of the Master Association including, without limitation, the Master Association Amenities.

2.61 “Master Land Use Plan” shall mean the map, site plan and other documents showing and/or identifying the various land uses and density allocations applicable to various Parcels as approved by the applicable Municipal Authority and the Declarant, as the same may from time to time be amended, a copy of which shall be on file at all times in the office of the Master Association. Declarant reserves the right to modify the Master Land Use Plan from time to time.

2.62 “Member” shall mean any person holding a Membership in the Master Association pursuant to this Declaration.

2.63 “Membership” shall mean a Membership in the Master Association, which Membership is subject to the rights and obligations of the Owners and Declarant pursuant to Article VII.

2.64 “Merchant Builder” shall mean a Person who acquires a Parcel or a group of five (5) or more Lots or Units in Wohali for the purpose of improving and constructing Dwelling Units or other Improvements thereon for resale to the general public or other development purposes; *provided, however*, that the term “Merchant Builder” shall not mean or refer to Declarant or its successors.

2.65 “Mortgage” shall mean any mortgage, deed of trust, or other document pledging any portion of a Lot, Unit, or Parcel or interest therein as security for the payment of a debt or obligation.

2.66 “Mortgagee” shall mean a beneficiary of a Mortgage as well as a named Mortgagee.

2.67 “Municipal Authority” shall mean the applicable governmental entity or municipality which has jurisdiction over some portion of Wohali, including, without limitation, City.

2.68 “Municipal Authority Property” shall mean all real property which is from time to time conveyed, assigned, or transferred by written instrument to the applicable Municipal Authority, which may include, without limitation, portions or all of the Trail System, public streets including medians and enhanced parkways, retention basins and drainage facilities, and open space areas.

2.69 “Nondisturbance Areas” shall mean the term set forth in Subsection 5.2.37.

2.70 “Owner” shall mean (a) any Person(s) who is (are) record holder(s) of legal, beneficial, or equitable title to the fee simple interest of any Lot, Unit, or Parcel including, without limitation, one who is buying a Lot, Unit, or Parcel under a Recorded contract or Recorded notice of such contract, but excluding others who hold an interest therein merely as security and (b) any Person(s) entitled to occupy all of a Lot, Unit, or Parcel under a lease or sublease for an initial term of at least ten (10) years, in which case the fee owner or sublessor of the Lot, Unit, or Parcel shall not be deemed the Owner thereof for purposes of this Declaration during the term of said lease or sublease.

2.71 “Parcel” shall mean a portion of the Property utilized for one of the following land developments and uses: Casita Development, Residential Condominium Development (but only until the condominium regime therefor is Recorded), Commercial Condominium Development, or Commercial Area. The term Parcel shall also include those portions of the Property which a Village Declaration or Supplemental Declaration or the Master Land Use Plan designates for Single Family Lot Use but which has not yet been subdivided into Lots and/or Units and related amenities and rights-of-way, but any such areas shall cease to be a Parcel upon the recordation of a Plat or other instrument covering the area and creating Lots and/or Units and related amenities. A Parcel shall not include a Lot or a Unit but, in the case of staged developments, shall include areas not yet included in a Plat, condominium property regime or other Recorded instrument creating Lots and/or Units and related amenities. A Parcel utilized as a Casita Development shall cease to be a Parcel if the Casita Development is converted to a Residential Condominium Development. Declarant shall have the right, subject to the terms of the Development Agreement, to identify and create and/or reconfigure the boundaries of any Parcel of which Declarant is the Owner.

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

2.73 “Plat” shall mean any subdivision or condominium plat or map affecting Wohali as Recorded in the Office of the County Recorder of Summit County, Utah, as such may be amended from time to time, including but not limited to any such Recorded plats or maps respecting all or any portion of the Additional Land.

2.74 “Private Amenities” or “Private Amenity” shall mean any real property, with the improvements and/or facilities thereon located and all related and supporting facilities and improvements within Wohali, that is privately owned and operated for recreational and related purposes, on a club membership basis or otherwise, including, but not limited to, the Resort with all of its Resort Facilities, which shall be operated in accordance with the Resort Documents, and the Championship Golf with all of its Championship Golf Facilities, which shall be operated in accordance with the Championship Golf Documents.

2.75 “Private Amenities Use” shall mean use of portions of the Property by any Person for a Private Amenity.

2.76 “Property” shall mean the real property described on **Exhibit A** and any Additional Land annexed to Wohali by Declarant pursuant to Article XVII.

2.77 “Record” or “Recording” shall mean placing an instrument of public record in the Office of the County Recorder of Summit County, Utah, and “Recorded” shall mean having been so placed of public record.

2.78 “Recreational Activities” shall have the meaning set forth in Section 22.1.

2.79 “Reinvestment Fee Covenant” shall mean the fee assessed by the Master Association upon the Transfer of any Lot, Unit, or Parcel in an amount equal to the Gross Sales Price of the Lot, Unit, or Parcel multiplied by the Reinvestment Fee Covenant Rate. The Reinvestment Fee Covenant shall be payable to the Master Association by the Transferee.

2.80 “Reinvestment Fee Covenant Levy Date” shall mean the term set forth in Subsection 8.15.2.

2.81 “Reinvestment Fee Covenant Rate” shall mean the rate the Board shall adopt to the fullest extent permitted by law, as set forth by a Recording of a “Notice of Reinvestment Fee Covenant,” which rate shall not be in excess of one percent (1%) of the Gross Sales Price of a Transfer.

2.82 “Resident” shall mean:

2.82.1 each Owner who resides on the Assessable Property and the members of the immediate family of each Owner who reside on the Assessable Property;

2.82.2 each tenant who resides on the Assessable Property and the members of the immediate family of each tenant who reside on the Assessable Property; and

2.82.3 such Persons as the Board, in its absolute discretion, may authorize, including without limitation, guests of an Owner or tenant.

2.83 “Residential” or “Residential Areas” shall include Single Family Lot Developments, Casita Developments, or Residential Condominium Developments, and all common recreational areas and facilities associated with any of the foregoing. The use of one or more Units in a Casita Development or Residential Condominium Development for Resort Unit purposes shall not change the Residential nature of such development into a Commercial Use. Certain Lots or Parcels within Wohali may contain structures that will have a mixture of Residential Areas and Commercial Areas within the same structure. In that event, the provisions of this Declaration pertaining to Residential Areas shall apply to and govern the Residential Areas within such structure, and the provisions of this Declaration pertaining to Commercial Areas shall apply to and govern the Commercial Areas within such structure.

2.84 “Residential Condominium Development” and/or “Residential Condominium Development Use” shall mean a Condominium Development intended for Residential Use.

2.85 “Residential Use” shall mean use of a building or structure, or portion thereof, for one or more Dwelling Units upon a Residential Area.

2.86 “Resort” means the Wohali Resort, a private club located within Coalville, Summit County, Utah.

2.87 “Resort Documents” means collectively, the Resort Membership Application in effect from time to time, the Resort Membership Plan, Resort Rules and Regulations, and such other documents adopted by the Resort Operator from time to time governing membership in the Resort, all as the same may be amended, modified, or supplemented from time to time. Resort Documents pertain solely to the Resort, are separate from this Declaration, and are not enforced by Declarant, Master Association, or Village Association in any manner.

2.88 “Resort Facilities” shall be defined as such term is defined under the Resort Membership Plan.

2.89 “Resort Membership Application” means the Wohali Resort Membership Application and Agreement, as such may be amended and supplemented from time to time.

2.90 “Resort Membership Plan” means the Wohali Resort Membership Plan, as such may be amended and supplemented from time to time.

2.91 “Resort Operator” means the operator of the Resort Facilities and/or the Resort Property, and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Resort Operator hereunder. Such assignment need not be Recorded in order to be effective. In the event of a partial assignment, the assignee shall not be deemed to be a Resort Operator, but may exercise such rights of Resort Operator specifically assigned to it. Any such assignment may be made on a non-exclusive basis. As of the date this Declaration is Recorded, Master Association is the Resort Operator. The identity of the Resort Operator may change from time to time.

2.92 “Resort Property” shall mean that real property now or hereafter owned, controlled, leased, and/or licensed by the Resort Operator (or its affiliates, as the case may be) upon which the Resort Facilities are located and whose use is limited to the operation of the Resort, together with all of the Resort Operator’s interest in the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining. Declarant shall not have any responsibility for the care, maintenance, upkeep or other operation of the Resort Property, except as otherwise expressly agreed upon and set forth in a separate written agreement.

2.93 “Resort Unit” shall mean Dwelling Units within a permanent improvement, which may be within a Condominium Development or Casita Development, upon one or more contiguous Parcels, subject to the requirements or restrictions set forth in the Governing Documents; *provided, however,* that such “Resort Unit” may not be utilized to establish permanent residency. For purposes of this definition, “permanent residency” shall mean occupancy by the same Owner, Member, or Resident for thirty (30) or more consecutive days.

2.94 “Retail Use” shall mean use of a Commercial Area for the display, marketing, and sale of merchandise, food and/or services to the general public.

2.95 “Security Deposit” shall have the meaning set forth in Section 12.5.

2.96 “Single Family” shall mean a group of one or more persons, each related to the other by blood, marriage or legal adoption, or a group of persons not all so related, who maintain a common household in a Dwelling Unit upon a Single Family Lot Development.

2.97 “Single Family Lot Development” and/or “Single Family Lot Use” shall mean Lots in a subdivision intended for Single Family occupancy, together with related areas intended for the use and enjoyment of the Owners and Residents of such Lots.

2.98 “Special Assessment” shall mean any assessment levied and assessed pursuant to Section 8.6.

2.99 “Special Service District” shall mean the term set forth in Section 3.4.

2.100 “Special Use Fees” shall mean the term set forth in Subsection 4.1.5.

2.101 “Sub-Association” shall mean any Utah nonprofit corporation or unincorporated association, or its successor in interest, the membership of which is composed of the Owners of Lots, Units, or Parcels subject to one or more Village Declarations and/or Supplemental Declarations. Subject to Declarant’s prior approval, any Merchant Builder or Village may be required to Record a Village Declaration against a Village development and organize a Sub-Association under the conditions set forth in this Declaration.

2.102 “Supplemental Declaration” shall mean an amendment or supplement to this Declaration filed pursuant to Article XVII which subjects Additional Land to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described thereon, including but not limited to, designation of certain Lots, Units, or Parcels as Villages thereon. Village Declarations may or may not be Recorded in addition to or as a part of a Supplemental Declaration in the Declarant’s sole, exclusive, and subjective discretion. However, it is possible, but not required, that certain Lots, Units, or Parcels may be subject to both a Village Declaration and a Supplemental Declaration. It is contemplated that a Supplemental Declaration will be, in contrast to a Village Declaration, a relatively short document adding property to Wohali, designating Villages and/or Voting Groups, and identifying density allocated to the property it covers.

2.103 “Trail System” shall mean the system of trails for Wohali which may be established from time to time by Declarant, the Master Association, and/or other Persons authorized by Declarant (or by the Board following the termination of the Declarant Control Period) and which may be identified on the Master Land Use Plan or on any Plat for Wohali.

2.104 “Transfer” shall mean, whether in one transaction or in a series of related transactions, any sale, conveyance, assignment, lease, or other transfer of any beneficial ownership of or interest in any Lot, Unit, or Parcel, including but not limited to (a) the conveyance of fee simple title to any Lot, Unit, or Parcel, (b) the transfer of more than fifty percent (50%) of the outstanding shares of the voting stock of a corporation which, directly or indirectly, owns one or more Lots, Units, or Parcels, or (c) the transfer of more than fifty percent (50%) of the interest in net profits or net losses of any partnership, joint venture or other entity which, directly or indirectly, owns one or more Lots, Units, or Parcels; *provided, however*, that “Transfer” shall not mean or

include, any of the following, except to the extent that they are used for the purpose of avoiding the Reinvestment Fee Covenant:

2.104.1 Any Transfer to the United States, or any agency or instrumentality thereof, the State of Utah, any county, city, municipality, district, or other political subdivision of the State of Utah.

2.104.2 Any Transfer to the Master Association or its successors.

2.104.3 Any Transfer to an affiliate party, where “affiliate party” means an entity that controls, is controlled by, or is under common control with another Person, including control through voting interests, management agreements, or other arrangements resulting in effective control over the management of the affairs of such Person.

2.104.4 Any Transfer, whether outright or in trust, that is for the benefit of the transferor or the transferor’s relatives (including the transferor’s spouse), but only if there is no more than nominal Consideration for the Transfer. For the purposes of this exclusion, the relatives of a transferor shall include all lineal descendants of any grandparent of the transferor, and the spouses of the descendants. Any person’s stepchildren and adopted children shall be recognized as descendants of that person for all purposes of this exclusion. For the purposes of this exclusion, a distribution from a trust shall be treated as a Transfer made by the grantors of the trust, in the proportions of their respective total contributions to the trust.

2.104.5 Any Transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership or in connection with a divorce, except to the extent that additional Consideration is paid in connection therewith.

2.104.6 Any Transfer or change of interest by reason of death, whether provided for in a will, trust, or decree of distribution.

2.104.7 Any Transfer made solely for the purpose of confirming, correcting, modifying, or supplementing a Transfer previously Recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights of way, or licenses.

2.104.8 Any exchange of Lots, Units, or Parcels between Declarant and any original purchaser from Declarant of one or more Lots, Units, or Parcels being transferred to Declarant in such exchange. To the extent that Consideration in addition to previously purchased Lots, Units, or Parcels is paid to Declarant in such an exchange, the additional Consideration shall be a Transfer subject to the Reinvestment Fee Covenant. To the extent that Declarant, in acquiring by exchange Lots, Units, or Parcels previously purchased from Declarant, pays Consideration in addition to transferring Lots, Units, or Parcels, the amount of such additional Consideration shall be treated as reducing the original assessable Transfer and shall entitle an original purchaser from Declarant, who exchanges with Declarant Lots, Units, or Parcels previously purchased from Declarant, to a refund from the Master Association of the amount of the Reinvestment Fee Covenant originally paid on that portion of the original Transfer.



2.104.9 Any Transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second assessable Transfer in a series of transactions which includes only one effective Transfer of the right to use or enjoyment of a Lot, Unit, or Parcel.

2.104.10 Any lease of a Lot, Unit, or Parcel (or assignment or transfer of any interest in any such lease) for a period of less than ten (10) years (including renewal options).

2.104.11 Any Transfer solely of water or water rights, or minerals or interests in minerals.

2.104.12 Any Transfer to secure a debt or other obligation or to release property that is security for a debt or other obligation, including transfers in connection with foreclosure of a deed of trust or mortgage or transfers in connection with a deed given in lieu of foreclosure.

2.104.13 The Transfer of a Lot, Unit, or Parcel to an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended, provided that the Master Association specifically approves such exemption in each particular case.

2.104.14 Any Transfer made by a corporation or other entity, for Consideration, (a) to any other corporation or entity that owns one hundred percent (100%) of its equity securities (“Holding Company”), or (b) to a corporation or entity whose stock or other equity securities are owned, directly or indirectly, one hundred percent (100%) by such Holding Company.

2.104.15 Any Transfer of two or more Lots, Units, or Parcels by a Mortgagee or an affiliate thereof to an affiliate of such Mortgagee or to a third party, where the intent of such Transferee is not to make personal use of such Lot, Unit, or Parcel but is rather to resell the same.

2.104.16 Any Transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where Consideration is paid for, or in connection with, such Transfer; however, unless such Transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the Transferee in the transferor immediately prior to the Transfer. For example if corporation A owns sixty percent (60%) of corporation B, and corporation B owns one hundred percent (100%) of corporation C and corporation C conveys a Lot, Unit, or Parcel to corporation A for \$2,000,000, sixty percent (60%) of the Reinvestment Fee Covenant would be exempt, and a Reinvestment Fee Covenant would be payable only on \$800,000 (i.e., forty percent (40%) of the \$2,000,000 consideration).

2.104.17 The consecutive Transfer of a Lot, Unit, or Parcel wherein the interim owner acquires such Lot, Unit, or Parcel for the sole purpose of immediately

reconveying such Lot, Unit, or Parcel, but only to the extent there is no Consideration to the interim Owner and such interim Owner receives no right to use or enjoyment of such Lot, Unit, or Parcel, provided the Board specifically approves such exemption in each particular case. To the extent that Consideration is paid to, or for the benefit of, the interim Owner, the additional Consideration shall be a Transfer subject to the Reinvestment Fee Covenant. In these cases, the first Transfer of title is subject to the Reinvestment Fee Covenant and subsequent Transfers will only be exempt as long as a Reinvestment Fee Covenant has been paid in connection with the first Transfer of such Lot, Unit, or Parcel in such consecutive transaction and only to the extent there is no Consideration to the interim Owner.

2.104.18 All Transfers of the common stock of Declarant or Declarant's parent, its members and/or its designees.

2.104.19 Any Transfers of the Resort or Championship Golf.

2.105 "Transferee" shall mean all parties to whom any interest in or to a Lot, Unit, or Parcel passes by a Transfer, and each party included in the term "Transferee" shall have joint and several liability for all obligations of the Transferee with respect to the Reinvestment Fee Covenant and shall be subject to all other provisions of this Declaration including, without limitation, the lien provisions hereof.

2.106 "Unit" shall mean a Condominium Unit, Resort Unit, or other Dwelling Unit within a Condominium Development or Casita Development.

2.107 "Use" shall mean one or more specific types of property development and land use, as set forth in Section 5.1 of this Declaration.

2.108 "VA" shall mean the Veterans Administration.

2.109 "Village" shall mean certain Lots, Units, or Parcels which share interests other than those common to all Lots, Units, or Parcels (as designated by Declarant or by the Board following the conversion of all Class B voting Memberships to Class A voting Memberships), as more particularly described in Section 7.6. By way of illustration and not limitation, a Single Family Lot Development, a Casita Development, a Residential Condominium Development or a Commercial Area might each be designated as separate Villages, or a Village may be comprised of more than one housing or use type with other features in common. In addition, each Parcel intended for development shall constitute a Village, subject to division by Declarant into more than one Village upon development. Where the context permits or requires, the term "Village" shall also refer to the Sub-Association which in some instances may be established to act on behalf of the Owners within the Village.

2.110 "Village Declaration" shall mean a declaration Recorded pursuant to Section 3.1 of this Declaration. A Village Declaration shall contain restrictions on use for each Parcel covered by the Village Declaration. It is contemplated that a Village Declaration will be, in contrast to a Supplemental Declaration, a more comprehensive and detailed document such as a condominium declaration or restrictive covenants which more specifically regulate a Village.

2.111 “Visible From Neighboring Property” shall mean, with respect to any given object, that such object is or would be visible to a person six feet (6’) tall standing on a neighboring property, on the level of the base of the object being viewed.

2.112 “Voting Group” shall mean one or more Voting Members who vote on a common slate for election of Board members, or if the context indicates, a group of Members whose Lots or Parcels are represented by Voting Members.

2.113 “Voting Member” shall mean each Class A Member, and shall include each Owner of a Lot or Unit within Wohali; *provided, however*, that Declarant or the Board, as provided herein, may in writing elect, in connection with any Village Declaration or Supplemental Declaration, to establish representative voting and declare that a single Person shall be the Voting Member, with such Voting Member to have the number of votes equal to the sum total of the votes of all Owners governed by the Village or Supplemental Declaration, except as may be provided therein.

### **ARTICLE III PROPERTY SUBJECT TO DECLARATION**

3.1 General Declaration Creating Wohali. Declarant hereby declares that the Property, together with any Additional Land annexed pursuant to Article XVII of this Declaration, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration as amended or modified from time to time. In addition, all or portions of the Property shall be subject to Recorded Village Declarations and/or Recorded Supplemental Declarations as applicable and as amended from time to time. Declarant intends to develop the Property by subdivision into various Lots, Units, and Parcels and to sell such Lots, Units, and Parcels. As portions of the Property are developed and/or sold to Merchant Builders for development, except as otherwise provided in this Declaration, Declarant or its designated nominee may Record, or require to be Recorded, one (1) or more Village Declarations and/or Supplemental Declarations covering such property, in Declarant’s sole and subjective intent. Said Village Declarations and/or Supplemental Declarations, if any, will comply with the permitted uses of property described in accordance with Article V hereof and will incorporate this Declaration and establish such additional covenants, conditions and restrictions as may be appropriate for that property. This Declaration and all subsequent Village Declarations and Supplemental Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of the Property and are established for the purpose of enhancing the value, desirability and attractiveness of Wohali and every part thereof. All of this Declaration and applicable Village Declarations and Supplemental Declarations shall run with the Property and shall be binding upon and inure to the benefit of Declarant, the Master Association, all Owners and Residents and their successors in interest. This Declaration shall not be construed to prevent the Declarant from dedicating or conveying portions of the Property, including but not limited to streets or roadways, for uses other than as a Lot, Unit, Parcel, or Master Association Land, subject to the provisions of Section 5.1.

3.2 Master Association Bound. Upon filing of the Articles with the Utah Division of Corporations and Commercial Code, the Covenants shall be binding upon and shall benefit the Master Association.

3.3 Municipal Authority Property. From time to time, the Declarant may, in its sole and exclusive discretion and without the vote of the Members, convey, assign, or transfer by written instrument certain Community Areas to the applicable Municipal Authority. Once any such Community Areas are conveyed, assigned or transferred to a Municipal Authority, they shall be Exempt Property and shall constitute Municipal Authority Property.

3.4 Special Service Districts. In connection with the development of Wohali, one or more special service and/or improvement districts (each referred to herein as a “Special Service District”) may be formed in order to provide Wohali with various services and facilities including, but not limited to, wastewater treatment and disposal services, fire protection service, road maintenance, emergency services, and other services and infrastructure. Each Special Service District shall be a body politic and corporate and a quasi-municipal public corporation of the State of Utah. The Special Service Districts shall have the right and authority to levy taxes, charges and/or assessments upon owners of taxable property within the Special Service Districts. The Special Service Districts may have the power, among other things, to contract, to acquire and construct facilities and to finance the cost thereof by the issuance of bonds and to establish rates and charges that enable the Special Service Districts to operate such facilities as are necessary to fulfill its purposes.

3.5 Private Amenities.

3.5.1 Declarant or other Persons may, without obligation, develop, or allow to be developed by others, certain Private Amenities as an integral part of Wohali including, without limitation or obligation, alpine or mountain clubs and/or golf course(s) for recreational and related purposes, on a private or club membership basis or otherwise, including, but not limited to, the Resort, as set forth in Section 3.6.

3.5.2 Except as otherwise set forth herein or by separate written agreement, the Master Association shall have no right to grant to any Person any ownership interest in or right to use any Private Amenity. No Person shall have any ownership interest in any Private Amenity by virtue of being an Owner of a Lot, Unit, or Parcel, or by virtue of being a Member of the Master Association. Rights to use the Private Amenities will be granted only to such Persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. The owners of the Private Amenities shall have the right, from time to time, in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

3.5.3 All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant, the Master Association, any Merchant Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership, operation, existence, location or configuration of any Private Amenity. No purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the

record owner of the Private Amenity. The ownership, operation, existence, location or configuration of any Private Amenity may change at any time by virtue of, without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an “equity” club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; (c) the conveyance of any Private Amenity to one or more of Declarant’s affiliates, shareholders, employees, or independent contractors; and/or (d) the decision of the owner or operator of the Private Amenity to abandon, redevelop (to any extent, which may include an entirely different type of use, such as Dwelling Units or commercial facilities), or change the location or configuration of, all or any part of any Private Amenity, subject to all required approvals of Declarant, the Design Review Board, any applicable Municipal Authority, and/or the Master Association. Consent of the Master Association, any Sub-Association, or any Owner shall not be required to effectuate any change in ownership or operation of any Private Amenity, or to subject any Private Amenity to or release any Private Amenity from any mortgage, covenant, lien or other encumbrance.

### 3.6 Resort, Resort Facilities, and the Resort Property.

3.6.1 Notice of Resort and Membership Obligations to Prospective Owners. In connection with the development of Wohali, and to carry out the intentions set forth in Recital C hereof, Declarant has or will be facilitating the development and use of portions of the Property for the Resort and Resort Facilities. Declarant hereby provides notice to all prospective Owners of a Lot or Unit in Wohali, and Owners hereby acknowledge and agree, that ownership in Wohali may require such Owners to be members of the Resort. As such, prospective Owners of any Lot or Unit are encouraged to review potential membership obligations of the Resort, as more fully discussed in this Declaration and the Resort Documents.

3.6.2 Resort Membership Application, Resort Membership, and Resort Lien. An Owner of a Lot or Unit, prior to becoming an Owner, may be required to apply for and be obligated to obtain membership in the Resort (the “Resort Membership”). To obtain a Resort Membership, a prospective Owner is required to submit a Resort Membership Application to the Resort, including any application fees, which may be imposed by the Resort, in its sole and absolute discretion. The Resort may, in its sole and absolute discretion, accept or reject a Resort Membership Application, subject to the requirements of the Resort Documents. Declarant expressly disclaims any representation, warranty, or commitment that the Owner will be approved or accepted as a member of the Resort. All members of the Resort are subject to all rights and obligations set forth in the Resort Documents, including, but not limited to, membership dues and fees and the Resort’s Lien (as defined in the Resort Membership Application) upon the Owner’s Lot or Unit, as applicable.

3.6.3 Resort Property Ownership and Maintenance. The Resort, the Resort Property, and the Resort Facilities are considered Private Amenities under this Declaration and are subject to the terms and provisions of this Declaration. Notwithstanding the

foregoing, Owners, Residents, and guests of any Lot or Unit shall have no rights whatsoever to use, occupy, or control any portion of the Resort Property, or to participate in any activities conducted thereon, except through separately purchased memberships in the Resort, as set forth in Subsection 3.6.2, and in accordance with the provisions of the Resort Documents, as they may be amended from time to time. The Declarant and Master Association shall have no responsibility for the care, maintenance, upkeep or other operation of the Resort Property, except as otherwise set forth in separate written agreement between Resort Operator and Declaration or Master Association, if any.

3.6.4 Operation of the Resort Facilities and Private Amenities. Each Owner acknowledges that the operation and maintenance of any Resort Facilities or Private Amenities within, near, or adjacent to the Property, may require that maintenance of such Resort Facilities or Private Amenities begin as early as 4:00 a.m. and as late as 10:00 p.m. on a daily basis, and, in certain circumstances, at any time(s) of the day or night. In connection therewith, each Owner and Resident agrees that the Declarant, Master Association, any other committee of the Master Association, any sponsor, promoter, or organizer of any event, or the Resort Operator (or any director, officer, affiliate, agent, employee, or representative of any of the foregoing) shall not be responsible or accountable for, liable for, and shall be held harmless from, any claims, causes of action, loss, or liability arising in connection with or associated with any noise or inconvenience normally associated with such operation and maintenance activities.

3.6.5 Rights of Access. The Resort Operator, the members of the Resort, any invitees (including, without limitation, participants in sporting events or activities and spectators, and regardless of whether such members or invitees are Owners), employees, agents, contractors, or designers shall at all times have a right and nonexclusive easement of access and use over all roadways located within the Property as reasonably necessary to travel to and from any entrance within the Property to and from the Resort Property, any Private Amenity, or any Resort Facility.

3.6.6 Other Resort Related Agreements. No Owner or Resident, and no guest, invitee, employee, agent, or contractor of any Owner or Resident, shall at any time enter upon any Resort Facilities within, adjacent to, or near the Property, including, but not limited to, the Resort Property, for any purpose (other than to engage in recreational activities, or as a spectator or guest of the recreational paths and trails, or to engage in other activities specifically permitted within the Resort Property, in each and every case subject to all provisions, rules, and regulations reflected in the Resort Documents, including, without limitation, all requirements relating to membership, fees, reservations and the like), and each Owner and Resident shall keep his, her, or its pets and other animals off all portions of the Resort Facilities at all times. No Owner shall (or permit his, her, or its Residents, guests, invitees, employees, agents or contractors to) interfere in any way with use of any Resort Facility or any activities on the Resort Property (whether in the form of physical interference, noise, or otherwise). Each Owner, on behalf of such Owner and its Residents, guests, and invitees, recognizes, agrees, and accepts that operation of the Resort Facilities may involve parties and other gatherings at or on the Resort Property or the Resort Facilities, loud music, use of public address systems and the like, occasional supplemental lighting, and other similar or dissimilar activities throughout the day, from

early morning until late at night and neither such Owner nor its Residents, guests, and invitees shall make any claim against the Declarant, Master Association, any other committee of the Master Association, any sponsor, promoter, or organizer of any event, or the Resort Operator (or any director, officer, affiliate, agent, employee, or representative of any of the foregoing) in connection with the matters described or referenced above, whether in the nature of a claim for damages relating to personal injury or property damage, or otherwise. The foregoing restrictions and requirements do not supersede or replace existing easements or rights affecting any Resort Property as of the date of the recording this Declaration.

3.7 Championship Golf, Championship Golf Facilities, and Championship Golf Property.

3.7.1 Notice of Resort and Membership Obligations to Prospective Owners. In connection with the development of Wohali, and to carry out the intentions set forth in Recital C hereof, Declarant has or will be facilitating the development and use of portions of the Property for the Championship Golf and Championship Golf Facilities. Declarant hereby provides notice to all prospective Owners of a Lot or Unit in Wohali, and Owners hereby acknowledge and agree, that ownership in Wohali may require such Owners to be members of the Championship Golf. As such, prospective Owners of any Lot or Unit are encouraged to review potential membership obligations of the Championship Golf, as more fully discussed in this Declaration and the Championship Golf Documents.

3.7.2 Championship Golf Membership Application, Championship Golf Membership, and Championship Golf Lien. An Owner of a Lot or Unit, prior to becoming an Owner, may be required to apply for and be obligated to obtain membership in the Championship Golf (the "Championship Golf Membership"). To obtain a Championship Golf Membership, a prospective Owner is required to submit a Championship Golf Membership Application to Championship Golf, including any application fees, which may be imposed by Championship Golf, in its sole and absolute discretion. The Championship Golf may, in its sole and absolute discretion, accept or reject a Championship Golf Membership Application, subject to the requirements of the Championship Golf Documents. Declarant expressly disclaims any representation, warranty, or commitment that the Owner will be approved or accepted as a member of Championship Golf. All members of Championship Golf are subject to all rights and obligations set forth in the Championship Golf Documents, including, but not limited to, membership dues and fees and the Championship Golf's Lien (as defined in the Championship Golf Membership Application) upon the Owner's Lot or Unit, as applicable.

3.7.3 Championship Golf Property Operations and Maintenance. Championship Golf, the Championship Golf Property, and the Championship Golf Facilities are considered Private Amenities under this Declaration and are subject to the terms and provisions of this Declaration. Notwithstanding the foregoing, Owners, Residents, and guests of any Lot or Unit shall have no rights whatsoever to use, occupy, or control any portion of the Championship Golf Property, or to participate in any activities conducted thereon, except through separately purchased memberships in Championship Golf, as set forth in Subsection 3.7.2, and in accordance with the provisions of the Championship Golf

Documents, as they may be amended from time to time. The Declarant and Master Association shall have no responsibility for the care, maintenance, upkeep or other operation of the Championship Golf Property, except as otherwise set forth in separate written agreement between Championship Golf Operator and Declaration or Master Association, if any.

3.7.4 Operation of the Championship Golf Facilities and Private Amenities. Each Owner acknowledges that the operation and maintenance of any Championship Golf Facilities or Private Amenities within, near, or adjacent to the Property, may require that maintenance of such Championship Golf Facilities or Private Amenities begin as early as 4:00 a.m. and as late as 10:00 p.m. on a daily basis, and, in certain circumstances, at any time(s) of the day or night. In connection therewith, each Owner and Resident agrees that the Declarant, Master Association, any other committee of the Master Association, any sponsor, promoter, or organizer of any event, or the Resort Operator (or any director, officer, affiliate, agent, employee, or representative of any of the foregoing) shall not be responsible or accountable for, liable for, and shall be held harmless from, any claims, causes of action, loss, or liability arising in connection with or associated with any noise or inconvenience normally associated with such operation and maintenance activities.

3.7.5 Rights of Access. The Championship Golf Operator, the members of Championship Golf, any invitees (including, without limitation, participants in sporting events or activities and spectators, and regardless of whether such members or invitees are Owners), employees, agents, contractors, or designers shall at all times have a right and nonexclusive easement of access and use over all roadways located within the Property as reasonably necessary to travel to and from any entrance within the Property to and from the Championship Golf Property, any Private Amenity, or any Championship Golf Facility; *provided, however*, that such access rights do not allow Championship Golf Operator to access roads, trails, or paths not otherwise open to the public and not needed to gain access to a Championship Golf Facility or the Championship Golf Property.

3.7.6 Other Championship Golf Related Agreements. No Owner or Resident, and no guest, invitee, employee, agent, or contractor of any Owner or Resident, shall at any time enter upon any Championship Golf Facilities within, adjacent to, or near the Property, including, but not limited to, the Championship Golf Property, for any purpose (other than to engage in recreational activities, or as a spectator or guest of the recreational paths and trails, or to engage in other activities specifically permitted within the Championship Golf Property, in each and every case subject to all provisions, rules, and regulations reflected in the Championship Golf Documents, including, without limitation, all requirements relating to membership, fees, reservations and the like), and each Owner and Resident shall keep his, her, or its pets and other animals off all portions of the Championship Golf Facilities at all times. No Owner shall (or permit his, her, or its Residents, guests, invitees, employees, agents or contractors to) interfere in any way with use of any Resort Facility or any activities on the Resort Property (whether in the form of physical interference, noise, or otherwise). Each Owner, on behalf of such Owner and its Residents, guests, and invitees, recognizes, agrees, and accepts that operation of the Championship Golf Facilities may involve parties and other gatherings at or on the Championship Golf Property or the Championship Golf Facilities, loud music, use of public address systems and the like,



occasional supplemental lighting, and other similar or dissimilar activities throughout the day, from early morning until late at night and neither such Owner nor its Residents, guests, and invitees shall make any claim against the Declarant, Master Association, any other committee of the Master Association, any sponsor, promoter, or organizer of any event, or the Championship Golf Operator (or any director, officer, affiliate, agent, employee, or representative of any of the foregoing) in connection with the matters described or referenced above, whether in the nature of a claim for damages relating to personal injury or property damage, or otherwise. The foregoing restrictions and requirements do not supersede or replace existing easements or rights affecting any Championship Golf Property as of the date of the recording this Declaration.

3.8 Disclaimer Regarding Private Amenities. All Persons, including without limitation all Owners, are hereby advised that no representations, warranties, or commitments have been or are made by Declarant, Master Association, or any other Person with regard to the present or future development, ownership, operation, or configuration of, or right to use, any Private Amenities within, near, or adjacent to the Property, whether or not depicted on the Plat, or any other land use plan, sales brochure, or other marketing display, rendering, or plan, including but not limited to the Resort Property or Championship Golf Property. Further, the ownership, operation, or configuration of; or rights to use, any such Private Amenities may change at any time and from time to time for reasons including, but not limited to: (a) the purchase or assumption of operation of any such Private Amenities by an independent Person or Persons; (b) the conversion of any such Private Amenities to an equity club or similar arrangement whereby members of such Private Amenities or an entity owner or controlled thereby become the owner(s) and/or operator(s) of such Private Amenities; (c) the conveyance, pursuant to contract, option or otherwise, of such Private Amenities to one or more affiliates, shareholders, employees, or independent contractors of the Declarant; or (d) the conveyance of any such Private Amenities, or portion thereof, to the Master Association. As to any of the foregoing or any other alternative, no consent of the Master Association or any Owner shall be required to effectuate such transfer (except for the consent of the Master Association in the event of a transfer to the Master Association). No Owner or Resident shall have any ownership interest in, or right to use, any Private Amenities solely by virtue of: (i) his, her or its membership in the Master Association; or (ii) his, her or its ownership, use, or occupancy of any Lot, Unit, or Parcel, or portion thereof.

#### **ARTICLE IV EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMUNITY AREAS**

4.1 Easements of Enjoyment. Every Member shall have a right and nonexclusive easement of enjoyment in and to the Community Areas, as such areas are designated for use by Declarant, which shall be appurtenant to and shall pass with the title to every Lot, Unit, and Parcel, subject to the following provisions:

4.1.1 The right of the Master Association to suspend the voting rights of any Member and the right to the use of the Community Areas by any Member, subject to the following (a) for any period during which any Assessment against such Member's Lot, Unit, or Parcel remains delinquent; (b) for a period not to exceed sixty (60) days for any infraction by such Member of this Declaration, a Village Declaration, a Supplemental Declaration, Wohali Rules, or applicable Design Guidelines, and (c) for successive sixty

(60) day periods if any such infraction by such Member is not corrected during any prior sixty (60) day suspension period.

4.1.2 The right of the Master Association to dedicate, convey, or otherwise transfer all or any part of the Master Association Land to any public agency, authority or utility, or any other entity or Person, for such purposes and subject to such conditions as may be agreed to by the Master Association.

4.1.3 The right of the Master Association to regulate the time, place, and manner of use of the Community Areas through Wohali Rules and to prohibit access to those Community Areas, such as maintenance buildings, landscaped rights-of-ways, and other areas not intended for use by the Members. Wohali Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Community Areas or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Owners and Residents.

4.1.4 The right of the applicable Municipal Authority and any other governmental or quasi-governmental body having jurisdiction over Wohali to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within Wohali for purposes of providing police and fire protection, transporting school children and providing other governmental or municipal service.

4.1.5 The right (but not the obligation) of the Master Association to charge special use fees ("Special Use Fees") for the use of the Community Areas or Master Association Amenities. The Special Use Fees, if any, shall be set by the Board from time to time, in its discretion. Special Use Fees shall be charged only for actual entry upon or use of those portions of the Community Areas, if any, selected by the Board to be subject to a Special Use Fees, and shall be imposed only where the Board deems it appropriate to collect revenue from the actual users of such selected portions of the Community Area so that all of the costs of operating such selected portions of the Community Area are not borne by all of the Owners through Annual Assessments, but rather are borne, at least in part, by the Owners, Residents, and other Persons using such selected portions of the Community Area.

4.2 No Partition. No Person acquiring any interest in the Property or any part thereof shall have a right to, nor shall any person seek, any judicial partition of the Community Areas, nor shall any Owner sell, convey, transfer, assign, hypothecate or otherwise alienate all or any of such Owner's right and nonexclusive easement of enjoyment in the Community Areas or any funds or other assets of the Master Association except in connection with the sale, conveyance or hypothecation of such Owner's Lot, Unit, or Parcel (and only with respect to the right and nonexclusive easement of enjoyment that is appurtenant thereto), or except as otherwise expressly permitted herein. This Section 4.2 shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property, nor from acquiring or disposing of title to real property.

4.3 Easements for Encroachments. If any part of a Dwelling Unit or Improvement built in substantial accord with the boundaries for such Dwelling Unit or Improvement as depicted on a Plat (or in other approved documents depicting the location of such on the Lot, Unit, or Parcel) encroaches or shall encroach upon the Community Areas or upon an adjoining Lot, Unit, or Parcel,

an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Community Areas encroaches or shall encroach upon a Lot of a Dwelling Unit or Parcel or an Improvement, an easement for such encroachment and for the maintenance of the same shall and does exist. Each Owner shall have an unrestricted right of ingress or egress to and from its Lot, Unit, or Parcel.

4.4 Easements for Drainage Maintenance and Flood Water. Various Community Areas, Lots, Units, and Parcels have or may have ditches, diversions, swales, depressions, berms, retention basins, detention basins, bulkheads, walls, dams, or other structures retaining water or other similar features on, under or through the soil that are designed to carry water away from any Community Area, Lot, Unit, or Parcel, as depicted upon a Recorded Plat, or otherwise found on such properties (collectively, “Drainage Control Features”). All Owners of Lots, Units, or Parcels wherein Drainage Control Features are located shall (a) install, keep, maintain, and replace the Drainage Control Features surface in order to prevent flooding; and (b) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. Notwithstanding the foregoing, the Declarant reserves for itself and its successors, assigns, and designees, a perpetual, nonexclusive right and easement, but not the obligation, to enter upon the Drainage Control Features located within any Community Area, Lot, Unit, or Parcel for the purpose of maintaining, repairing, cleaning, or altering drainage and water flow, and shall have an access easement over and across any Community Area, Lot, Unit, or Parcel (but not the Dwelling Units or other buildings thereon) abutting or adjacent to any portion of any Drainage Control Features to the extent reasonably necessary to exercise their rights under this Section 4.4. The Declarant’s rights and easements provided in this Section 4.4 shall be transferred automatically to the Master Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. All persons entitled to utilize these easements shall use reasonable care in, and repair any material damage resulting from, the use of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall, excessive spring runoff, or natural disasters. Owners or Residents are strictly prohibited from disrupting the drainage pattern and shall not interfere with, obstruct, rechannel, construct upon, alter, build-in, fill-in, or impair any Drainage Control Features or the drainage pattern over his or her Lot, Unit, or Parcel from or to any other Lot, Unit, or Parcel as that pattern may be established by Declarant, a Merchant Builder, or other developer.

4.5 Easements for Utilities. There is hereby created an easement at specific locations approved by Declarant upon, across, over and under the Community Areas for reasonable ingress, egress, installation, replacement, repair or maintenance of all emergency access roads and all utilities, including, but not limited to, gas, water, sanitary sewer, telephone, storm drain, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain the necessary equipment at such locations on the Community Areas, but no sanitary sewers, electrical lines, water lines, storm drain lines, or other utility or service lines may be installed or located on the Community Areas, except as designed, approved and/or constructed by the Declarant or as approved by the Board.

4.6 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Community Areas, including the Trail System. There is also

created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such roadways, driveways, and parking areas as from time to time may be paved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the Owners and Residents of the Lots, Units, and Parcels and their guests, families, tenants and invitees. There is also hereby created an easement upon, across and over the Community Areas and all private streets, private roadways, private driveways and private parking areas within the Property for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. The Board shall have the right to relocate and/or reconfigure any and all such easements from time to time as it sees fit without the consent of any Owners (but subject to any necessary approvals of City or any other Municipal Authority or agency having jurisdiction, including, in particular, but without limitation, the easements granted herein for police, fire, medical and other emergency vehicles and personnel).

4.7 Delegation of Use. Each Member shall, in accordance with this Declaration and Wohali Rules and the limitations therein contained, be deemed to have delegated his or her right of enjoyment in the Community Areas or from time to time portions of the Master Association Land to the members of his or her family, his or her tenants or lessees, his or her guests or invitees or to his or her tenant's family, guests or invitees.

4.8 Transfer of Title. Declarant agrees that it shall convey to the Master Association the Master Association Land subject to certain easements, this Declaration, and the lien of current general taxes and the lien of any assessments, charges, or taxes imposed by governmental or quasi-governmental authorities) within a reasonable period of time after the closing of the last sale of a Lot, Unit, or Parcel within the Property, or at such earlier time as Declarant determines in its sole discretion.

4.9 Trail System. Certain pathways or trails around and/or through the Property (including the Trail System) may be developed and maintained by the Master Association, a Special Service District or other Municipal Authority, from time to time as part of hiking and/or bicycling trail systems serving Owners and Residents. Except in connection with the construction, repair and maintenance activities, unless otherwise allowed by the Declarant (or by the Board following the termination of the Declarant Control Period), no motor vehicles shall be operated on any pedestrian pathways, biking, hiking or skiing trails (including the Trail System), or portions of the Community Areas designated by the Board from time to time as areas where no motor vehicles shall be operated. For purposes of this Section 4.9, "motor vehicles" shall include all automobiles, motorcycles, motor scooters, all-terrain vehicles, snowmobiles, mopeds, off-road vehicles, or other gas-powered means of transportation of any size or type, except that e-bikes may be permitted, subject to the Wohali Rules promulgated by the Declarant and/or the Board.

## **ARTICLE V PERMITTED USES AND RESTRICTIONS**

5.1 Permitted Uses. As portions of the Property are readied for development and/or sale, the permitted uses, restrictions, easements, rights-of-way and other matters, including new or different uses and restrictions and any special uses, shall be in compliance with this Section 5.1, as may be amended from time to time. The original permitted land uses and density allocations affecting the Property as of the date of this Declaration are set forth herein and the Development

Agreement. Declarant may allow new uses or impose new restrictions so long as such are generally in conformance with then existing uses and restrictions applicable to Wohali and with the scheme of development contemplated by the Master Land Use Plan, the Development Agreement, the Development Guidelines, and this Declaration. The permitted land uses are as follows:

5.1.1 Single Family Lot Use;

5.1.2 Residential Condominium Development Use, which may be converted to Casita Development Use upon approval by the Declarant or the Board;

5.1.3 Casita Development Use, which may be converted to Residential Condominium Development Use upon approval by the Declarant or the Board;

5.1.4 Commercial Use;

5.1.5 Retail Use;

5.1.6 Master Association Use, which may include Community Areas;

5.1.7 Hotel Use;

5.1.8 Church Use; and

5.1.9 Private Amenities Use.

Unless otherwise specifically provided in this Declaration, all Village Declarations and/or Supplemental Declarations shall comply with the definitions and characteristics of the specific permitted and prohibited uses then in-effect and shall be subject to the zoning, land use, and development laws, ordinances, rules and regulations and policies of the applicable Municipal Authority and the Development Agreement.

5.2 Covenants Applicable to All Land Uses. The following covenants, conditions, restrictions and reservations of easements and rights shall apply to all Lots, Units, and Parcels, the Owners and lessees thereof, and all Residents, regardless of the land uses of such property.

5.2.1 Architectural Control. No Improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any portion of the Property, or the Improvements located thereon, from its natural or improved state existing on the date this Declaration is Recorded shall be made or done without the prior written approval of the Design Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the Design Review Board. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of Lots, Units, or Parcels, shall be subject to the prior written approval of the Design Review Board. No changes or deviations in or from the plans and specifications once approved by the Design Review Board shall be made without the prior written approval of the Design Review Board.

5.2.2 Animals. No animal, bird, or fish, other than a reasonable number of generally recognized house or yard pets as determined solely by the Board, shall be maintained on any Lot, Unit, or Parcel and then only if they are kept, and raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept in a Dwelling Unit or on a leash at all times. No animal or bird shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be Visible From Neighboring Property, unless otherwise approved by the Design Review Board. If an Owner or Resident fails to abide by the rules and regulations and/or covenants applicable to pets, the Board may bar such pet from use of or travel upon the Community Areas. The Board may subject ingress, egress, use, or travel upon the Community Areas by a Person with a pet to a Special Use Fee, which may be a general fee for all similarly-situated Persons or a specific fee imposed for failure of an Owner or Resident to abide by the rules, regulations, and/or covenants applicable to pets. In addition, any pet which endangers the health of any Owner or Resident of a Lot, Unit, or Parcel, or which creates a nuisance or an unreasonable disturbance, or is not a common household pet, as may be determined in the sole discretion of the Board, must be permanently removed from the Property upon seven (7) days' written notice by the Board. Upon the written request of any Owner or Resident, the Board shall conclusively determine, in its sole and absolute subjective discretion, whether for the purposes of this Subsection 5.2.2 a particular animal, fish or bird is a generally recognized house or yard pet, whether such a pet is a nuisance or whether the number of animals, fish or birds on any such property is reasonable. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions contained herein. Notwithstanding anything contained herein to the contrary, Declarant reserves the right to permit horses to be maintained on certain Parcels or Master Association Land within Wohali as determined solely by Declarant (or by the Master Association after the termination of the Declarant Control Period).

5.2.3 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent.

5.2.4 Maintenance of Yards and Plantings. Except where otherwise provided in a Village Declaration or Supplemental Declaration, each Owner of a Lot shall care for and maintain all shrubs, trees, hedges, grass and plantings of every kind located on:

5.2.4.1 the Owner's Lot (including set back areas and any applicable portions of Community Areas);

5.2.4.2 planted public right-of-way areas between sidewalks (or bike paths) and the street curb on the front or side of his or her Lot, if any;

5.2.4.3 any other public right-of-way or easement area which abuts the Owner's Lot and which is located between the boundary line of his or her Lot and the paved area of any street, sidewalk, bike path or similar area; and

5.2.4.4 any non-street public right-of-way or easement area adjacent to his or her Lot and shall keep all such areas neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material; *provided, however*, that such Owner shall not be responsible for maintenance of any area over which (a) the Master Association assumes the responsibility in writing; (b) the Master Association has been given such responsibility by a Recorded instrument as provided in Section 11.1 of this Declaration; or (c) a Municipal Authority assumes the responsibility. The Design Review Board may require landscaping by the Owner of all or any portion of an improved or developed Lot, including the areas described in Subsections 5.2.4.1, 5.2.4.2, 5.2.4.3, and 5.2.4.4.

5.2.5 Landscaping. All Owners and Residents of Lots are required to install or cause to be installed all landscaping and irrigation on areas of such Lot shown on the landscape plan as areas to be landscaped including, without limitation, front and corner side yards and rear and side yards, within twelve (12) months from commencement of occupancy of a Lot. All landscape plans shall be approved in advance by the Design Review Board.

5.2.6 Nuisances. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or Unit, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the Residents of such other property. No other nuisance shall be permitted to exist or operate upon any Lot, Unit, or Parcel so as to be offensive or detrimental to any other property in the vicinity thereof or to its Residents.

5.2.7 Construction Activities. All construction activities and parking in connection with the building of Improvements on a Lot or Parcel shall be subject to the Design Guidelines and approved by the Design Review Board pursuant to Article XII. The Design Review Board in its sole discretion shall have the right to determine the existence of any nuisance arising out of construction and any activities related thereto. The Design Review Board has the right to impose fines related to violations of the Design Guidelines. The Design Guidelines require submittal to the Design Review Board of site specific construction mitigation plans prior to any construction activities.

5.2.8 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot, Unit, or Parcel which shall induce, breed or harbor infectious plant diseases or noxious insects.

5.2.9 Repair of Improvements. No Improvement on any Lot, Unit, or Parcel shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Improvement is damaged or destroyed, then, subject to the approvals required by Subsection 5.2.1 above and subject to the provisions of any Village Declaration or Supplemental Declaration, such Improvement shall be immediately repaired, rebuilt or demolished. If any Improvement should be demolished, then the Owner shall at all times

maintain the vacant Lot, Unit, or Parcel in a clean and sightly condition, and shall clear and shall continue to clear the Lot, Unit, or Parcel of any weeds, debris, garbage, tree prunings or like items.

5.2.10 Antennas and Satellite Dishes. To the full extent permissible under state and federal law, no television, radio, shortwave, microwave, satellite, or other antenna, tower or dish shall be placed, constructed or maintained upon any Lot, Unit, Parcel or other part of the Property unless such antenna, tower or dish is fully and attractively screened or concealed so as not to be Visible From Neighboring Property, which means of screening or concealment shall be subject to the Design Guidelines and the regulation and prior approval of the Design Review Board.

5.2.11 Mineral Exploration. No Lot, Parcel or other property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, gas, earth or any earth substance of any kind, except for the drilling, operation and maintenance of any testing, inspection or other water wells approved by the Declarant, and no derrick or other structure designed for use in boring for water, oil, or other hydrocarbons or minerals of any kind or nature shall be erected, maintained or permitted on any Lot or Parcel.

5.2.12 Signs. No signs whatsoever (including, but not limited to commercial, political, “for sale,” “for rent,” and similar signs) which are Visible from Neighboring Property shall be erected or maintained on any Lot or Parcel except:

5.2.12.1 Signs erected and maintained by Declarant (or the Master Association pursuant to Subsection 11.1.4) pursuant to this Declaration.

5.2.12.2 Signs required or permitted by law.

5.2.12.3 Residence identification signs, provided the size, color, content and location of such signs have been approved in writing by the Design Review Board.

5.2.12.4 Signs of Merchant Builders approved from time to time by the Design Review Board as to number, size, color, design, content, location and type.

5.2.12.5 Such construction job identification signs and subdivision identification signs which are in conformance with the requirements of any Municipal Authority and which have been approved in writing by the Design Review Board as to number, size, color, design, content, and location.

5.2.12.6 Signs identifying the entry way to distinct Villages or locations of special interest (such as the Resort or Hotels), provided the size, color, content and location of such signs have been approved in writing by the Design Review Board.



5.2.13 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, Unit, or Parcel, except in covered containers of a type, size and style which are approved by the Design Review Board or required by the applicable Municipal Authority. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection within a twenty-four (24) hour period. All rubbish, trash and garbage shall be removed from the Lots, Units, and Parcels and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot, Unit, or Parcel.

5.2.14 Clothes Drying Facilities. No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot, Parcel or other property so as to be Visible From Neighboring Property.

5.2.15 Outdoor Play Apparatus, Sculptures and Art. No outdoor play apparatus, structures or devices including, without limitation, basketball goals, backboards, swimming pools, tennis courts and swing sets, trampolines, sculptures, or outdoor art shall be erected, placed or maintained on any Lot without the prior written approval of the Design Review Board (including, without limitation, approval as to appearance and location).

5.2.16 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, Unit, or Parcel except (a) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements; (b) that which Declarant or the Master Association may require for the operation and maintenance of the Property; (c) that which is used or displayed in connection with any business permitted under this Declaration, a Village Declaration, or Supplemental Declaration; or (d) that which is relative to the Recreational Activities set forth in Section 22.1.

5.2.17 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot or Unit shall be further subdivided or separated into smaller Lots or Units or interests by any Owner, and no portion less than all of any such Lot or Unit, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Declarant (or the Master Association following conversion of the Class B voting Memberships to Class A voting Memberships), which approval must be evidenced on the Plat or other instrument creating the subdivision, easement or other interest. This provision shall not apply to transfers of an ownership interest in the whole of any Lot or Unit. Further, this provision shall not, in any way, limit Declarant from subdividing or separating into Lots, Units, or Parcels the Property, the Additional Land (if annexed), or any other real property at any time owned by Declarant and which has not previously been platted or subdivided into Lots and/or Units. No Village Declaration, Supplemental Declaration or further covenants, conditions, restrictions or easements shall be Recorded by any Owner or other person against any Lot, Unit, or Parcel without the provisions thereof having been first approved in writing by the Declarant (or the Design Review Board following conversion of the Class B voting Memberships to Class A voting Memberships), and any covenants, conditions, restrictions or easements Recorded without

such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot, Unit, or Parcel, and no applications for variances or use permits, shall be filed with a Municipal Authority unless the proposed use of the Lot, Unit, or Parcel complies with this Declaration, any applicable Village Declaration, or Supplemental Declaration.

5.2.18 Utility Easements. There is hereby created a blanket easement upon, across, over and under each Lot, Unit, and Parcel for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to storm drain, water, sewer, gas, telephone, electricity, television cable or communication lines and systems, as such utilities are installed in connection with the initial development of the Lot, Unit, or Parcel and the construction of the first Dwelling Unit or other Improvements thereon and also to the extent deemed necessary thereafter by the Declarant or the Master Association provided that the location of any such easements shall not unreasonably interfere with the intended use of such Lot, Unit, or Parcel by the Owner thereof. Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the Lots, Units, and Parcels. Notwithstanding anything to the contrary contained in this Subsection, no sewers, storm drain lines, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any Lot, Unit, or Parcel except as approved by the Declarant (or the Design Review Board following conversion of the Class B voting Memberships to Class A voting Memberships), or, if applicable, as approved by the Merchant Builder of such property and also by the Design Review Board.

5.2.19 Utility Service. No lines, wires or other devices for communication or for the transmission of electric current or power, including telephone, television and radio signals, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Lot, Unit, or Parcel, unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures as approved by the Declarant (or the Design Review Board following conversion of the Class B voting Memberships to Class A voting Memberships), except for:

5.2.19.1 overhead power poles and lines to perimeter areas of the Property as approved by Declarant or the Design Review Board; and

5.2.19.2 boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices as approved by the Declarant (or the Design Review Board following conversion of the Class B voting Membership to Class A voting Membership).

5.2.20 Overhead Encroachments. Except as provided for herein, no tree, shrub or planting of any kind on any Lot, Unit, or Parcel shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, or other area from ground level to a height of eight feet (8') without the prior approval of the Design Review Board. Notwithstanding the foregoing, if any part of a healthy tree or shrub shall encroach upon the Community Areas, or upon an adjoining Lot, Unit, or Parcel, an easement for such

encroachment and for the maintenance of the same shall and does exist, provided such encroachment does not create a hazardous, dangerous or unsafe condition. Each Owner shall have a right of ingress or egress to the adjoining Lot, Unit, or Parcel to the extent reasonably necessary to maintain such tree or shrub.

5.2.21 Trucks, Trailers, Campers and Boats. No motor vehicle classed by manufacturer rating as exceeding one-ton, nor any mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or Parcel or on any street or Community Area in Wohali so as to be Visible From Neighboring Property, or visible from the Community Areas or the streets; *provided, however*, the provisions of this Subsection 5.2.22 shall not apply to (a) pickup trucks of less than one-ton capacity with camper shells not exceeding seven feet (7') in height measured from ground level and mini-motor homes not exceeding seven feet (7') in height and eighteen feet (18') in length which are parked as provided in Subsection 5.2.23 below and are used on a regular and recurring basis for basic transportation, or (b) trucks, trailers and campers parked in an approved recreational vehicle storage area within a Residential Area, if any, or other approved areas designated for such parking in Commercial Areas in connection with a permitted Commercial Use, if any.

5.2.22 Motor Vehicles, Parking and Towing.

5.2.22.1 No automobile, motorcycle, motorbike, snowmobile, snow cat, personal watercraft, boat, boat trailer, motorcycle, motorbike, motor scooter, mini-bike, all-terrain vehicle, moped, off-road vehicle, recreational vehicle or other similar equipment or vehicle or other motor vehicle shall be stored, constructed, reconstructed or repaired upon any Lot, Parcel, street or other Community Area in Wohali, and no inoperable vehicle may be stored or parked on any such Lot, Unit, Parcel or street, so as to be Visible From Neighboring Property or to be visible from Community Areas or streets for over forty-eight (48) hours; *provided, however*, that the provisions of this Subsection 5.2.22 shall not apply to (a) emergency vehicle repairs; (b) temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Design Review Board; (c) the parking of such vehicles during normal business hours in areas designated for parking in a non-residential use; (d) vehicles parked in garages on Lots, Units, or Parcels; (e) the storage of such vehicles in an area designated for such purposes in this Declaration, a Village Declaration, Supplemental Declaration, or on a site plan approved by the Design Review Board; and (f) non-Commercial vehicle repair within a garage which is closed except as necessary for ingress and egress.

5.2.22.2 It is the intent of the Declarant to restrict on-street parking as much as possible. Vehicles of all Owners and Residents, and of their employees, guests and invitees, are to be kept in garages and residential driveways of the Owner and other designated parking areas wherever and whenever such facilities are sufficient to accommodate the number of vehicles at a Lot, Unit, or Parcel; *provided, however*, this Subsection 5.2.22.2 shall not be construed to permit

the parking in the above described areas of any vehicle whose parking on the Property is otherwise prohibited or the parking of any inoperable vehicle. Recreational vehicles shall be parked in covered garages except for limited periods in Residential driveways or other designated parking areas as determined by the Board and promulgated as part of the Wohali Rules.

5.2.22.3 No all-terrain vehicles (ATVs), off-road motorcycles, mini-motorcycles, gas scooters, or other similarly situated vehicles that disrupt the quiet use and enjoyment of other Owners or Residents are permitted at any time on any paved or unpaved services within Wohali, except as other permitted by the Declarant and/or Board, as may be more particularly set forth in the Wohali Rules.

5.2.22.4 The Board has the right, without notice, to have any vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of Subsection 5.2.22 towed away at the sole cost and expense of the owner of the vehicle. Any expense incurred by the Master Association in connection with the towing of any vehicle must be paid to the Master Association upon demand by the owner of the vehicle. If the vehicle is owned by an Owner or Resident, any amounts payable to the Master Association will be secured by the Assessment Lien against that Owner's or Resident's Lot or Unit, and the Master Association may enforce collection of those amounts in the same manner provided for in this Declaration for the collection of Assessments.

5.2.23 Drones. No Owner, Resident, or any other person may operate, cause, allow or authorize the operation of a drone in the airspace above any portion of Wohali without the prior written approval of the Declarant or Board. If drones are permitted by the Declarant and/or Board, operation of the drone must comply with all Federal Aviation Administration rules and the Wohali Rules. For purposes of this Subsection 5.2.23, a "drone" is defined as an unmanned aircraft and all of the associated support equipment, control station, data links, telemetry, communications and navigation equipment, etc., necessary to operate the unmanned aircraft. Notwithstanding the foregoing, nothing herein shall prevent Declarant from utilizing drones for marketing and sales purposes and resort security.

5.2.24 Roofs. To the full extent permissible under state and federal law, no apparatus, structure or object shall be placed on the roof of a Dwelling Unit without the prior written consent of the Design Review Board. Any apparatus, structure or object approved by the Design Review Board for placement on the roof of a Dwelling Unit shall be mounted on the rear of the roof so that such apparatus or object is below the highest ridge on the roof and is not Visible From Neighboring Property and is not visible from any street by a Person standing anywhere on the curb or street in front of the Dwelling Unit or at the rear or sides of Lots or Units backing upon any open space or public right of way. No air conditioning units or evaporative coolers extending from windows or protruding from roofs are permitted.

5.2.25 Arterial Fencing and Walls. All perimeter walls and fencing along arterials (for the purposes of this Subsection 5.2.25 “arterials” shall be designated by the Declarant, in its sole and subjective discretion) must be constructed and maintained in accordance with the specifications and regulations established by the Design Guidelines and as approved the Design Review Board.

5.2.26 Draperies and Window Coverings. Within thirty (30) days of occupancy each Owner of a Lot, Unit, or Parcel consisting of a Residential Use shall install permanent draperies or suitable window treatments on all exterior windows. In no event shall windows be covered with paper, aluminum foil, bed sheets or any other materials or temporary coverings not specifically intended for such purpose. No exterior reflective material shall be used as a window covering. No interior reflective material shall be used as a window covering unless such material has been approved in advance by the Design Review Board.

5.2.27 Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his or her Lot, Unit, or Parcel from or to any other Lot, Unit, or Parcel as that pattern may be established by Declarant, a Merchant Builder, or any other developer or as described in Section 4.4 hereof with respect to Drainage Control Features.

5.2.28 Garage Openings. All garages shall be fully enclosed. No carports shall be permitted, except with the express approval of the Design Review Board. No garage door shall be open except when necessary for access to and from the garage, cleaning, maintenance or repair.

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

5.2.30 Declarant’s Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or by Merchant Builders or their duly authorized agents, of structures, Improvements or signs necessary or convenient to the development or sale of the Property, if those structures, Improvements or signs have been approved by the Design Review Board.

5.2.31 Health, Safety and Welfare. In the event additional uses, activities and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the Board may make rules restricting or regulating their presence within Wohali as part of the Design Guidelines.

5.2.32 Model Homes. The provisions of this Declaration and of Village Declarations or Supplemental Declarations, if any, which, in certain instances, prohibit non-residential use of Lots, Units, and Parcels and regulate parking of vehicles shall not

prohibit the construction and maintenance of model homes by persons engaged in the construction of Residential Dwelling Units at Wohali and parking incidental to the visiting of such model homes so long as the location of such model homes and the opening and closing hours are approved by the Board and so long as the construction, operation and maintenance of such model homes otherwise comply with all of the provisions of this Declaration. The Board may also permit Lots and other areas to be used for parking in connection with the showing of model homes so long as such parking and parking areas are in compliance with the ordinances of the governing Municipal Authority and any rules of the Board. Any homes constructed as model homes shall cease to be used as model homes at any time the Owner thereof is not actively engaged in the construction and sale of Dwelling Units on Lots at Wohali, and no home shall be used as a model home for the sale of homes not located at Wohali.

5.2.33 Incidental Uses. The Declarant or the Board may approve uses of property which are incidental to the full enjoyment by the Owners of the Property. Such approval may be subject to such regulations, limitations, and restrictions, including termination of the use, as the Declarant or the Board may wish to impose, in its sole discretion, for the benefit of Wohali as a whole. By way of example and not of limitation, the uses which the Board may permit are: private roadways and streets within an area having a Condominium Development Use; open spaces, tennis clubs and/or swimming clubs intended primarily for the benefit of all or certain Owners and Residents within areas having a Residential Condominium Development or other Residential Use; a business office for the Master Association within an area having a Master Association Use; open spaces, tennis or pickleball courts, swimming pools and other recreational facilities intended for usage by the Residents or Owners of a Lot, Unit, or Parcel within any Residential Area; and a sales, information and marketing center operated by the Declarant, a Merchant Builder, or any other developer within an area of a Master Association Use.

5.2.34 Leases. Any Lease between an Owner and a tenant or lessee respecting a Lot or Unit shall be subject in all respects to the provisions of the Governing Documents, including the Wohali Rules, and any failure by the lessee to comply with the terms of such Governing Documents shall be a default under the Lease. Specifically, all Leases shall comply with the Governing Documents and shall require that the tenant acknowledge receipt of a copy of the Governing Documents and/or reference to the location thereof for inspection by such tenant or lessee. The Lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property.

5.2.35 Short-Term Rentals. Declarant may create and adopt a short-term rental program, which will require Declarant approval and will be subject to the Wohali Rules and such other rules and regulations that may be adopted and enforced by the Board. Notwithstanding the foregoing, each Owner of a Lot or Unit may rent out such Owner's Lot or Unit, provided that such Owner strictly complies with the terms and conditions relating thereto in this Declaration and the other Governing Documents, the Act, and other applicable laws and ordinances, specifically including, that such rental include access to

some portion of the Resort Facilities (subject to the rules and provisions in the Resort Documents) and that the Owner ensure compliance with the Wohali Rules, including its check-in procedures, if any, and the maintenance quality standards for such Owner's Lot or Unit, if any.

5.2.36 Tree or Vegetation Removal. No trees shall be removed by Owners and/or Residents, except: (a) diseased or dead trees; and (b) trees which must be removed to promote the growth of other trees or for safety reasons, unless approved in writing by the Design Review Board.

5.2.37 Nondisturbance Areas. Certain areas at Wohali may possess great natural beauty and/or are subject to institutional or engineering controls associated with environmental cleanup and may be designated as "Nondisturbance Areas" at the Declarant's sole discretion, as such areas may be identified on a Plat or other written document provided to an Owner. Declarant intends to preserve such Nondisturbance Areas through the use of a coordinated plan of Lot development and the terms of this Declaration. No Improvements (whether temporary or permanent), landscaping, alterations, repairs, excavation, grading or other work which in any way alters the exterior appearance of any Nondisturbance Area from its natural state existing on the date this Declaration is Recorded, or existing on the date a Village Declaration or Supplemental Declaration is Recorded, shall be made or done without the prior written approval of the Design Review Board. No building, fence, wall, Dwelling Unit or other Improvement shall be commenced, erected, maintained, improved, altered or made within any Nondisturbance Area without the prior written approval of the Design Review Board. All subsequent additions to or changes or alterations in any building, fence, Dwelling Unit or other Improvement, including exterior color scheme, within a Nondisturbance Area and all changes in the grade of Nondisturbance Areas, shall be subject to the prior written approval of the Design Review Board. No changes or deviations in or from the plans and specifications once approved by the Design Review Board shall be made without the prior written approval of the Design Review Board.

5.2.38 Solar Energy Equipment. Solar or other green energy systems and equipment ("Green Energy Systems") may be required by the Board or Declarant to be constructed or installed by Owners of Lot or Unit; provided, however, such requirement shall not apply to Dwelling Units which have commenced construction prior to adoption of such requirement. If the Board or Declarant elects to require such Green Energy Systems in the Wohali, the Design Review Board shall adopt rules and regulations for the installation of Green Energy Systems in the Design Guidelines. Any such rules must be in compliance with applicable law and require that the installation be an integral and harmonious part of the architectural design of the Lot, Unit, or Parcel. Owners shall be responsible for the costs of the installation, operation, and maintenance of their respective Green Energy Systems. If an approved Green Energy System (installation, operation, maintenance, or otherwise) causes costs to the Master Association, then the Board may allocate these costs to the Owner who requested or benefitted from the installation, as the Board or Declarant determines, respectively. The costs arising under this Subsection shall be assessed and collected as an Assessment. The Design Review Board, or the Board, shall

have the sole discretion to determine compliance with the Design Guidelines and this Subsection.

5.2.39 Violations of Law. Any activity which violates local, state, or federal laws or regulations is prohibited; however, the Board shall have the right, but not the obligation, to notify the Municipal Authority or other applicable governmental entity of such violation or to take other enforcement action within its authority, in the event of a violation.

5.2.40 Easement for Development. The Declarant hereby reserves an easement throughout the Property for the purpose of completing all Improvements contemplated by this Declaration, including but not limited to Improvements to the Additional Land. Declarant shall be entitled to use all Community Areas, roadways and other facilities located in, on or under the Property to access the Additional Land in order to make Improvements thereto and to continue with the development of the Property.

5.2.41 Sales Offices. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising Wohali, and models in any areas of Wohali owned by the Declarant. Declarant may relocate sales offices, management offices and models to other locations within Wohali at any time.

5.2.42 Poles. No pole shall be placed, constructed, or maintained on any Lot, Unit, Parcel or other part of Wohali, unless such pole is approved in writing in advance by the Design Review Board. The Design Review Board may adopt rules or regulations permitting an Owner to install and maintain a flag pole as a fixture upon the Dwelling Unit of such Owner's Lot or Unit, provided that the location and size of such flag pole (and the number and size of any flag(s) mounted thereon) may be subject to the Design Guidelines and regulated by the Design Review Board. Nothing in this Subsection shall be deemed to prohibit the Declarant from installing and maintaining flag poles on, at, or adjacent to model homes or any resort building within Wohali. Poles to which basketball backboards, goals, and related recreational equipment are affixed, shall be governed by Subsection 5.2.15.

5.2.43 Flags and Banners. Flags that are allowed to be displayed in the development include the flag of the United States of America, the flag of the State of Utah, the Wohali Flag, and flags of each branch of the U.S. Military (Army, Navy, Air Force, Marines, Coast Guard, and Space Force). These flags are allowed subject to reasonable restrictions. Discretion rests with the Design Review Board to determine what restrictions are reasonable. No other flags or banners are permitted, except those recognizing United States federal holidays, which may be displayed during the appropriate holiday season.

5.2.44 Tanks. Unless otherwise approved by the Design Review Board, no tanks of any kind (including tanks for the storage of fuel) shall be erected, placed or maintained on any Lot or Parcel unless such tanks are buried underground. Nothing herein shall be deemed to prohibit use or storage upon any Lot or Parcel of an above ground propane or similar fuel tank with a capacity of ten (10) gallons or less used in connection with a normal residential gas barbecue, grill or fireplace or a spa or "hot tub", so long as any such tank either: (a) has a capacity of ten (10) gallons or less; or (b) is appropriately stored, used



and/or screened, in accordance with the Wohali Rules or as otherwise approved by the Design Review Board, so as not to be Visible From Neighboring Property.

5.3 Covenants, Conditions, Easements and Restrictions Applicable to Single Family Lot Development Land Uses. The following covenants, conditions, restrictions and reservations of easements and rights shall apply only to Lots and the Owners and Residents thereof lying within a Single Family Lot Development:

5.3.1 General. The portions of the Property utilized for Single Family Lot Development may be used only for the construction and occupancy of Dwelling Units upon a Lot and typical residential activities incidental thereto, together with any common recreational facilities or any other Community Areas or amenities. All property within such areas shall be used, improved and devoted exclusively to Single Family Lot Use. No structure whatsoever, other than one private, Single Family Dwelling Unit, together with a private garage for cars, shall be erected, placed or permitted to remain on any Lot designated as Single Family Lot Use.

5.3.2 Business Activities. Property utilized for Single Family Lot Development shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Resident may conduct business activities within the Dwelling Unit so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (b) the activity conforms to all zoning requirements for Wohali; (c) the activity does not involve regular visitation of the Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Residents of the Property; (d) the activity is consistent with the Residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the Property, as may be determined in the sole discretion of the Board; and (e) any such activity does not violate any federal state, or local governmental laws, rules, or regulations. This Subsection 5.3.2 shall not apply to any activity conducted by the Declarant or a Merchant Builder approved by the Declarant with respect to its development and sale of the Lots, Units, or Parcels or its use of any Dwelling Units which it owns within Wohali.

5.3.3 Tenants. The entire Dwelling Unit on a Lot may be leased to a tenant or lessee from time to time by the Owner, subject to the provisions of this Declaration (including without limitation Subsection 5.2.34), the Wohali Rules, and any applicable Design Guidelines.

5.4 Covenants Applicable to Property Within Residential Condominium Development or Casita Development. The following covenants, conditions, restrictions and reservations of rights shall apply only to Units, Dwelling Units, and the Owners and Residents thereof lying within a Residential Condominium Development Use or a Casita Development Use:

5.4.1 General. Property utilized as a Residential Condominium Development or a Casita Development may be used only for the construction and occupancy of Residential Dwelling Units together with common recreational facilities and other Community Areas.

All property within such areas shall be used, improved and devoted exclusively to Residential Use.

5.4.2 Business Activities. Property utilized for the purposes set forth in Subsection 5.4.1 shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Resident may conduct business activities within the Dwelling Unit so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (b) the activity conforms to all zoning requirements for Wohali; (c) the activity does not involve regular visitation of the Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Residents of the Property; (d) the activity is consistent with the Residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the Property, as may be determined in the sole discretion of the Board; and (e) any such activity does not violate any federal state, or local governmental laws, rules, or regulations. This Subsection 5.4.2 shall not apply to any activity conducted by the Declarant or a Merchant Builder approved by the Declarant with respect to its development, sale, or use of the Units which it owns within Wohali.

5.4.3 Tenants. An entire Dwelling Unit may be leased to a tenant or lessee for Residential occupancy from time to time by the Owner, subject to the provisions of this Declaration (including without limitation Subsection 5.2.34), the Wohali Rules and any applicable Design Guidelines.

5.5 Covenants Applicable to Property Within Commercial Areas. The following covenants, conditions, restrictions and reservation of rights shall apply only to Commercial Areas, the Improvements constructed thereon, and the Owners and occupants within Commercial Areas:

5.5.1 General. Property utilized as and located within a Commercial Area will generally be developed as individual Commercial Use projects by Declarant and/or one or more Merchant Builders. Declarant may sell or lease one or more Parcels to individual Merchant Builders who will construct Improvements with respect to such a Parcel in accordance with a specific Amendment, Village Declaration or Supplemental Declaration.

5.5.2 Tenants. All or some portion of a Parcel in a Commercial Area may be leased to one or more tenants or lessees from time to time by the Owner of a Parcel, subject to the provisions of this Declaration (including without limitation Subsection 5.2.34), the Wohali Rules and any applicable Design Guidelines.

5.6 Variances. Subject to the provisions of the Design Guidelines, the Design Review Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in Article V of this Declaration or in the Design Guidelines or in any Village Declaration or in any Supplemental Declaration, if the Design Review Board determines in its discretion (a) either (i) that a restriction would create an unreasonable hardship or burden on an Owner which hardship is not self-imposed by such Owner, or (ii) that a change of circumstances since the date this Declaration is Recorded has rendered such restriction obsolete, and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners and

Residents of Wohali and is consistent with the high quality of life intended for Owners and Residents of Wohali.

5.7 Business Activities Conducted Within Dwelling Units. Business activities conducted within a Dwelling Unit shall neither change the Residential Use of such Dwelling Unit into a Commercial Use nor exempt such Dwelling Unit from Annual Assessments or Special Assessments under this Declaration.

## **ARTICLE VI ORGANIZATION OF MASTER ASSOCIATION**

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

6.2 Board of Directors and Officers. The affairs of the Master Association shall be conducted by a Board of at least three (3) directors and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The initial Board shall be composed of three (3) directors appointed by Declarant, which initial Board shall be controlled by Declarant until expiration of the Declarant Control Period, but thereafter shall be elected by a majority of the Members, in accordance with the Bylaws. The Board may also appoint various committees and may appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Master Association. The Board shall determine the compensation to be paid to the Manager. The Board's responsibilities shall include, but shall not be limited to, the following:

- 6.2.1 administration, including administrative support as required for the Design Review Board;
- 6.2.2 preparing and administering an operational budget;
- 6.2.3 establishing and administering an adequate reserve fund(s);
- 6.2.4 scheduling and conducting the annual meeting and other meetings of the Voting Members;
- 6.2.5 collecting and enforcing the Assessments and the Maintenance Charges;
- 6.2.6 accounting functions and maintaining records;
- 6.2.7 promulgation and enforcement of the Wohali Rules;
- 6.2.8 maintenance of the Community Areas; and
- 6.2.9 all the other duties imposed upon the Board pursuant to the Governing Documents, including enforcement thereof.

The Board shall not, however, be responsible for those duties and areas of operation specifically designated under the Governing Documents as the responsibility of the Design Review Board.

6.3 Wohali Rules. By a majority vote, the Board may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the Wohali Rules. The Wohali Rules may restrict and govern the use of any area of Wohali by any Member or Resident, by the family of such Member, or by any invitee, licensee or tenant of such Member; *provided, however*, that the Wohali Rules shall not discriminate among Members and shall be consistent with the Governing Documents. Pursuant to Utah Code Ann. § 57-8a-218(16), the requirements of Utah Code Ann. §§ 57-8a-218(1) through (13), except Utah Code Ann. § 57-8a-218(1)(b)(ii), are hereby modified to not apply to the Wohali Rules or other rules of the Master Association.

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

6.3.2 ALL OWNERS ARE GIVEN NOTICE THAT THE USE OF THEIR LOT, UNIT, OR PARCEL AND THE COMMUNITY AREAS IS LIMITED BY THE WOHALI RULES AS AMENDED, EXPANDED, AND OTHERWISE MODIFIED FROM TIME TO TIME. EACH OWNER, BY ACCEPTANCE OF A DEED, ACKNOWLEDGES AND AGREES THAT THE USE AND ENJOYMENT AND MARKETABILITY OF HIS OR HER LOT, UNIT, OR PARCEL CAN BE AFFECTED BY THIS PROVISION AND THAT THE WOHALI RULES MAY CHANGE FROM TIME TO TIME. ALL PURCHASERS OF LOTS OR UNITS ARE ON NOTICE THAT THE BOARD MAY ADOPT CHANGES TO THE WOHALI RULES FROM TIME TO TIME. COPIES OF THE CURRENT WOHALI RULES MAY BE OBTAINED FROM THE MASTER ASSOCIATION.

6.4 Personal Liability. No director or member of any committee of the Master Association (including but not limited to the Design Review Board), no officer of the Master Association and no Manager or other employee of the Master Association shall be personally liable to any Member or to any other person, including the Master Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Master Association, the Board, the Manager, any representative or employee of the Master Association or any committee, committee member or officer of the Master Association; *provided, however*, the limitations set forth in this Section 6.4 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

6.5 Sub-Associations. Prior to such time as a Sub-Association is created by Declarant or a Merchant Builder developing a Parcel or subdivision at Wohali, the articles of incorporation and bylaws or other governing documents for such Sub-Association must be approved by the Declarant during the Declarant Control Period, by the Master Association, and by the Design Review Board. The governing documents for such Sub-Association shall specify that the rights of its members are subject and subordinate to the provisions of the Governing Documents.

6.6 Professional Management. The Master Association may carry out through the Manager those of its functions which are properly subject to delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Master Association, shall be responsible for managing Wohali for the benefit of the Master Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Master Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Master Association itself. Subject to the provisions of the Development Agreement, any such management agreement may be terminated by the Declarant, without cause, during the Declarant Control Period. In addition, subject to the provisions of the Development Agreement, any such management agreement may be terminated by the Master Association without cause upon giving reasonable notice at any time after the termination of the Declarant Control Period. The above termination provisions shall not apply to any other types of service contracts.

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

## **ARTICLE VII MEMBERSHIPS AND VOTING**

7.1 Owners of Lots and Units. Every Person who is the Owner of Assessable Property shall be subject to Annual Assessments and Special Assessments and shall be a Member of the Master Association; *provided, however,* the Declarant shall remain a Member of the Master Association at all times as a Class B Member with voting rights, notwithstanding its temporary exemption status from required Assessment payments. Each such Owner of a Lot or Unit that is subject to Annual Assessments and Special Assessments shall have one Class A Membership for each separate Lot or Unit owned by such Owner. Each such Owner of a Parcel that is subject to Annual Assessments and Special Assessments designated for development as a Residential Area but as to which a Plat has not been recorded, shall have one Membership for each Lot or Unit permitted upon the Parcel under the Master Land Use Plan then in effect, the number of such Lots or Units to be determined on the assumption that the number of Lots or Units within a density classification on the Master Land Use Plan will be spread evenly over all land within the density classification. If a site plan for the Parcel is subsequently approved by the Declarant, the Design Review Board and the Municipal Authority for a number of Lots or Units different than the number of Lots or Units assumed pursuant to the Master Land Use Plan, the number of Memberships will

be adjusted, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Lots or Units authorized by the approved site plan.

7.1.1 No Owner of a Lot, Unit, or Parcel designated as a Commercial Area or as a Commercial Condominium Development shall have any Membership by virtue of such ownership but shall nevertheless be subject to the Governing Documents.

7.1.2 There shall be no fractional Memberships, and each Owner shall have at least one Membership.

7.1.3 No Memberships shall be allocated to Community Areas, Exempt Property (except as otherwise provided regarding Declarant), property utilized for a Church Use, or Private Amenity.

7.1.4 Each such Membership shall be appurtenant to and may not be separated from ownership of the Lot, Unit, or Parcel to which the Membership is attributable. All Memberships shall be shared by any joint Owners of, or Owners of undivided interests in a Lot, Unit, or Parcel.

7.2 Tenants. Tenants or lessees of Resort Units shall not be Members of the Master Association. The Owner of Resort Units shall have one Membership for each Dwelling Unit.

7.3 Declarant. The Declarant shall be a Member of the Master Association with voting rights for so long as the Declarant holds a Class B Membership pursuant to Section 7.4.

7.4 Membership Classes. The Master Association shall have two (2) classes of voting Memberships, as follows:

7.4.1 Class A Memberships shall be all Memberships, except the Class B Memberships held by the Declarant. Each Class A Member shall have the following applicable number of votes in regard to votes of the Members of the Master Association:

7.4.1.1 Lots. Each Class A Member which owns a Lot shall be entitled to one (1) vote for each Lot owned; and

7.4.1.2 Units. Each Class A Member which owns a Unit shall be entitled to one-half (1/2) of a vote for each Unit owned.

Each Owner shall be entitled to vote, by and through the applicable Voting Member, for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of this Declaration in accordance with the provisions hereof. Notwithstanding the foregoing, no vote shall be cast or counted for any Class A Membership not subject to an Assessment. Except as otherwise set forth in this Declaration, all matters requiring a vote of the Membership shall require the vote of both the Class A Membership and the Class B Membership.

7.4.2 The Class B Membership shall be held only by the Declarant. The Declarant shall initially be entitled to two hundred seventy-seven (277) votes, which number shall be

decreased by the amount allocated for each vote of Class A Membership existing at any one time. This number shall be increased by the appropriate number of votes allocated to any Additional Land added to Wohali by Declarant pursuant to Article XVII. The Class B Memberships shall cease and shall be converted to Class A Memberships, on the basis of the number of Lots, Units, and/or Parcels owned by the Declarant, on the happening of the first of the following events:

7.4.2.1 When the total votes outstanding in the Class A Memberships equal or exceed two hundred eight (208) votes, which number shall be increased by an amount equal to seventy-five percent (75%) of the total votes allocated by Declarant to any Additional Land; or

7.4.2.2 Two (2) years after termination of the Declarant Control Period (as such period may revive); or

7.4.2.3 when, in its sole and absolute discretion, the Declarant so determines to terminate all of the Class B Membership.

7.4.3 From and after the happening of such events described in Subsections 7.4.2.1, 7.4.2.2 or 7.4.2.3, whichever occurs first, the Class B Member shall be deemed to be a Class A Member entitled to the Memberships and votes on the same basis as Owners as set forth in Section 6.4.1 hereof. Upon the happening of an event described in Subsections 7.4.2.1, 7.4.2.2 or 7.4.2.3, the Declarant shall advise the Master Association of the termination of the Class B Membership.

7.4.4 Until such time as all of the Class B Membership is converted to Class A Memberships, the Declarant, as holder of the right to vote the Class B Membership, shall have the sole right to appoint a majority of the directors to the Board, as provided in this Declaration.

7.4.5 Except as otherwise expressly provided in this Declaration or in any of the other Governing Documents, any issue put to a vote by ballot without a meeting or at a duly called meeting of Voting Members at which a quorum is present shall be decided by a simple majority of all votes represented in person or by valid proxy at such meeting, regardless of whether such votes are otherwise deemed to be Class A votes or Class B votes.

7.5 Right to Vote. Except as otherwise specified in this Declaration or the Bylaws, the vote and/or approval attributable to each Lot or Unit owned by a Class A Member shall be exercised by a Voting Member. No change in the ownership of a Lot, Unit, or Parcel shall be effective for voting purposes until the Board receives written notice of such change, together with satisfactory evidence thereof, for example, the recorded Deed showing the name of the Owner of such Lot, Unit, or Parcel. The vote for each Member must be cast as a single unit and solely by the Voting Member as and when applicable. Fractional votes shall not be allowed.

In the event that a Lot, Unit, or Parcel is owned by more than one Person and such Owners are unable to agree as to how their vote or votes shall be cast, they shall not be entitled to vote on the matter in question. If any Owner casts a vote or votes representing a certain Lot, Unit, or Parcel,

the Owner will thereafter be conclusively presumed to be acting with the authority and consent of all other Owners of such Lot, Unit, or Parcel unless objection thereto is made to the Board, in writing, at or prior to the time the vote or votes are cast. In the event more than one (1) Person casts or attempts to cast a vote for a particular Lot, Unit, or Parcel all such votes shall be deemed void.

7.6 Villages and Voting Groups.

7.6.1 Villages. Every Lot, Unit, and/or Parcel may be located within a Village (as designated by Declarant or by the Board following the conversion of all Class B voting Memberships to Class A voting Memberships, in their sole discretion) and shall be subject to this Declaration and may be subject to a Village Declaration or Supplemental Declaration, including any assessment provisions contained therein. In the discretion of the Owner(s) and developer(s) of each Village, the Lots, Units, and Parcels within a particular Village may be subject to additional covenants and/or the Owners of Lots or Units may all be required to be members of a Sub-Association in addition to being Members of the Master Association. Each Amendment to this Declaration filed to subject Additional Land to this Declaration may assign the property described therein to a specific Village by name, which Village may be then existing or newly created. Declarant (or the Board following the termination of the Declarant Control Period) may unilaterally amend this Declaration or any amendment to this Declaration to redesignate Village boundaries.

7.6.2 Voting Groups. The Declarant (or the Board following the conversion of all of the Class B voting Memberships to Class A voting Memberships) may designate Voting Groups consisting of one or more Villages for the purpose of electing the Board, in order to promote representation on the Board for various groups having dissimilar interests and to avoid a situation in which the Voting Members representing similar Villages are able, due to the number of Memberships in such Villages, to elect the entire Board, excluding the representation of other Villages. Following termination of the Class B Memberships, the number of Voting Groups within Wohali shall not exceed the total number of Board members to be elected by the Class A Members pursuant to the Bylaws. The Voting Members representing the Villages within each Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of Board members specified in the Bylaws.

7.6.2.1 The Declarant shall establish Voting Groups, if at all, not later than the date of termination of all of the Class B Memberships by filing with the Master Association and Recording in the Office of the Recorder of Summit County, Utah, a Supplemental Declaration identifying the Villages within each Voting Group. Such designation may be amended from time to time by the Declarant, acting alone, at any time prior to the termination of all of the Class B Memberships by Recording an amendment to the Supplemental Declaration.

7.6.2.2 After the termination of all of the Class B Memberships, the Board shall have the right to amend the Voting Group designation(s) upon the vote of a majority of the total number of Board members by Recording an amendment to the Declaration which shall not require the consent or approval of any Person



except as stated in this paragraph. Until such time as Voting Groups are established, all of Wohali shall constitute a single Voting Group. After a Supplemental Declaration establishing Voting Groups has been filed, any and all portions of Wohali which are not assigned to a specific Voting Group shall constitute a single Voting Group.

7.7 Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration and such other rights, duties and obligations as are set forth in the Governing Documents, as the same may be amended from time to time.

7.8 Transfer of Membership. The rights and obligations of the Owner of a Class A Membership in the Master Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon Transfer of ownership to an Owner's Lot, Unit, or Parcel and then only to the Transferee of ownership to such Lot, Unit, or Parcel. A Transfer of ownership to a Lot, Unit, or Parcel may be effected by Deed, intestate succession, testamentary disposition, foreclosure of a Mortgage or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Utah. Any attempt to make a prohibited Transfer shall be void. Any Transfer of ownership to a Lot, Unit, or Parcel shall operate to transfer the Membership(s) appurtenant to said Lot, Unit, or Parcel to the new Owner thereof.

## **ARTICLE VIII COVENANT FOR ASSESSMENTS AND CREATION OF LIEN**

8.1 Creation of Lien and Personal Obligation of Assessments and Maintenance Charges. Except as otherwise provided in Sections 8.5 and 8.12, the Declarant, for each Lot, Unit, and Parcel hereafter established within Wohali, hereby covenants and agrees, and each Owner by acceptance of a Deed or other conveyance of a Lot, Unit, or Parcel (whether or not it shall be so expressed in such Deed or conveyance) is deemed to covenant and agree, to pay to the Master Association the following assessments and charges: (a) Annual Assessments established by this Article VIII; (b) Special Assessments for capital improvements or other extraordinary expenses or costs established by this Article VIII; (c) Maintenance Charges established by Sections 11.2 and 11.3; and (d) Reinvestment Fee Covenants established under Section 8.15. Notwithstanding the foregoing sentence and notwithstanding any other provisions in this Declaration to the contrary, Exempt Property shall not be subject to assessments and charges from the Master Association for Annual Assessments or for Special Assessments. However, Exempt Property shall be subject to assessments and charges for Maintenance Charges and Reinvestment Fee Covenants. All Assessments shall be established and collected as hereinafter provided. No diminution or abatement of Annual Assessments, Special Assessments, Maintenance Charges or Reinvestment Fee Covenants nor any decrease, offset, deduction or set-off shall be claimed or allowed by reason of any alleged failure of the Master Association or Board to take some action or to perform some function required to be taken or performed by the Master Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Master Association, or from any action taken by the Master Association or the Board to comply with any law, ordinance, or with any order or directive of any Municipal Authority or other governmental authority. The obligation to pay Assessments and Maintenance Charges shall be deemed to be a separate and independent covenant

on the part of each Owner of Assessable Property. The Annual Assessments, Special Assessments, Maintenance Charges and Reinvestment Fee Covenants, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot, Unit, or Parcel and shall be a continuing servitude and lien upon the Lot, Unit, or Parcel against which each such Assessment or Maintenance Charge is made, except that Exempt Property shall not be subject to the Annual Assessments and the Special Assessments. Each such Annual Assessment, Special Assessment, Maintenance Charge and Reinvestment Fee Covenant, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot, Unit, or Parcel at the time when the Assessment or Maintenance Charge fell due. Except for the Reinvestment Fee Covenant, the personal obligation for delinquent Assessments and for Maintenance Charges shall not pass to the successors in title of the Owner, unless expressly assumed by them. However, the lien upon the applicable Lot, Unit, or Parcel for any unpaid Assessments or Maintenance Charges existing at the time of any Transfer shall continue, notwithstanding such Transfer, until the Assessments or Maintenance Charges have been paid in full.

8.2 Property Assessable Upon Recording of Deed. ALL OWNERS ARE GIVEN NOTICE THAT THEIR LOT(S), UNIT(S), AND/OR PARCEL(S) SHALL BE SUBJECT TO FULL ASSESSMENT IN ACCORDANCE WITH THE TERMS OF THIS DECLARATION UPON ACCEPTANCE OF A DEED, REGARDLESS OF WHETHER OR NOT SUCH LOT(S), UNIT(S), AND/OR PARCEL(S) HAVE BEEN IMPROVED, EXCEPT AS OTHERWISE PROVIDED IN THIS MASTER DECLARATION. At the time a Deed is Recorded conveying a Lot, Unit, or Parcel to an Owner, such Lot or Unit shall thereupon be subject to the Assessments and Maintenance Charges, and the Board shall levy such Assessment or Maintenance Charge upon the Owner of the Lot, Unit, or Parcel within thirty (30) days after the Recording of such Deed. If applicable, the Annual Assessment and/or any Special Assessment shall be prorated for the remaining portion of the assessment year. In any dispute, question of controversy regarding whether property is Assessable Property or Exempt Property, the Board shall have the exclusive power and authority to decide such dispute, question or controversy and any decision regarding the foregoing shall be conclusive and binding on all interested parties. All final decisions of the Board regarding the foregoing shall be non-appealable.

8.3 Annual Assessments. Annual Assessments shall be computed and assessed against all Lots, Units, and Parcels (other than Exempt Property) as follows:

8.3.1 Community Expense. Annual Assessments shall be based upon advance estimates of the Master Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance, improvement and operation of the Community Areas (including capital repairs and replacements), fulfilling the Master Association's obligations under any maintenance agreement(s) and operating the Master Association. Such estimated expenses may include, without limitation, the following: expenses of management; real property taxes and assessments (unless and until the Lots, Units, and Parcels are separately assessed); premiums for all insurance that the Master Association is required or permitted to maintain hereunder; repairs and maintenance; wages of Master Association employees, including fees for a Manager; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund;

creation of an adequate reserve fund for maintenance, repairs, and replacement of those Community Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Master Association under or by reason of this Declaration and the Development Agreement. Such shall constitute Community Expenses, and all funds received from Annual Assessments under this Subsection 8.3.1 shall be part of the Community Expense Fund.

8.3.2 Apportionment. Community Expenses shall be apportioned among and assessed to the Members in accordance with Section 8.4.

8.3.3 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided the first fiscal year shall begin as provided in Section 8.8, and on or before November 1 of each year thereafter, the Board shall prepare and make available to each Member, or cause to be prepared and to be made available to each Member, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Community Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Master Association shall be operated during such annual period.

8.3.4 Notice and Payment. Except with respect to the first fiscal year, the Board shall notify each Member in writing as to the amount of the Annual Assessment against his or her Lot, Unit, or Parcel on or before December 1 each year for the fiscal year beginning on January 1 next following. Except as otherwise provided by the Board, each Annual Assessment shall be payable in equal monthly, quarterly or annual installments as determined by the Board in its sole discretion; *provided, however*, the Annual Assessment for the first fiscal year shall be based upon such portion of the first fiscal year that remains after the notice of the Annual Assessment becomes effective. The Members shall commence payment of the full monthly Assessments against their respective Lots, Units, or Parcels upon conveyance to any Member of the first Lot, Unit, or Parcel in Wohali. All unpaid installments of any Annual Assessment shall bear interest at the rate established by the Board, not to exceed eighteen percent (18%) per annum, from and after fifteen (15) days after the date each such installment became due until paid, and the Member shall be liable for late fees as determined by the Board, and all costs, including attorneys' fees incurred by the Master Association in collecting the same. In addition, in the event that any installment of the Annual Assessment is not paid within fifteen (15) days of the date such installment becomes due, the Master Association may, at its option, and upon fifteen (15) days prior written notice to the Member, accelerate the due date for all remaining unpaid installments of the Annual Assessment for the remainder of the fiscal year and all accrued but unpaid interest thereon. Payment of the Annual Assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period, and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Member from the obligation to pay such Assessment or any other Assessment; but the date when the payment

shall become due in such case shall be deferred to a date fifteen (15) days after notice of such Assessment shall have been given to the Member in the manner provided in this Declaration.

8.3.5 Inadequate Funds. In the event that the Community Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Member's Assessment, the Board may, on behalf of the Master Association, levy additional Special Assessments in accordance with the procedure set forth in Section 8.6 below, except that the vote therein specified shall be unnecessary.

8.4 Classification of Assessable Property. The amount of any Annual Assessment or Special Assessment against each Lot, Unit, or Parcel (other than Exempt Property) shall be fixed as set forth in this Section 8.4. For purposes of fixing the amount of the Annual Assessment or Special Assessment, the Board shall classify each Lot, Unit, or Parcel of Assessable Property in one of the following classifications, as such classifications may vary or be adjusted from time to time by the Board in its sole and absolute discretion, without amending this Declaration: (a) detached Dwelling Unit that is built on a separately-platted Lot, which Lot contains a custom-designed and custom-built Dwelling Unit; (b) detached Dwelling Unit that is not included within the immediately preceding classification; (c) attached Dwelling Unit within a building containing up to six (6) Dwelling Units; (d) Condominium Unit within a multi-story building containing seven (7) or more Condominium Units; or (e) Resort Unit within a Casita Development. The Board shall determine, in its sole and absolute discretion, the amount of the Annual Assessment and any Special Assessment within each of the foregoing classifications of Assessable Property, which classifications may vary or be adjusted from time to time without an amendment of this Declaration, as determined by the Board in its sole and absolute discretion, provided that the Annual Assessment and any Special Assessment shall be equal for each Lot, Unit, or Parcel within each classification of Assessable Property. The Board's determination of the criteria for each classification, the Board's determination of the classification of each Lot, Unit, and Parcel, and the Board's determination of the amount of the Annual Assessment and Special Assessment for each classification shall be conclusive upon the Owners and shall be non-appealable under all circumstances. Notwithstanding the foregoing, the initial Annual Assessment shall be no less than \$1,000 per Lot, Unit, and Parcel of Assessable Property unless or until changed by the Board. The failure of the Board to levy an Annual Assessment for any calendar year shall not be deemed a waiver, modification or release of the Owners' liability for Community Expenses.

8.4.1 Anything in this Section 8.4 to the contrary notwithstanding, if, after an Assessment's record date but before the end of the fiscal year for which it is levied, an Assessable Property is added to Wohali or a Village by a Supplemental Declaration or by a Village Declaration, or an Exempt Property becomes Assessable Property, then each Assessment that would have been levied against such Assessable Property for such fiscal year if it were not Exempt Property (as hereafter reduced) shall be due on the later of (a) the date on which such Assessment would have been due, if such part of Wohali had been Assessable Property on such record date, or (b) the date on which such Assessable Property becomes subject to Assessment levy. If an Assessable Property is added to Wohali or a Village as provided for above, the Master Association shall be deemed, automatically and without the need for further action, to have levied against it each Annual Assessment and Special Assessment for such fiscal year which the Master Association has levied against

the other Assessable Properties. Each such Assessment levied against such Assessable Property shall be in an amount determined under this Section 8.4 as if it were eligible for such levy on such record date, but then reduced in proportion to the number of days (if any) in such fiscal year elapsed as of (and including) the date on which such Supplemental Declaration is Recorded, or such Exempt Property becomes an Assessable Property, as the case may be.

8.5 Certain Owners Exempt from Annual Assessments and Special Assessments. Notwithstanding Section 8.4, the following Owners shall not have an obligation to pay any Annual Assessment or Special Assessment:

8.5.1 Each owner of a Private Amenity, including the Resort Operator and Championship Golf Operator.

8.5.2 Each owner of Exempt Property.

8.6 Special Assessments for Capital Improvements and Extraordinary Expenses. In addition to the Annual Assessments authorized above, the Master Association may levy, in any Assessment Period, a Special Assessment applicable to that period only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Association Land or other Community Areas, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses, provided that, except as provided in Subsection 8.3.5 and Section 15.4, any such Special Assessment shall have the assent of at least sixty-seven percent (67%) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose or by written approval of such Members. The provisions of this Section 8.6 are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes. Special Assessments may be collected as specified by the Board, unless otherwise determined the majority vote of the Members of the Master Association approving the Special Assessment. The vote and/or written approval of the Class A Members under this Section 8.6 shall be made by and through the Voting Members.

8.7 Notice and Quorum for Any Action Authorized Under Section 8.6. Written notice of any meeting called for the purpose of taking any action authorized under Section 8.6 shall be sent to all Members no less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called for the consideration of a Special Assessment, the presence of Voting Members or of proxies entitled to cast thirty percent (30%) of all the votes (exclusive of suspended voting rights) of each class of Membership shall constitute a quorum. With respect to the determination of a quorum for Class A Members, Voting Members having the authority to cast thirty percent (30%) of the Class A votes shall constitute a quorum of the Class A Members. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

8.8 Establishment of Annual Assessment Period. The period for which the Annual Assessment is to be levied ("Assessment Period") shall be the calendar year, except that the first

Assessment Period shall commence upon the Recording of the first Deed Recorded conveying a Lot, Unit, or Parcel to an Owner and terminate on December 31 of such year. The Board in its sole discretion from time to time may change the Assessment Period by Recording an instrument specifying the new Assessment Period.

8.9 Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt Wohali Rules setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Annual Assessments, Special Assessments, Reinvestment Fee Covenants and the Maintenance Charges, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Master Association to send a bill to a Member shall not relieve any Member of his or her liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than fifteen (15) days written notice prior to the commencement of such foreclosure or enforcement, at the address of the Member on the records of the Master Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after the delinquency of such payment. The Master Association shall be under no duty to refund any payments received by it, even though the ownership of a Membership changes during an Assessment Period. Successor Owners of Lots, Units, or Parcels shall be given credit for prepayments, on a prorated basis, made by prior Owners. The amount of the Annual Assessment and the Special Assessment against Members who become such during an Assessment Period upon the Recording of a Village Declaration or Supplemental Declaration shall be prorated.

8.10 Community Expense Fund. The Master Association shall establish and maintain at least two (2) separate and distinct funds, including at least one for the periodic regular maintenance and repair of Wohali and for other routine operating expenses and one for capital expenses and the replacement of Improvements to the Community Areas the Master Association may be obligated to maintain, repair or replace. The two (2) minimum-required funds shall be maintained out of Annual Assessments and Special Assessments for Community Expenses which funds together shall constitute the Community Expense Fund.

8.11 Evidence of Payment. Upon receipt of a written request by a Member or any other Person, the Master Association within a reasonable period of time thereafter shall issue to such Member or other Person a written certificate stating (a) that all Annual Assessments, Special Assessments, Reinvestment Fee Covenants and Maintenance Charges (including interest, costs and attorneys' fees, if any, as provided in Subsection 8.3.4 and Section 11.3) have been paid with respect to any specified Lot, Unit, or Parcel as of the date of such certificate, or (b) if all Annual Assessments, Special Assessments, Reinvestment Fee Covenants and Maintenance Charges have not been paid, the amount of such Annual Assessments, Special Assessments, Reinvestment Fee Covenants and Maintenance Charges (including interest, costs and attorneys' fees, if any) due and payable as of such date. The Master Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Lot, Unit, or Parcel in question.

8.12 Property Exempted from the Annual Assessments and Special Assessments. All Exempt Property shall be exempt from Annual Assessments, Special Assessments (and any related City assessments), and Membership in the Master Association (*provided, however*, the Declarant or a Declarant related entity shall remain a Member in the Master Association at all times as a Class B Member with voting rights, notwithstanding its temporary exemption status from required Annual Assessments and Special Assessment payments) and its associated privileges and responsibilities, but shall nevertheless be subject to all other provisions of this Declaration, including but not limited to, the use restrictions and architectural controls. At the sole and exclusive option of Declarant, property described in Section 2.36 shall be fully exempt from all of the terms and provisions of this Declaration. Exempt Property shall not be exempt from the Maintenance Charges and the Reinvestment Fee Covenants, from attorneys' fees, costs, expenses and interest as described in Subsection 8.3.4 and Section 11.3, or from the Assessment Lien to secure said amounts; *provided, however*, that in the event any change of ownership or use of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the Annual and Special Assessments (prorated as of the date it became Assessable Property) and the associated Assessment Lien.

8.13 Declarant's Duty to Fund Deficits. During any fiscal year in which Declarant or a Declarant related developer entity owns one or more Lots, Units, or Parcels which (under Section 2.36) are Exempt Properties due to such Person's ownership thereof, and which would not constitute Exempt Properties under any other part of such definition, Declarant shall be obligated to fund to or for the account of the Master Association, at such time or times as such funding is reasonably required by the Master Association during such fiscal year, an aggregate amount for such fiscal year equaling the lesser of (a) the total amount which Declarant and/or such Declarant related developer entity would have owed to the Master Association on account of any Annual Assessments and Special Assessments which, if such Exempt Properties had been Assessable Properties, would have been levied against them for such fiscal year, or (b) any excess, for such fiscal year, of the Community Expenses over the aggregate Annual Assessments and Special Assessments levied against all Assessable Properties in Wohali and the portion of the Reinvestment Fee Covenants retained by the Master Association for the payment of Community Expenses. Notwithstanding the foregoing, Declarant shall have no obligation to fund to, or for the account of, the Master Association any amounts under this Section 8.13 after termination of the Declarant Control Period.

8.14 Declarant Funding Options. Declarant shall be entitled to meet its funding obligations under Section 8.13 by making, or (if such Person so agrees in writing) causing any Declarant related developer entity, Merchant Builder or other Person to make on its behalf, one or more cash payments or in-kind contributions of goods or services, or any combination thereof, and the Master Association shall have the right to enter into written or oral contracts with Declarant or a Declarant related developer entity or Merchant Builder for the contribution of such goods or services for such purpose. Except for the limitations set forth in Article VIII, nothing in this Section 8.14 or elsewhere in this Declaration shall be deemed to impose on the Master Association (or Declarant) any duty whatsoever to refrain from increasing (or from causing the Master Association to increase) the Annual Assessments from fiscal year to fiscal year, or from levying Special Assessments, all to the extent otherwise permitted by this Declaration.

8.15 Reinvestment Fee Covenant. Upon the occurrence of a Transfer, the Transferee under such Transfer shall pay to the Master Association the Reinvestment Fee Covenant. Each Owner shall be obligated to pay and shall pay to the Master Association the Reinvestment Fee Covenant levied with respect to such Owner's Lot, Unit, or Parcel, and each Owner shall comply with any determinations made by the Board with respect to such Reinvestment Fee Covenants. This Section 8.15 shall run with the Property and shall be binding upon and inure to the benefit of the Master Association, all Owners and Residents, and their respective successors and assigns.

8.15.1 Each transferor, including the then-current Owner (as applicable), shall provide written notice to the Master Association of a proposed Transfer of a Lot, Unit, or Parcel at least fifteen (15) days prior to the date of the Transfer. Such notice shall include the name and address of the Transferee, the Consideration to be given by the Transferee, the closing date, a statement of the nature of the Transfer including, without limitation whether the Transfer is a sale or lease and the terms thereof, and such other information as the Master Association may thereafter request.

8.15.2 All Reinvestment Fee Covenants to be levied shall be levied at the time of a Transfer and shall be payable on the date of the closing of the Transfer ("Reinvestment Fee Covenant Levy Date"), and each Reinvestment Fee Covenant not paid within ten (10) days of the Reinvestment Fee Covenant Levy Date, shall accrue interest until fully paid at five percent (5%) per annum over the rate of interest announced from time to time by Zions First National Bank, a national banking association, as its "prime rate" for commercial loans; such interest shall be payable on demand, computed monthly, and if unpaid, compounded monthly, not in advance, at the rate so calculated as of ten (10) days after the Reinvestment Fee Covenant Levy Date, and all accruing interest shall become a part of the Reinvestment Fee Covenant due and owing to the Master Association.

8.15.3 Proceeds of the Reinvestment Fee Covenant shall be segregated in a reserve fund, which shall be used for the benefit of the Property, and all Improvements related to the Community Areas, including, without limitation, payment for (a) common planning, facilities, and infrastructure; (b) community programming; (c) resort facilities; (d) open space; (e) recreation amenities; (f) charitable purposes; or (g) Community Expenses.

8.15.4 A priority of the Master Association will be to reimburse Declarant for the development costs it, or developer, has incurred and will incur for all improvements related to the Community Areas of Wohali and for costs imposed by, associated with, or incurred as a result of the development of the Community Areas pursuant to the Development Agreement and otherwise, to the extent permitted by law.

8.16 Right to Assess Sub-Associations. Notwithstanding any provision of this Declaration, the Master Association shall have the right to directly assess each Sub-Association, if any are created in accordance with this Declaration, for all Assessments and Maintenance Charges otherwise assessable to the Owners of such Sub-Associations.



**ARTICLE IX**  
**ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND MAINTENANCE**  
**CHARGES AND ENFORCEMENT OF ASSESSMENT LIEN**

9.1 Master Association as Enforcing Body. Except as otherwise set forth in this Declaration, the Master Association, as the agent and representative of the Members, shall have the exclusive right to enforce the provisions of this Declaration.

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

9.2.1 Bring an action at law and recover judgment against the Member personally obligated to pay the Assessments or the Maintenance Charges;

9.2.2 Foreclose the Assessment Lien against the Lot, Unit, or Parcel in accordance with the then prevailing Utah law relating to the foreclosure of realty mortgages or deeds of trust (including the right to recover any deficiency), the method recognized under Utah law for the enforcement of a mechanic's lien which has been established in accordance with Chapter 1a, Title 38, Utah Code Annotated, as amended from time to time, or any other means permitted by law, and the Lot, Unit, or Parcel may be redeemed after foreclosure sale, if provided by law. The Declarant hereby conveys and warrants pursuant to Utah Code Ann. Sections 57-1-20 and 57-8a-302 to Cottonwood Title Insurance Agency, Inc., located at 1996 East 6400 South, Suite 120, Murray, Utah 84121, with power of sale, the Lots, Units, or Parcels for the purpose of securing payment of Assessment Lien under the terms of this Declaration. The Board may, at any time, designate the trustee or one or more successor trustees, in the place of trustee, in accordance with the provisions of Utah law for the substitution of trustees under deeds of trust. Such trustee, and any successors, shall not have any other right, title or interest in the Property beyond those rights and interests necessary and appropriate to foreclose any liens against Lots, Units, or Parcels arising pursuant hereto. In any such foreclosure, the Owner of the Lot, Unit, or Parcel being foreclosed shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Master Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots, Units, or Parcels purchased at such sale.

9.2.3 Notwithstanding the subordination of an Assessment Lien as described in Section 9.3, the delinquent Member shall remain personally liable for the Assessments and the Maintenance Charges and related costs after his or her Membership is terminated by foreclosure or deed in lieu of foreclosure or otherwise.

9.3 Priority of Lien. The Assessment Lien provided for herein shall be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made

superior. Except as above provided and except as provided in Section 18.5, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot, Unit, or Parcel. The sale or transfer of any Lot, Unit, or Parcel shall not affect the Assessment Lien, except as provided in Section 18.5.

9.4 Attorneys' Fees and Costs. In any action taken pursuant to Section 9.2, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Annual Assessments, the Special Assessments, the Reinvestment Fee Covenants, and the Maintenance Charges together with the Master Association's collection costs and attorneys' fees, including those costs, fees and interest specified in Subsection 8.3.4 and Section 11.3.

**ARTICLE X**  
**USE OF FUNDS; BORROWING POWER;**  
**OTHER MASTER ASSOCIATION DUTIES**

10.1 Purposes for Which Master Association's Funds May Be Used. The Master Association shall apply all funds and property collected and received by it (including the Annual Assessments, Special Assessments, Maintenance Charges, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit and safety and security of Wohali and the Owners, Members, and Residents (and their respective family members, guests, and invitees) by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of all land, properties, Improvements, facilities, services, projects, programs, studies and systems, within Wohali, which may be necessary, desirable or beneficial to the general common interests of Wohali, the Members and the Residents. The following are some, but not all, of the areas in which the Master Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents; maintenance of landscaping on Community Areas and public right-of-way and drainage areas within Wohali; fulfilling the Master Association's obligations under a maintenance agreement, if any; recreation; insurance; communications; ownership and operation of vehicle storage areas; transportation; health; utilities; public services; safety and indemnification of officers and directors of the Master Association, the Design Review Board, and any other committees created by the Master Association; and compliance with the Development Agreement and any other Governing Document. The Master Association also may expend its funds as otherwise permitted under the laws of the State of Utah.

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

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

**ARTICLE XI  
MAINTENANCE**

11.1 Community Areas and Public Right-of-Way. The Master Association, or its duly delegated representative, shall maintain and otherwise manage all Community Areas, including, but not limited to, the landscaping, walkways, riding paths, parking areas, drives, recreational facilities and the roofs, interiors and exteriors of the buildings and structures located upon said properties; *provided, however*, the Master Association shall not be responsible for providing or maintaining the landscaping or structures on any Community Areas which are part of Lots, Units, or Parcels unless (a) such landscaping or structures are available for use by all Owners and Residents or are within easements intended for the general benefit of Wohali and (b) the Master Association assumes in writing the responsibility as set forth in a Recorded instrument as hereinafter provided. The Master Association shall also maintain any landscaping and other Improvements not on Lots, Units, and Parcels which are within the exterior boundaries of Wohali, which are within areas shown on a Plat or other plat of dedication for Wohali or covered by a Village Declaration or Supplemental Declaration and which are intended for the general benefit of the Owners and Residents of Wohali, except that the Master Association shall not (except by separate agreement) be obligated to maintain areas which (i) are owned by a Municipal Authority, (ii) a Sub-Association is required under a Village Declaration or Supplemental Declaration to maintain, or (iii) are to be maintained by the Owners of a Lot, Unit, or Parcel pursuant to Subsection 5.2.4 of this Declaration. Specific areas to be maintained by the Master Association may be identified on Plats Recorded or approved by the Declarant, in Village Declarations, Supplemental Declarations and in Deeds from the Declarant to a transferee of a Lot, Unit, or Parcel, but the failure to so identify such areas shall not affect the Master Association's rights or responsibilities with respect to such Community Areas and other areas intended for the general benefit of Wohali. Notwithstanding anything to the contrary herein, the Board shall have discretion to enter into an agreement with a Municipal Authority to permit the Master Association to upgrade and/or maintain landscaping or other improvements on property owned by a Municipal Authority, if such property is within Wohali, if the Board determines such agreement benefits the Master Association.

The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property. In this regard the Master Association may, subject to any applicable provisions on Special Assessments, in the discretion of the Board:

11.1.1 Reconstruct, repair, replace or refinish any Improvement or portion thereof upon Master Association Land;

11.1.2 Maintain (including snow removal therefrom), construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of the Community Areas used as a road, street, walk, driveway or parking area;

11.1.3 Replace injured and diseased trees and other vegetation in any Community Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

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

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

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

11.1.7 In the event any Plat, Village Declaration, Supplemental Declaration, deed restriction or this Declaration permits the Board to determine whether or not Owners of certain Lots, Units, or Parcels will be responsible for maintenance of certain Community Areas or public right-of-way areas, the Board shall have the sole discretion to determine whether or not it would be in the best interest of the Owners and Residents of Wohali for the Master Association or for an individual Owner or a Sub-Association to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the Board. The Board may cause the Master Association to contract with others for the performance of the maintenance and other obligations of the Master Association under this Article XI, and in order to promote uniformity and harmony of appearance, the Board may also cause the Master Association to contract to provide maintenance services to Sub-Associations or to Owners of Lots, Units, and Parcels having such responsibilities in exchange for the payment of such fees as the Master Association, the Sub-Association or the Owner may agree upon.

11.2 Assessment of Certain Costs of Maintenance and Repair of Community Areas and Public Areas. In the event that the need for maintenance or repair of Community Areas, structures and other property maintained by the Master Association is caused through the willful or negligent act of any Owner or Resident of a Lot, Unit, or Parcel, or any family members, guests, invitees or tenants of such Persons, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and the Owner's Lot, Unit, or Parcel is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot, Unit, or Parcel pursuant to Section 11.1 in connection with a contract entered into by the Master Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

11.3 Maintenance and Use of Lots, Units, and Parcels. Each Dwelling Unit, Improvement, Lot, Unit, and Parcel shall be properly maintained by the Owner so as not to detract from the appearance of Wohali and so as not to affect adversely the value or use of any other Dwelling Unit, Improvement, Lot, Unit, or Parcel. In the event any portion of any Lot, Unit, or Parcel is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots, Units, and Parcels or other areas of Wohali which are substantially affected thereby or related thereto, or in the event any portion of a Lot, Unit, or Parcel is being used in a manner which violates this Declaration or any Village Declaration or any Supplemental Declaration applicable thereto, or in the event the Owner of any Lot, Unit, or

Parcel is failing to perform any of its obligations under the Governing Documents and standards of the Design Review Board, the Board may by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to: (a) enter the Lot or Unit and cause such action to be taken, and the cost thereof shall be added to and become a part of the Assessment (including interest at the rate of eighteen percent (18%) per annum) to which the offending Owner and the Owner's Lot, Unit, or Parcel is subject and shall be secured by the Assessment Lien; (b) Record a notice of violation in the Office of the County Recorder of Summit County, Utah; (c) impose a fine commensurate with the severity of the violation; and/or (d) bring an action at law and recover judgment of specific performance and/or damages against the Owner and including costs and attorneys' fees. In any action taken pursuant to this Section 11.3, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Master Association's collection costs and attorneys' fees.

11.4 Maintenance of Sewer Laterals. Without diminishing the Owners' responsibilities set forth in Section 11.3, the Master Association shall have the right but not the obligation to maintain, replace and repair sanitary sewer laterals serving any Dwelling Unit and/or Improvement within Wohali. If the Master Association elects to perform such maintenance, replacement and repair, the cost thereof shall be assessed by the Master Association at the election of the Master Association to either the applicable Sub-Association governing the Dwelling Unit or Improvement, or to the applicable Owners of the Dwelling Unit or Improvement. The Board shall not need the prior approval of the Members to cause such maintenance, replacement or repairs to be accomplished, notwithstanding the cost thereof. The Master Association shall have a right of entry and access to, over, upon, and through all of the Property including each Lot, each Dwelling Unit, each Improvement and the Community Areas, to enable the Master Association to perform such maintenance, repair, and replacement of sanitary sewer laterals. In the event of an emergency, the Master Association's right of entry to a Dwelling Unit or Improvement may be exercised without notice; otherwise, the Master Association shall give the Owners or Residents of a Dwelling Unit or Improvement no less than twenty-four (24) hours advance notice prior to such entry.

## **ARTICLE XII DESIGN GUIDELINES AND DESIGN REVIEW BOARD**

12.1 Membership. There is hereby established a Design Review Board which shall be responsible for the establishment and administration of the Design Guidelines and to carry out all other responsibilities assigned to the Design Review Board in order to carry out the purposes and intent of this Declaration. The Design Review Board shall be composed of at least three (3) but not more than (7) individuals or entities as determined by Declarant in its sole discretion, who need not be Members of the Master Association. All of the members of the Design Board shall be appointed, removed, and replaced by Declarant in its sole discretion, until such time as all of the Class B Membership is terminated, and at that time the Board shall succeed to Declarant's right to appoint, remove, or replace the members of the Design Review Board. At the sole and exclusive option of Declarant, the Declarant may establish a "Modifications Committee" which shall be a subcommittee of the Design Review Board. The Modifications Committee shall deal solely with

changes to structures and Improvements which have previously been approved by the Design Review Board and which an Owner desires to alter or change following the original construction of such structure or Improvements. It is contemplated that the Modifications Committee will be made up largely of Owners who will take over responsibility for modifications subject to appropriate written guidelines established by the Design Review Board.

12.2 Purpose. The Design Review Board shall review, study and either approve, reject or request resubmittal of additional information with respect to all proposed developments and all Improvements to a Lot, Unit, or Parcel, all in compliance with this Declaration and as further set forth in the rules and regulations of the Design Review Board and the Design Guidelines adopted and established from time to time by the Design Review Board. Each developer, including any Merchant Builder, of a Parcel shall demonstrate to the Design Review Board that its Village Declaration or Supplemental Declaration, Plat and development plan have been approved by the Declarant and by the applicable Municipal Authority and that such items are in compliance with the Design Guidelines. All developers, including any Merchant Builders, of a Lot or Parcel shall prepare and submit a construction mitigation plan to the Design Review Board and the applicable Municipal Authority for review and approval.

12.2.1 The Design Review Board shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, materials, color, location on the Lot, Unit, or Parcel, height, grade and finished ground elevation, and all aesthetic considerations set forth in this Declaration or in the Design Guidelines.

12.2.2 Except for Improvements made by Declarant, no Improvement on a Lot, Unit, or Parcel shall be erected, placed or altered on any Lot, Unit, or Parcel nor shall any construction be commenced, until plans for such Improvement shall have been approved by the Design Review Board.

12.2.3 The actions of the Design Review Board in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

### 12.3 Organization and Operation of the Design Review Board.

12.3.1 Term. The term of office of each member of the Design Review Board, subject to Section 12.1 hereof, shall be three (3) years, commencing January 1 of each year, and continuing until his successor shall have been appointed, with the exception of the first three (3) members of the Design Review Board, who will hold terms of one, two and three years, respectively, as designated by the Declarant. The terms of the members of the Design Review Board will be staggered, so that one term expires each year. Should a Design Review Board member die, retire, become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 12.1 hereof. So long as Declarant appoints the Design Review Board, the Declarant may remove any member of the Design Review Board at any time for any cause (or for no cause) without notice.

12.3.2 Chairman. So long as Declarant appoints the Design Review Board, Declarant shall appoint the chairman. At such time as the Design Review Board is appointed by the Board, the chairman shall be elected Annually from among the members of the Design Review Board by majority vote of said members.

12.3.3 Operations. The chairman shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the Design Review Board prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, a temporary successor.

12.3.4 Voting. The affirmative vote of a majority of the members of the Design Review Board shall govern its actions and be the act of the Design Review Board. A quorum shall consist of a majority of the members.

12.3.5 Expert Consultation. The Design Review Board may avail itself of technical and professional advice and consultants as it deems appropriate.

12.4 Expenses. Except as provided below, all expenses of the Design Review Board shall be paid by the Master Association. The Design Review Board shall have the right to charge a fee for each application submitted to it for review and a fee for construction compliance and inspection in amounts which may be established by the Design Review Board from time to time, and such fees shall be collected by the Design Review Board and remitted to the Master Association to help defray the expenses of the Design Review Board's operation. The Design Review Board shall provide written notice to an applicant of any failure to pay a fee, expense or other charges hereunder, specifying the unpaid amounts which exist and stating that unless payment is made in full within fourteen (14) days, the Design Review Board may: (a) withdraw any approval previously give to an Owner, whereupon such Owner shall immediately cease further work; (b) impose a fine commensurate with the severity of the violation; and/or (c) refer the matter to the Board for further action. In any action taken pursuant to this Section 12.4, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Design Review Board's costs and expenses together with interest at the rate of eighteen percent (18%) per annum plus collection costs and attorneys' fees.

12.5 Security Deposit. The Design Review Board shall have the right to require from an applicant a cash security deposit ("Security Deposit"), in an amount established by the Design Review Board in its sole discretion, for the purpose of securing complete performance of all of an applicant's obligations under Article XII. The Design Review Board may retain the Security Deposit until such time as the applicant has fully performed all of its obligations and paid all sums due to the Design Review Board. The applicant is not entitled to receive any interest earned on the Security Deposit. The Security Deposit is not an advance payment of fees by the applicant and does not constitute a measure of damages if the applicant defaults in the performance of its obligations under Article XII. If the applicant defaults in the performance of its obligations, the Design Review Board may use, apply or retain all or any part of the Security Deposit to pay application review fees, inspection fees and/or any other fee, charge, cost or expense and to reimburse the Design Review Board for any cost or expense it incurs because of such default,

including, without limitation, all losses, costs or damages the Design Review Board incurs. Any actions by the Design Review Board against the applicant for default in the performance of such applicant's obligations are not limited to or restricted by the amount of the Security Deposit or the Design Review Board's use or application of all or any part of the Security Deposit. The Design Review Board's use or application of all or any part of the Security Deposit shall not constitute a waiver of any of the Design Review Board's rights or remedies and shall not constitute the Design Review Board's election of any specific remedy to the exclusion of other remedies available to the Design Review Board under this Declaration, at law or in equity. If the Design Review Board uses or applies all or any part of the Security Deposit as provided in this Section 12.5, the applicant will pay to the Design Review Board on demand the amount so used or applied in order to replenish the Security Deposit, which replenished Security Deposit shall be held and used by the Design Review Board in the manner described in this Section 12.5.

12.6 Design Guidelines and Rules. The Design Review Board shall adopt, establish, and publish from time to time Design Guidelines, which shall be a Governing Document of Wohali. The Design Guidelines shall define and describe the design standards for Wohali and the various uses therein. The Design Guidelines may be modified or amended from time to time by the Design Review Board. To the extent permitted by the Design Guidelines, the Design Review Board, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Compliance with the Wohali design review process is not a substitute for compliance with applicable Municipal Authority building, zoning, and subdivision regulations and requirements, and each Owner is responsible for obtaining all applicable Municipal Authority approvals, licenses, and permits as may be required in addition to obtaining final approval of any Improvements from the Design Review Board prior to commencing construction.

12.7 Procedures. As part of the Design Guidelines, the Design Review Board shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings. All final decisions of the Design Review Board are non-appealable.

12.8 Limitation of Liability. The Design Review Board shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Design Review Board, nor any individual Design Review Board member, shall be liable to any person for any official act of the Design Review Board in connection with submitted plans and specifications, except to the extent the Design Review Board or any individual Design Review Board member acted with gross negligence or was guilty of willful misconduct. Approval of plans and specifications by the Design Review Board does not necessarily assure approval of such plans and specifications by the appropriate Municipal Authority. Notwithstanding the approval by the Design Review Board of any plans and specifications, neither the Design Review Board nor any of its members shall be responsible or liable to any Owner, developer, or contract holder with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of any Improvements. Neither the Board, the Design Review Board, nor any agent thereof, nor Declarant nor any of its shareholders, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Design Guidelines or any other Governing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Design Review Board shall be defended and indemnified by the Master



Association in any such suit or proceeding which may arise by reason of the Design Review Board's decision. The Master Association, however, shall not be obligated to indemnify any member of the Design Review Board to the extent any such member of the Design Review Board shall be adjudged to be liable for gross negligence or willful misconduct in the performance of his or her duty as a member of the Design Review Board, unless and then only to the extent that the court in which such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

12.9 Inspection and Compliance. The Design Review Board shall have the right, but not the obligation, to inspect any Lot, Unit, or Parcel or Improvement thereto to ensure compliance with the Design Guidelines and any plans approved by the Design Review Board. If a violation of the Design Guidelines or any previously approved plans is discovered, the Design Review Board shall provide written notice of non-compliance to the Owner of the Lot, Unit, or Parcel, specifying the particular condition or conditions which exist and stating that unless corrective action is taken within fourteen (14) days, the Design Review Board may: (a) withdraw any approval previously given to an Owner, whereupon such Owner shall immediately cease further work; (b) impose a fine commensurate with the severity of the violation; and/or (c) refer the matter to the Board for further action. In any action taken pursuant to this Section 12.9, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Design Review Board's costs and expenses together with interest at the rate of eighteen percent (18%) per annum plus collection costs and attorneys' fees.

### **ARTICLE XIII RIGHTS AND POWERS OF MASTER ASSOCIATION**

13.1 Master Association's Rights and Powers As Set Forth in Articles and Bylaws. In addition to the rights and powers of the Master Association set forth in this Declaration, the Master Association shall have such rights and powers as are set forth in its Articles and Bylaws and the Utah Revised Nonprofit Corporation Act, Utah Code Ann. §§ 16-6a-101, et seq. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by Declarant, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Declaration. After incorporation of the Master Association, a copy of the Articles and Bylaws of the Master Association shall be available for inspection at the office of the Master Association during reasonable business hours.

13.2 Master Association's Rights of Enforcement. The Master Association, as the agent and representative of the Owners and Members, shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in this Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, Deed, declaration or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Master Association or by Declarant. In the event suit is brought or arbitration is instituted or an attorney is retained by the Master Association to enforce the terms of this Declaration or any other Governing Document and

the Master Association prevails, the Master Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Master Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Lot, Unit, or Parcel. If the Master Association should fail to act within a reasonable time, any Owner shall have the right to enforce the Covenants set forth in this Declaration.

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

13.4 Change of Use of Master Association Land. Upon (a) adoption of a resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Master Association Land or of the Master Association's interest in other Community Areas is no longer in the best interests of the Owners and Residents and (b) the approval of such resolution by a majority of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose (with Class A Members voting by and through the Voting Members), the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and Improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners and Residents, and (ii) shall be consistent with any Deed restrictions (or zoning regulations) restricting or limiting the use of the Master Association Land or Community Areas. Any construction, reconstruction, alteration or change of the buildings, structures and Improvements on Master Association Land shall require the approval of the Design Review Board.

#### **ARTICLE XIV INSURANCE AND FIDELITY BONDS**

14.1 Hazard Insurance. The Master Association shall at all times maintain insurance meeting the following requirements: A "master" or "blanket" type policy of property insurance shall be maintained, if reasonably available, covering all insurable Improvements, if any, on the Master Association Land and where appropriate on the Community Areas; fixtures, building service equipment, personal property and supplies comprising a part of the Community Areas or owned by the Master Association and which are of a class typically encumbered by Mortgages held by FNMA or other similar institutional Mortgage investors; but excluding land, foundations,

excavations, and other items normally not covered by such policies. References herein to a “master” or “blanket” type policy of property insurance are intended to denote single entity insurance coverage. If blanket all-risk insurance is not reasonably available, then at a minimum, such “master” or “blanket” policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to Wohali in construction, location, and use, including (without limitation) all perils normally covered by the standard “all risk” endorsement, where such endorsement is available. Such “master” or “blanket” policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Community Areas covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (a) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (b) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the property’s insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such policy shall be determined by the Board.

14.2 Flood Insurance. If any part of the Community Areas is or comes to be situated in a “special flood hazard area” as designated on a “flood insurance rate map,” a “master” or “blanket” policy of flood insurance shall be maintained, if reasonably available, covering the Improvements located on the Community Areas, and any machinery and equipment related thereto (hereinafter “Insurable Property”) in an amount deemed appropriate, but not less than the lesser of (a) the maximum limit of coverage available under the National Flood Insurance Administration Program for all insurable property within any portion of the Community Areas located within a designated flood hazard area; or (b) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for such policy shall be determined by the Board.

### 14.3 Policy Requirements.

14.3.1 The name of the insured under each policy required to be maintained by the foregoing sections (Sections 14.1 and 14.2) shall be the Master Association for the use and benefit of the individual Owners. Notwithstanding the requirement of the immediately foregoing sentence, each such policy may be issued in the name of an authorized representative of the Master Association, including any Insurance Trustee (as hereinafter defined) with whom the Master Association has entered into an agreement (referred to herein as an “Insurance Trust Agreement”, or any successor to such Insurance Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Master Association (or Insurance Trustee), as a trustee for each Owner and each such Owner’s First Mortgagee. Each Owner and each such Owner’s First Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and First Mortgagee upon request.

14.3.2 Each policy required to be maintained by the foregoing sections (Sections 14.1 and 14.2), shall contain the standard mortgage clause, or equivalent

endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which Wohali is located. If FNMA is a holder of one or more Mortgages on Lots, Units, or Parcels within Wohali, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as Mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase "its successors and assigns." In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Master Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

14.3.3 Each policy required to be maintained by the foregoing sections (Sections 14.1 and 14.2), shall provide, if available, for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Owners individually; a provision that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively, and a provision that the policy is primary in the event the Owner has other insurance covering the same loss.

14.3.4 Each policy required to be maintained by the foregoing Section 14.1 shall also contain or provide the following: (a) "inflation guard endorsement", if available; (b) "building ordinance or law endorsement", if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs (such endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction); and (c) "steam boiler and machinery coverage endorsement" which shall provide that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the Improvements containing the boiler or machinery.

14.4 Fidelity Bonds or Insurance. The Master Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds or insurance, including but not limited to, directors' and officers' insurance for the benefit of all members of the Board, officers and members of committees and subcommittees appointed by the Board or otherwise established pursuant to the provisions of this Declaration, for all officers, agents, and employees of the Master Association and for all other persons handling or responsible for funds of or administered by the Master Association. Furthermore, where the Master Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds or insurance, with coverage identical to such bonds required of the Master Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Master Association. The total amount of fidelity coverage required shall be based upon the Master Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Master Association, or the Manager, as the case may be, at any given time during the term of coverage. A lesser amount of fidelity insurance coverage is acceptable for the Master Association so long as the Master Association and the Manager adhere to the following financial controls: (a) the Master Association or the Manager maintains separate bank accounts for the working account and the reserve account,

each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Master Association; (b) the Manager maintains separate records and bank accounts for each association that uses its services, and the Manager does not have authority to draw checks on or to transfer funds from the Master Association's reserve account; or (c) two directors of the Board must sign any checks written on the reserve account. Nevertheless, in no event may the amount of such fidelity coverage be less than the sum equal to three (3) months' aggregate Annual Assessments on all Lots, Units, and Parcels. The coverage required shall meet the following additional requirements: (i) the fidelity coverage shall name the Master Association as obligee or insured; (ii) the bonds or insurance shall contain waivers by the issuers of the bonds or insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (iii) the premiums on all bonds or insurance required herein for the Master Association (except for premiums on fidelity bonds or insurance maintained by the Manager for its officers, employees and agents) shall be paid by the Master Association as part of the Community Expenses; and (iv) the bonds or insurance shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Master Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

14.5 Liability Insurance. The Master Association shall maintain in force, and pay the premium for a policy providing commercial general liability insurance coverage covering all of the Community Areas, public ways in Wohali, if any, all other areas of Wohali that are under the Master Association's supervision, and Commercial Areas owned by the Master Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to Wohali in construction, location, and use. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Community Areas, and legal liability arising out of lawsuits related to employment contracts of the Master Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to Wohali in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Master Association or any other Owner. Such policy shall provide that it may not be cancelled or substantially modified by any party without at least thirty (30) days' prior written notice to the Master Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

14.6 Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Master Association, the Master Association's authorized representative, including any trustee with whom the Master Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner

hereby appoints the Master Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Master Association, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Master Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear. Each insurance policy maintained pursuant to this Declaration shall be written by insurance carriers which are licensed to transact business in the State of Utah and which have a "B" general policyholder's rating or a financial performance index of six (6) or better in the Best's Key Rating Guide or an "A" or better rating from Demotech, Inc., or which are otherwise approved by the Board. No such policy shall be maintained where: (a) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Board, the Master Association, FNMA, or the designee of FNMA; (b) by the terms of the earner's charter, bylaws, or policy, loss payments are contingent upon action by the earner's board of directors, policyholders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Board, the Master Association, an Owner, or FNMA) from collecting insurance proceeds. The provisions of this Article XIV shall not be construed to limit the power or authority of the Master Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Master Association may deem appropriate from time to time.

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

## **ARTICLE XV DAMAGE OR DESTRUCTION**

15.1 Master Association as Attorney in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with personal property owned by the Master Association on behalf of the Owners and the Improvements on the Community Areas upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article XVI below. Acceptance by any grantee of a Deed or other instrument of conveyance from the Declarant or from any Owner shall constitute, appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Master Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, Deed,

waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney-in-fact. All proceeds from the insurance required hereunder shall be payable to the Master Association except as otherwise provided in this Declaration.

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

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

15.4 Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction of such affected personal property and Improvements on the Community Areas. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Master Association may, pursuant to Section 8.6 above, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

15.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master Association and the amounts received from the Special Assessments provided for in Section 15.4 above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be retained by the Master Association to pay for future Community Expenses.

15.6 Notice to First Mortgagees. The Master Association shall give timely written notice to any holder of any First Mortgage on a Lot, Unit, or Parcel who requests such notice in writing in the event of substantial damage to or destruction of a material part of the personal property owned by the Master Association and/or Improvements on the Community Areas.

**ARTICLE XVI  
CONDEMNATION**

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

16.2 Partial Condemnation Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Community Areas on which Improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and Owners representing at least sixty-seven percent (67%) of the Class A votes (with Voting Members exercising the votes of the Class A Members) in the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Community Areas to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Review Board. If such Improvements are to be repaired or restored, the provisions in Article XV above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Community Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be retained by the Master Association to pay for future Community Expenses.

**ARTICLE XVII  
ADDITIONAL LAND**

17.1 Right to Expand and State of Title to New Lots, Units, and Parcels. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand Wohali at any time (within the limits herein prescribed) and from time to time by adding to Wohali the Additional Land or a portion or portions thereof. Notwithstanding any provision of this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Owner or Mortgagee) and shall be limited only as specifically provided in this Declaration. Any given portion of the Additional Land shall be deemed added to Wohali at such time as a duly approved Plat and a Supplemental Declaration containing the information required by Section 17.3 below have been Recorded with respect to the portion of the Additional Land concerned. After the date such Supplemental Declaration is Recorded, title to each Lot, Unit, and Parcel thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Community Areas shall be vested in and held by Declarant, and none of the other Owners or the Master Association shall have any claim or title to or interest in such Lot, Unit, and Parcel or its appurtenant right and easement of use and enjoyment to the Community Areas.



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

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

17.2.2 There are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to Wohali or relative to the order in which particular portions of the Additional Land can be added to Wohali. Future Improvements on the Additional Land added to Wohali shall be subject to compliance with the Design Guidelines.

17.3 Procedure for Expansion. Each Supplemental Declaration by which an addition to Wohali of any portion of the Additional Land is accomplished shall be executed by Declarant, shall be in recordable form, must be Recorded, and shall contain the following information for that portion of the Additional Land which is being added:

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

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

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

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

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

17.4 Allocation of Assessments and Voting Rights Following Expansion. Each Lot, Unit, or Parcel created that is or shall become Assessable Property shall be apportioned a share of the Community Expenses attributable to Wohali, as provided in Article VIII. Each Owner of a Lot, Unit, or Parcel that is or shall become Assessable Property shall be entitled to Memberships and the votes (by and through Voting Members, as applicable) in the Master Association to the extent provided for in Section 7.1 and Section 7.4. Assessments and voting rights shall commence as of the date the Declarant Records a Supplemental Declaration.

17.5 No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any

obligation respecting, or to restrict Declarant in any way with regard to: (a) the addition to Wohali of any or all of the Additional Land; (b) the creation or construction of any Lot, Unit or other Improvement; (c) the carrying out in any particular way or within any particular time of any development or addition which may be undertaken; or (d) the taking of any particular action with respect to any portion of the Additional Land.

17.6 Withdrawal of Property. Declarant shall have the right to withdraw property from Wohali without the consent of any other Owner or Person (other than the Owner of such property, if other than the Declarant), except as otherwise expressly provided in any Supplemental Declaration or Village Declaration with respect to such property. The withdrawal of all or any portion of Wohali shall be effected by the Declarant Recording a written instrument setting forth the legal description of the property being withdrawn. Upon the withdrawal of any property from Wohali pursuant to this Section 17.6, such property shall no longer be subject to this Declaration.

## **ARTICLE XVIII MORTGAGEE REQUIREMENTS**

18.1 Notice of Action. Upon written request made to the Master Association by a Mortgagee, or an insurer or governmental guarantor of a Mortgage, which written request shall identify the name and address of such Mortgagee, insurer or governmental guarantor and the Lot, Unit, or Parcel number or the address of the Dwelling Unit, any such Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

18.1.1 Any condemnation loss or any casualty loss which affects a material portion of Wohali or any Lot, Unit, or Parcel on which there is a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor;

18.1.2 Any delinquency in the payment of Assessments or Maintenance Charges owed by an Owner, whose Lot, Unit, or Parcel is subject to a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

18.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond or insurance maintained by the Master Association; and

18.1.4 Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 18.2 below or elsewhere herein.

18.2 Matters Requiring Prior Eligible Mortgagee Approval. Except as provided elsewhere in this Declaration, the prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes of each class of Members (with Voting Members exercising the votes of the Class A Members) in the Master Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Master Association is required, in which case such specific provisions shall control) and of Eligible Mortgagees holding Mortgages on Lots, Units, or Parcels having at least fifty-one percent (51%) of the votes of the Lots, Units, or Parcels subject to Mortgages held by Eligible Mortgagees shall be required to:

18.2.1 Abandon or terminate the legal status of Wohali after substantial destruction or condemnation occurs. Termination of the legal status of Wohali for any other reason shall require the affirmative vote or authorization of Eligible Mortgagees holding at least sixty-seven percent (67%) of the Mortgages on Lots, Units, or Parcels.

18.2.2 Amend this Article XVIII.

18.3 Mortgagee Approval. Any Mortgagee, insurer or governmental guarantor who receives a written request from the Master Association to approve additions or amendments to the Governing Documents and who fails to deliver or post to the Master Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a “return receipt” requested.

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

18.5 Subordination of Lien. The lien or claim against a Lot, Unit, or Parcel for unpaid Assessments or Maintenance Charges levied by the Master Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Lot, Unit, or Parcel, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot, Unit, or Parcel shall take the same free of such lien or claim for unpaid Assessment or Maintenance Charges, but only to the extent of Assessments or Maintenance Charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a Deed or assignment in lieu of foreclosure. No Assessment, Maintenance Charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Master Association from or against a First Mortgagee, a successor in title to a First Mortgagee, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by Deed in lieu of foreclosure, of the Lot, Unit, or Parcel affected or previously affected by the First Mortgage concerned.

18.6 Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Community Areas are not timely paid, or in the event the required hazard insurance described in Section 14.1 lapses, is not maintained, or the premiums therefor are not paid when due, any First Mortgagee or any combination of First Mortgagees may jointly or singly, pay such taxes or premiums or obtain such insurance. Any First Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Master Association.

18.7 Priority. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Lots, Units, Parcels or the Community Areas.

**ARTICLE XIX**  
**TERM: AMENDMENTS: TERMINATION**

19.1 Term: Method of Termination. This Declaration shall be effective upon the date of the Recording hereof and, as amended from time to time, shall continue in full force and effect for a term of fifty (50) years from the date this Declaration is Recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Voting Members casting ninety percent (90%) of the total votes of the Members cast at an election held for such purpose (or otherwise approved for such purpose in writing) within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. No such termination shall be effective unless approved in writing by Declarant during the Declarant Control Period.

Anything in the foregoing to the contrary notwithstanding, no vote to terminate this Declaration shall be effective unless and until written consent to such termination or amendment has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from Eligible Mortgagees on fifty-one percent (51%) of the Lots, Units, and Parcels upon which there are such Eligible Mortgagees. If the necessary votes and consents are obtained, the Board shall cause to be Recorded a "certificate of termination," duly signed by the President or Vice President attested by the Secretary or Assistant Secretary of the Master Association, with their signatures acknowledged. Thereupon these Covenants shall have no further force and effect, and the Master Association shall be dissolved pursuant to the terms set forth in its Articles.

19.2 Amendments. This Declaration may be amended by Recording an Amendment, duly signed and acknowledged by and on behalf of the Master Association. The Amendment shall set forth in full the amendment adopted, and, except as provided in Sections 19.3 and 19.4 hereof or elsewhere in this Declaration, shall certify that at a meeting duly called and held pursuant to the Articles and Bylaws or by separate written consent without a meeting, the Voting Members casting at least sixty-seven percent (67%) of the votes of the Members voted affirmatively for the adoption of the amendment or approved such amendment by separate written consent. Except as provided in Sections 19.3 and 19.4 hereof or elsewhere in this Declaration, a Village Declaration or Supplemental Declaration may be amended in the same manner as this Declaration, with the approval of Voting Members casting at least sixty-seven percent (67%) of the votes of the Members subject to the Village Declaration or Supplemental Declaration. During the Declarant Control Period, this Declaration and any Village Declaration and any Supplemental Declaration may be amended or terminated only with the written approval of the Declarant.

19.3 Unilateral Amendments. Notwithstanding anything contained in this Declaration to the contrary, this Declaration, a Village Declaration or Supplemental Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith, to make technical corrections, to correct mistakes or to remove/clarify ambiguities; or (b) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots, Units, or Parcels subject to this Declaration; *provided, however,* any such amendment shall not adversely affect the title to any Owner's property, unless any such Owner shall consent thereto in writing. Further, during the Declarant Control Period, Declarant

may unilaterally amend this Declaration, a Village Declaration, or Supplemental Declaration for any other purpose; *provided, however*, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the consent of the affected Owner. Any such amendment hereunder shall be effected by the Recording by Declarant of an Amendment duly signed by the Declarant.

19.4 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article or Declaration to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by the Utah Division of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or such agency's approval of the sale of property within Wohali, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s)/Unit(s) or Parcel(s) or any portions thereof. Any such amendment shall be effected by the Recording by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. The Recording of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when Recorded, shall be binding upon all of Wohali and all persons having an interest therein.

19.5 Declarant's Control. It is the desire and intent of Declarant to retain control of the Master Association and its activities during the anticipated period of planning and development of Wohali. If any amendment requested pursuant to the provisions of this Article XIX deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control.

## **ARTICLE XX DECLARANT'S RIGHTS**

20.1 Transfer of Declarant's Rights. Any or all of the special rights and obligations of the Declarant may be assigned and transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective, unless it is in a written instrument signed by the Declarant and duly Recorded. Without limiting the generality of the foregoing, Declarant may by such Recorded instrument establish that Declarant and such Person or Persons be co-Declarants under this Declaration, in which event such Persons shall be deemed collectively the Declarant for all purposes under this Declaration, and any ownership of portions of the Property by any such Persons shall be considered owned by Declarant. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any Additional Land in any manner whatsoever. So long as Declarant continues to have rights under this Article XX, no person or entity shall Record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of Wohali without Declarant's review and written consent thereto, and any attempted Recording without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar

instrument being void and of no force and effect, unless subsequently approved by a Recorded consent signed by the Declarant.

20.2 Sales Materials. So long as Declarant continues to have rights under this Article XX, all sales, promotional, and advertising materials, and all forms for deeds, contracts for sale, and other closing documents for the subdivision and sale of property in Wohali by any Merchant Builder shall be subject to the prior approval of Declarant, which approval shall not be unreasonably withheld. Declarant shall deliver notice to any Merchant Builder of Declarant's approval or disapproval of all such materials and documents within thirty (30) days of receipt of such materials and documents and, if disapproved, the specific changes requested. If Declarant fails to so notify any Merchant Builder within such thirty (30) day period, Declarant shall be deemed to have waived any objections to such materials and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

20.3 Modifications. Declarant reserves for itself and its assigns the right to vary the timing, mix, type, use, style, and numbers of Lots, Units, and Parcels, and other such details of construction or modifications in adding phases to this Declaration. If additional permitted uses, such as, by way of explanation and not limitation, additional commercial uses, are subsequently permitted by zoning, Declarant shall have the right to add such permitted uses to this Declaration. Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to its development plan with respect to any property owned by the Declarant in any way which the Declarant desires including, but not limited to, changing the density of all or any portion of the Property owned by the Declarant or changing the nature or extent of the uses to which such Property may be devoted.

20.4 Amendment. This Article XX may not be amended without the express written consent of the Declarant; *provided, however*, the rights contained in this Article XX shall terminate upon the termination or expiration of the Declarant Control Period.

## **ARTICLE XXI DEVELOPMENT GUIDELINES**

21.1 Establish, Amend, Repeal, and Administration of Development Guidelines. The Declarant may, in its sole discretion, from time to time and subject to the provisions of this Declaration, establish, amend and repeal, as approved by the applicable Municipal Authority, guidelines for the development of the Property known as the Development Guidelines. The Master Association shall administer, in conjunction with Declarant, the Development Guidelines. Each developer, including any Merchant Builder, of a Parcel shall demonstrate to the Master Association that its Village Declaration or Supplemental Declaration, Plat and development plan have been approved by the Declarant and by the applicable Municipal Authority and that such items are in compliance with the Development Guidelines. The Master Association shall exercise its best judgment to see that each Merchant Builder undertakes its development of a Parcel, including but not limited to, the roadways and major infrastructure, in compliance with the Development Guidelines. Compliance with the Development Guidelines and/or the Design Guidelines is not a substitute for compliance with applicable Municipal Authority building, zoning, and subdivision

regulations and requirements, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required by the applicable Municipal Authority prior to commencing construction of any Improvements. Until Declarant no longer owns any portion of the Property, the Development Guidelines shall not be subject to modification or amendment without the prior written consent of Declarant, which consent may be withheld in its sole and absolute discretion. The Design Review Board shall have no authority to excuse compliance or permit variances in connection with any requirements of the Development Guidelines.

## **ARTICLE XXII MOUNTAIN RESORT DEVELOPMENT**

22.1 Assumption of Risk, Waiver of Claims and Indemnification. Each Owner, by its purchase of a Lot, Unit, or Parcel, hereby acknowledges that Wohali is a mountain resort community with recreational-type activities, which may include, without limitation or obligation, the following: trails, hiking trails, mountain biking trails, open spaces, wildlife, rugged terrain, Private Amenities, golf courses, tennis and pickleball courts, horses and horseback riding, outdoor concerts, festivals, children's events, games and activities, outdoor theatre, golf, tennis and other tournaments, running, snow shoeing, alpine and cross country skiing and mountain bike courses and/or races and/or other competitions of various kinds, and other resort-type facilities, events, activities and programs (collectively, "Recreational Activities"), and each such Owner expressly assumes the risk of noise, nuisances, hazards, personal injury, or property damage related to any and all Recreational Activities, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance may take place at any time(s) of the day or night), (b) noise caused by Recreational Activities and participants, (c) view restrictions caused by installation, relocation and maturation of trees and shrubbery, (d) reduction in privacy, including that related to maintenance activities, (e) errant equipment, including tennis balls, golf balls and golf clubs, and (f) facilities design. Each such Owner agrees that neither Declarant, the Manager, the Master Association, any committee created by the Master Association, any of the Declarant's affiliates or agents, nor any Recreational Activities participant (unless acting recklessly or in a willfully wrongful manner) shall be liable to an Owner or any other person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to: (i) the proximity of an Owner's Lot, Unit, or Parcel to any ski run or trail, golf course, Private Amenity or other Recreational Activities venue; (ii) any claim arising in whole or in part from the negligence of Declarant, any of Declarant's affiliates or agents, the Manager, the Master Association or any committee created by the Master Association; or (iii) any Recreational Activities or Private Amenity (collectively referred to herein as the "Waived Claims"). Each Owner hereby agrees to indemnify, defend and hold harmless Declarant, Declarant's affiliates and agents, the Manager, the Master Association and any committee created by the Master Association, from and against any and all Waived Claims asserted by such Owner and/or by such Owner's visitors or tenants, and by others upon such Owner's Lot, Unit, or Parcel. Each Owner further covenants that the Master Association, any committee created by the Master Association, the Declarant and the owners and operators of all Recreational Activities shall have the right, in the nature of an easement, to subject all or any portion of the Property to nuisances incidental to the maintenance, operation or use thereof, and to the carrying out of such Recreational Activities.

**ARTICLE XXIII  
BULK SERVICE AGREEMENTS**

23.1 Bulk Service. The Board, acting on behalf of the Master Association, shall have the right, power and authority to enter into one or more Bulk Service Agreements with one or more Bulk Service Providers, for such term(s), at such rate(s) and on such other terms and conditions as the Board deems appropriate, all with the primary goals of providing to Owners and Residents of Lots, Units and/or Parcels within Wohali, or within one or more portions thereof, cable television, community satellite television, high speed internet, security monitoring or other electronic entertainment, information, communication or security services, or any concierge or other personal services: (a) which might not otherwise be generally available to such Owners and Residents; (b) at rates or charges lower than might otherwise generally be charged to Owners and Residents for the same or similar services; (c) otherwise on terms and conditions which the Board believes to be in the interests of Owners and Residents generally; or (d) any combination of the foregoing.

23.2 Master Association Costs. If all Lots, Units, and Parcels within the Property are to be served by a particular Bulk Service Agreement, the Board shall have the option either to: (a) include the Master Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the Annual Assessments for each such applicable year; or (b) separately bill to each Owner his, her or its proportionate share of the Master Association's costs under such Bulk Service Agreement (as reasonably determined by the Board, and with such frequency as may be determined by the Board, but no more often than monthly; *provided, however*, that such "separate billing" may be made as one or more separate line items on billings or invoices from the Master Association to the affected Owner(s) for Annual Assessments or other charges). If not all Lots, Units, and Parcels within Wohali will be served by a particular Bulk Service Agreement, the Board shall have only the billing option described in clause (b) herein above.

23.3 Owners Covenant to Pay. Declarant, for each Lot, Unit, and Parcel, hereby covenants and agrees, and each Owner other than Declarant, by becoming the Owner of a Lot, Unit, or Parcel, is deemed to covenant and agree, to pay all amounts levied or charged against or to him, her or it (or his, her or its Lot, Unit, or Parcel) by the Board pursuant to Section 23.2 and all such amounts: (a) shall be deemed to be a part of the Assessments against the Lots, Units, or Parcels against or to which they are levied or charged (or against or to whose Owners they are levied or charged); (b) with interest, late charges and all costs, including but not limited to reasonable attorneys' fees incurred by the Master Association in collecting or attempting to collect delinquent amounts; (c) shall be secured by the Assessment Lien; and (d) as with other Assessments, shall also be the personal obligation of each Person who was an Owner of the Lot, Unit, or Parcel at the time such amount became due (which personal obligation for delinquent amounts shall not pass to the successors in title of the Owner unless expressly assumed by them or unless title is transferred to one or more such successors for purposes of avoiding payment of such amounts or other Assessments or unless title is transferred to a Person controlling, controlled by or under common control with the Owner transferring title).

23.4 Prohibition on Withholding Payment. No Owner of a Lot Unit or Parcel covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such Owner or such Owner's Lot, Unit, or Parcel under Section 23.2 whether on



the basis that such Owner does not use, accept or otherwise benefit from the services provided under such Bulk Service Agreement, or otherwise. However, the Board shall have the right, at its option, to exempt from payment of such amounts any Lot, Unit, or Parcel upon which no Dwelling Unit or Improvement has been completed.

23.5 Declarant's Rights. So long as Declarant holds a Class B Membership, the Board shall not, without the approval of Voting Members holding at least fifty-one percent (51%) of all Class A votes represented in person or by proxy at an annual or special meeting of the Master Association, enter into a Bulk Service Agreement which imposes on the Master Association or its Members (other than Declarant or a Merchant Builder which, in either case, agrees in writing thereto) any obligation to pay the direct costs of construction of any cables, lines or other facilities or equipment for any cable television, community satellite television, high speed internet, security monitoring or electronic entertainment, information, communication or security services, but nothing in this Section 23.5 shall prevent the Board from entering into, or require approval by the Members of, any Bulk Service Agreement which imposes on the Master Association or its Members installation, connection, service charges or similar charges or fees which do not exceed those generally prevailing at the time within the greater Summit County, Utah, area, or which includes as a component of the monthly fee charged by the Bulk Service Provider amortization of some or all of its capital costs and related costs in providing services under the Bulk Service Agreement.

#### **ARTICLE XXIV MISCELLANEOUS**

24.1 Interpretation of the Covenants. Except for judicial construction, the Master Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Master Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefited or bound by the Covenants and provisions hereof.

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

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

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

24.5 Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a Plat or other

instrument Recorded, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of Wohali can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect. Not as a limitation of the generality of the foregoing, the Declarant expressly reserves the right at any time and from time to time to amend the Master Land Use Plan.

24.6 References to the Covenants in Deeds. Deeds or any instruments affecting any Lot, Unit, or Parcel or any part of Wohali may contain the Covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the Covenants shall be binding upon the grantee-Owner of all Lots, Units, and Parcels within Wohali or other person claiming an interest in any Lot, Unit, or Parcel through any instrument and his or her heirs, executors, administrators, successors and assigns.

24.7 List of Owners and Eligible Members. The Board shall maintain up-to-date records showing: (a) the name of each Person who is an Owner, the address of such Person, and the Lot, Unit, or Parcel which is owned by him or her; (b) the name of each Person who is an Eligible Mortgagee, the address of such person or entity and the Lot, Unit, or Parcel which is encumbered by the Mortgage held by such person or entity; and (c) the name of each Person who is an insurer or governmental guarantor, the address of such person or entity and the Lot, Unit, or Parcel that is the subject of such insurance or guarantee. In the event of any Transfer of a fee or undivided fee interest in a Lot, Unit, or Parcel, the Transferee shall furnish the Board with evidence establishing that the Transfer has occurred and that the Deed or other instrument accomplishing the transfer is of Record. The Board may for all purposes act and rely on the information concerning Owners and Lot, Unit, or Parcel ownership which is thus acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Lot, Unit, or Parcel or Lots, Units, or Parcels which is obtained from the Office of the County Recorder of Summit County, Utah. The address of an Owner shall be deemed to be the address of the Lot, Unit, or Parcel owned by such person unless the Board is otherwise advised. The list of Owners shall be made available by the Board to any Owner for noncommercial purposes upon such Owner's written request and such Owner's payment of any copying charges and such Owner's execution of a privacy and nondisclosure statement prepared by the Board.

24.8 General Obligations. Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Declaration. With respect to unsold Lots, Units, and Parcels, the Declarant shall enjoy the same rights and assumes the same duties with respect to each unsold Lot, Unit, and Parcel, unless otherwise expressly provided herein.

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

24.10 Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder.

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

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

24.13 Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such person at the address given by that person to the Master Association for the purpose of service of such notice or to the address of the Lot, Unit, or Parcel of such person, if no address has been given. Such address may be changed from time to time by notice in writing received by the Master Association. Notice to the Board or to the Design Review Board shall also be delivered or mailed to the Declarant or such other address as the Board may designate after the end of Declarant's control of the Board.

24.14 Number of Days. In computing the number of days for purposes of any provision of this Declaration or the Articles or Bylaws, all days shall be counted including Saturdays, Sundays, and holidays; *provided however*, that if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday, or legal holiday.

24.15 Notice of Violation. The Master Association shall have the right to Record a written notice of a violation by any Owner or Resident of any restriction or provision of the Declaration. The notice shall be executed and acknowledged by an officer of the Master Association and shall contain substantially the following information: (a) the name of the Owner or Resident; (b) the legal description of the Lot, Unit, or Parcel against which the notice is being Recorded; (c) a brief description of the nature of the violation; (d) a statement that the notice is being Recorded by the Master Association pursuant to this Declaration; and (e) a statement of the specific steps which must be taken by the Owner or Resident to cure the violation. Recordation of a notice of violation shall serve as a notice to the Owner and Resident, and to any subsequent purchaser of the Lot, Unit, or Parcel, that there is such a violation. If, after the Recordation of such notice of violation, it is determined by the Master Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Master Association shall Record a notice of compliance which shall state the legal description of the Lot, Unit, or Parcel against which the notice of violation was recorded, the Recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured or, if such be the case, that it did not exist. Notwithstanding the foregoing, failure by the Master Association to Record a notice of violation shall not constitute a waiver of any existing violation or evidence that no violation exists.

24.16 Security. The Master Association may, but shall not be obligated to, maintain, or support certain activities within Wohali designed to make Wohali safer than it otherwise might be.

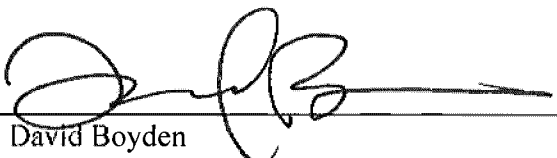
NEITHER THE MASTER ASSOCIATION, THE BOARD, THE MANAGER, THE DESIGN REVIEW BOARD, NOR THE DECLARANT OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES OR AGENTS SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY “WITHIN WOHALI, HOWEVER, AND NEITHER THE MASTER ASSOCIATION, THE BOARD, THE MANAGER,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

24.17 Use of Wohali Term. No Person shall use the term “Wohali” or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant.

*[SIGNATURE AND ACKNOWLEDGMENT PAGE FOLLOWS]*

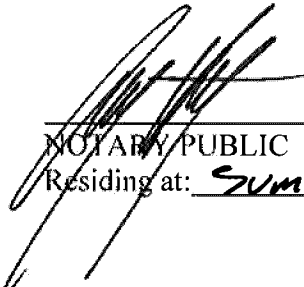
IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the date first above written.

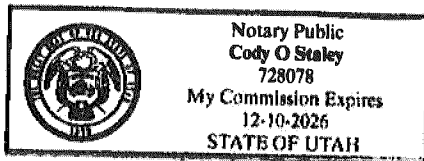
**WOHALI LAND ESTATES LLC,**  
a Utah limited liability company

By:   
Name: David Boyden  
Title: Authorized Manager

STATE OF UTAH            )  
                                  : ss  
COUNTY OF Summit    )

The foregoing Amended & Restated Master Declaration of Covenants, Conditions, Restrictions, and Easements for Wohali was acknowledged before me this 25 day of September, 2023, by David Boyden, as the Authorized Manager of Wohali Land Estates LLC, a Utah limited liability company, on behalf of such limited liability company.

  
\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: Summit, UT



**EXHIBIT A  
TO  
AMENDED & RESTATED MASTER DECLARATION OF COVENANTS,  
CONDITIONS, RESTRICTIONS, AND EASEMENTS  
FOR WOHALI**

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(Legal Description of the Property)

The real property referenced in the foregoing instrument is located in Coalville City, Summit County, Utah and is more particularly described as follows:

**Phase I of Wohali:**

**(For reference purposes only: Parcel ID Nos. WOH-1-1 through WOH-1-15 and WOH-1-64 through WOH-1-73):**

LOTS 1-15 AND 64-73, ACCORDING TO THE WOHALI PHASE I SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS RECORDED JANUARY 21, 2022 AS ENTRY NO. 01181925 IN BOOK 2719 AT PAGE 562 IN THE OFFICE OF THE SUMMIT COUNTY RECORDER.

**Wohali's As-Surveyed Property Boundary:**

**(For reference purposes only: Parcel ID No. CT-WOH-COMB):**

BEGINNING AT THE NORTHWEST CORNER OF SECTION 18, TOWNSHIP 2 NORTH, RANGE 5 EAST, SALT LAKE BASE & MERIDIAN AND RUNNING THENCE NORTH 89°11'21" EAST 3743.70 FEET; THENCE SOUTH 56°22'29" EAST 406.43 FEET; THENCE SOUTH 17°05'28" EAST 369.20 FEET; THENCE SOUTH 48°07'57" EAST 780.00 FEET; THENCE SOUTH 12°44'02" WEST 123.14 FEET; THENCE SOUTH 19°38'38" WEST 291.90 FEET; THENCE SOUTH 19°38'38" WEST 1180.02 FEET; THENCE SOUTH 19°38'38" WEST 160.08 FEET; THENCE SOUTH 23°08'38" WEST 700.00 FEET; THENCE SOUTH 0°42'14" EAST 201.86 FEET; THENCE SOUTH 0°42'14" EAST 387.14 FEET; THENCE SOUTH 89°59'49" EAST 387.39 FEET; THENCE SOUTH 21°37'45" WEST 483.72 FEET; THENCE SOUTH 21°37'45" WEST 960.50 FEET; THENCE SOUTH 88°26'37" WEST 1148.59 FEET; THENCE NORTH 89°17'17" WEST 2616.35 FEET; THENCE NORTH 0°11'51" WEST 746.45 FEET; THENCE SOUTH 89°14'02" WEST 245.57 FEET; THENCE SOUTH 89°14'02" WEST 1732.04 FEET; THENCE NORTH 24°14'35" EAST 114.04 FEET; THENCE SOUTH 61°22'24" WEST 4028.44 FEET; THENCE NORTH 57°24'30" WEST 5260.39 FEET; THENCE NORTH 69°41'17" EAST 935.37 FEET; THENCE NORTH 43°11'17" EAST 1900.00 FEET; THENCE NORTH 28°56'17" EAST 1025.00 FEET; THENCE NORTH 28°01'17" EAST 2293.08 FEET; THENCE NORTH 83°49'36" EAST 682.00 FEET; THENCE SOUTH 0°05'27" EAST 1048.23 FEET; THENCE SOUTH 88°52'20" EAST 5453.59 FEET; TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THEREFROM WOHALI PHASE I SUBDIVISION, WHICH IS THE FOLLOWING DESCRIBED LAND AS CONVEYED TO WOHALI LAND ESTATES, LLC, A UTAH LIMITED LIABILITY COMPANY BY THAT CERTAIN

SPECIAL WARRANTY DEED RECORDED JULY 12, 2021 AS ENTRY NO. 1168146 IN BOOK 2678 AT PAGE 405 AND AS CORRECTED BY THAT CERTAIN AFFIDAVIT OF SCRIVENER'S ERROR RECORDED NOVEMBER 2, 2021 AS ENTRY NO. 1176663 IN BOOK 2703 AT PAGE 1043 OF OFFICIAL RECORDS:

A PARCEL OF LAND LOCATED IN SECTION 18, TOWNSHIP 2 NORTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, COALVILLE, SUMMIT COUNTY, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS N89°11'21"E 2365.67 FEET ALONG THE NORTH SECTION LINE OF SECTION 18 FROM THE NORTHWEST CORNER OF SECTION 18, TOWNSHIP 2 NORTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 89°11'21" EAST 60.01 FEET; THENCE SOUTH 10°28'25" EAST 134.39 FEET TO A POINT ON A 100.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 79°31'35" WEST; THENCE SOUTHERLY 23.58 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°30'27" (CHORD BEARS SOUTH 03°43'12" EAST 23.52 FEET) TO A POINT ON A 443.00 FOOT RADIUS COMPOUND CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 86°57'58" WEST; THENCE SOUTHERLY 171.95 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 22°14'21" (CHORD BEARS SOUTH 14°09'13" WEST 170.87 FEET) TO A POINT ON A 133.00 FOOT RADIUS COMPOUND CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 64°43'37" WEST; THENCE SOUTHWESTERLY 70.46 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30°21'13" (CHORD BEARS SOUTH 40°27'00" WEST 69.64 FEET) TO A POINT ON A 87.00 FOOT RADIUS REVERSE CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 34°22'24" EAST; THENCE SOUTHWESTERLY 28.35 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18°40'16" (CHORD BEARS SOUTH 46°17'28" WEST 28.23 FEET); THENCE SOUTH 36°57'21" WEST 96.91 FEET TO A POINT ON A 15.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 58°07'52" EAST; THENCE SOUTHERLY 21.21 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 81°01'24" (CHORD BEARS SOUTH 08°38'34" EAST 19.49 FEET); THENCE SOUTH 49°09'15" EAST 35.06 FEET TO A POINT ON A 100.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 40°50'45" EAST; THENCE EASTERLY 158.59 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°51'52" (CHORD BEARS NORTH 85°24'49" EAST 142.48 FEET); THENCE NORTH 39°58'53" EAST 116.77 FEET TO A POINT ON A 275.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 50°01'07" EAST; THENCE NORTHEASTERLY 81.89 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°03'41" (CHORD BEARS NORTH 48°30'44" EAST 81.59 FEET); THENCE NORTH 57°02'34" EAST 200.87 FEET TO A POINT ON A 125.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 32°57'26" EAST; THENCE EASTERLY 193.95 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 88°53'57" (CHORD BEARS SOUTH 78°30'27" EAST 175.07 FEET); THENCE SOUTH 34°03'29" EAST 29.90 FEET TO A POINT ON A 125.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 55°56'31" EAST; THENCE SOUTHEASTERLY 85.51 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 39°11'40" (CHORD BEARS SOUTH 53°39'19" EAST 83.85 FEET); THENCE SOUTH 73°15'09"

EAST 93.68 FEET TO A POINT ON A 175.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 16°44'51" WEST; THENCE SOUTHEASTERLY 53.64 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°33'48" (CHORD BEARS SOUTH 64°28'14" EAST 53.43 FEET); THENCE SOUTH 55°41'20" EAST 26.36 FEET TO A POINT ON A 125.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 34°18'40" EAST; THENCE EASTERLY 143.66 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 65°50'53" (CHORD BEARS SOUTH 88°36'47" EAST 135.88 FEET); THENCE NORTH 58°27'47" EAST 49.23 FEET TO A POINT ON A 125.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 31°32'13" EAST; THENCE EASTERLY 157.41 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 72°09'00" (CHORD BEARS SOUTH 85°27'43" EAST 147.21 FEET); THENCE NORTH 40°36'47" EAST 189.93 FEET; THENCE NORTH 10°37'48" EAST 189.19 FEET; THENCE NORTH 89°11'21" EAST 79.72 FEET; THENCE SOUTH 56°22'29" EAST 169.81 FEET; THENCE SOUTH 33°37'31" WEST 193.48 FEET; THENCE SOUTH 52°52'18" EAST 156.58 FEET; THENCE SOUTH 09°56'22" EAST 480.27 FEET; THENCE SOUTH 86°16'33" WEST 82.25 FEET; THENCE SOUTH 01°41'07" WEST 263.56 FEET; THENCE SOUTH 88°18'53" EAST 198.14 FEET; THENCE SOUTH 09°08'58" WEST 1,261.94 FEET; THENCE NORTH 83°04'19" WEST 187.88 FEET; THENCE SOUTH 12°12'25" WEST 558.18 FEET; THENCE NORTH 77°47'35" WEST 481.29 FEET; THENCE SOUTH 12°12'25" WEST 332.08 FEET; THENCE SOUTH 87°51'01" WEST 380.73 FEET TO A POINT ON A 275.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 87°04'58" EAST; THENCE SOUTHERLY 25.05 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05°13'07" (CHORD BEARS SOUTH 05°31'36" EAST 25.04 FEET); THENCE SOUTH 81°51'51" WEST 50.00 FEET; THENCE SOUTH 58°47'03" WEST 205.16 FEET; THENCE NORTH 51°26'07" WEST 137.45 FEET; THENCE NORTH 32°37'56" WEST 218.97 FEET; THENCE NORTH 53°04'13" EAST 243.33 FEET; THENCE NORTH 30°45'49" EAST 650.95 FEET; THENCE NORTH 19°44'42" EAST 259.65 FEET; THENCE NORTH 44°52'50" EAST 169.31 FEET; THENCE NORTH 14°57'19" WEST 813.24 FEET; THENCE NORTH 22°01'51" EAST 621.24 FEET; THENCE NORTH 07°47'43" EAST 216.90 FEET TO A POINT ON A 175.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 16°44'51" EAST; THENCE NORTHWESTERLY 119.71 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 39°11'40" (CHORD BEARS NORTH 53°39'19" WEST 117.39 FEET); THENCE NORTH 34°03'29" WEST 29.90 FEET TO A POINT ON A 75.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 55°56'31" WEST; THENCE WESTERLY 116.37 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 88°53'57" (CHORD BEARS NORTH 78°30'27" WEST 105.04 FEET); THENCE SOUTH 57°02'34" WEST 200.87 FEET TO A POINT ON A 225.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 32°57'26" EAST; THENCE SOUTHWESTERLY 67.00 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°03'41" (CHORD BEARS SOUTH 48°30'44" WEST 66.75 FEET); THENCE SOUTH 39°58'53" WEST 116.77 FEET TO A POINT ON A 150.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 50°01'07" WEST; THENCE WESTERLY 237.88 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°51'52" (CHORD BEARS SOUTH 85°24'49" WEST 213.73 FEET); THENCE NORTH 49°09'15" WEST 35.10 FEET TO A POINT ON A 15.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER



OF WHICH BEARS SOUTH 40°50'45" WEST; THENCE WESTERLY 22.20 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 84°47'03" (CHORD BEARS SOUTH 88°27'13" WEST 20.23 FEET); THENCE NORTH 43°56'49" WEST 50.01 FEET TO A POINT ON A 375.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 43°56'49" WEST; THENCE NORTHEASTERLY 59.54 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°05'51" (CHORD BEARS NORTH 41°30'16" EAST 59.48 FEET); THENCE NORTH 36°57'21" EAST 95.87 FEET TO A POINT ON A 87.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 53°02'39" WEST; THENCE NORTHEASTERLY 31.85 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°58'33" (CHORD BEARS NORTH 26°28'04" EAST 31.67 FEET); THENCE NORTH 15°58'48" EAST 34.77 FEET TO A POINT ON A 133.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 74°01'12" EAST; THENCE NORTHERLY 23.12 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°57'40" (CHORD BEARS NORTH 20°57'38" EAST 23.09 FEET) TO A POINT ON A 357.00 FOOT RADIUS REVERSE CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 64°03'32" WEST; THENCE NORTHERLY 154.59 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 24°48'39" (CHORD BEARS NORTH 13°32'09" EAST 153.39 FEET); THENCE NORTH 00°56'51" EAST 79.63 FEET TO A POINT ON A 100.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 89°03'09" WEST; THENCE NORTHERLY 4.98 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02°51'03" (CHORD BEARS NORTH 00°28'41" WEST 4.98 FEET); THENCE NORTH 01°54'12" WEST 53.81 FEET TO THE POINT OF BEGINNING.

**(For reference purposes only: Parcel ID No. CT-441):**

BEGINNING AT THE NORTHWEST CORNER OF SECTION 17, TOWNSHIP 2 NORTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 88°36'14" EAST 1,803.94 FEET ALONG THE SECTION LINE, MORE OR LESS, TO THE USA PROPERTY; THENCE SOUTH 06°59'54" EAST 237.06 FEET; THENCE SOUTH 18°53'54" EAST 502.00 FEET; THENCE SOUTH 28°19'54" EAST 190.60 FEET; THENCE SOUTH 01°08'06" WEST 182.65 FEET TO PARCEL NS-440; THE NEXT (3) COURSES ARE ALONG THE EXISTING FENCE LINE COMMON TO PARCEL NS-440; THENCE NORTH 88°40'16" WEST 1,902.33 FEET; THENCE SOUTH 00°58'29" EAST 992.30 FEET; THENCE SOUTH 88°37'54" EAST 1,039.76 FEET TO A 3 WAY FENCE CORNER; THENCE SOUTH 15°31'34" EAST 636.72 FEET ALONG AN EXISTING LINE OF FENCE COMMON TO PARCEL NS- 437; THENCE NORTH 89°06'43" WEST 1,363.89 FEET ALONG THE PROJECTION OF AN EXISTING LINE OF FENCE TO THE WEST QUARTER CORNER OF SAID SECTION 17, SAID QUARTER CORNER BEING MARKED WITH AN ORIGINAL STONE; THENCE NORTH 00°55'18" WEST 2,670.12 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.

**(For reference purposes only: Parcel ID No. CT-449):**

BEGINNING AT THE NORTHEAST CORNER OF SECTION 18, TOWNSHIP 2 NORTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 89°10'22" WEST 138.00 FEET ALONG THE SECTION LINE;

THENCE SOUTH 08°20'22" WEST 168.00 FEET; THENCE SOUTH 03°10'22" WEST 128.00 FEET; THENCE SOUTH 16°55'22" WEST 788.00 FEET; THENCE SOUTH 13°28'41" WEST 71.32 FEET; THE NEXT (5) COURSES ARE ALONG THE ADJACENT WOHALI PARTNERS BOUNDARY AS DELINEATED BY AN EXISTING RECORD OF SURVEY; THENCE SOUTH 12°43'34" WEST 123.14 FEET; THENCE SOUTH 19°38'10" WEST 1,632.00 FEET; THENCE SOUTH 23°08'10" WEST 700.00 FEET; THENCE SOUTH 00°42'42" EAST 589.00 FEET; THENCE NORTH 89°59'43" EAST 1,313.27 FEET, MORE OR LESS, TO THE SECTION LINE; THENCE NORTH 00°29'49" WEST 1,339.27 FEET ALONG SAID LINE TO THE EAST QUARTER CORNER OF SECTION 18, SAID QUARTER CORNER BEING MARKED WITH AN ORIGINAL STONE; THENCE NORTH 00°55'18" WEST 2,670.12 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.