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Restrictive Covenants PAGE 1 / 35

DEBRA P. ZIRBES, JUAB COUNTY RECORDER

FEE \$ 102.00 BY FULL TILT HOLDINGS



WHEN RECORDED, MAIL TO:

Full Tilt Holdings, LLC
Attn: Carlton Richey
3471 South 4550 West
West Haven, Utah 84401

**DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS
OF
SAHARA SUNRISE**

This Declaration of Covenants, Conditions, Easements and Restrictions (together with any subsequent amendments or additions thereto, this "Declaration") is made and executed this 7 day of October 2024 by Full Tilt Holdings, LLC, a Utah limited liability company (the "Declarant"). This Declaration shall take effect when recorded in the Office of the County Recorder of Juab County, Utah (the "County Recorder").

RECITALS

A. Declarant owns the real property located in Juab County, Utah and more particular described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), and Declarant intends, by this Declaration, to create covenants, conditions, easements, and restrictions applicable to the Property (as the same affects the Property, the "Project").

B. The Project will have Common Areas to be owned and managed by and through the Association.

C. The Association is being formed concurrently with the filing of this Declaration, which Association will maintain the Common Areas, provide for the management and operation of the Common Areas, levy and collect Assessments, and administer and enforce the terms of this Declaration, as hereinafter described.

D. The covenants, conditions and restrictions contained in this Declaration and in the Exhibits attached hereto shall be enforceable equitable servitudes and shall run with the land.

NOW, THEREFORE, for the foregoing purposes, the Declarant adopts the following covenants, conditions, easements and restrictions to govern the development, use, maintenance and management of the Project:

**ARTICLE 1.
DEFINITIONS**

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

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

1.2. "Architectural Review Board" or "ARB" shall mean the Architectural Review Board created by this Declaration, the Bylaws, and/or the Articles.

1.3. "Articles" shall mean the Articles of Incorporation of the Association filed with the Utah Department of Commerce, Division of Corporations and Commercial Code, as the same may be amended from time to time.

1.4. "Assessable Lot" shall mean each Lot, except for Exempt Lot.

1.5. "Assessments" shall mean all assessments described in ARTICLE 12, including, without limitation, Regular Common Assessments, Special Common Assessments and Specific Assessments.

1.6. "Association" shall mean Sahara Sunrise Lot Owners Association, a Utah non-profit corporation.

1.7. "Board" shall mean the Board of Directors of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

1.8. "Bylaws" shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit B, as amended from time to time.

1.9. "Capital Improvement" shall mean any improvement with a useful life of more than three (3) years.

1.10. "Common Areas" shall mean all property designated on the recorded Plat(s) as Common Areas or described within this Declaration as Common Areas, being owned or intended ultimately to be owned by the Association in fee or by easement for the common use and enjoyment of all Owners, together with all improvements or structures thereon and all of the easements appurtenant thereto, including any private roadways. The Association shall have, and is hereby granted, an easement over and through all areas of the Project that are located outside of the footprint of any constructed improvement to satisfy its maintenance and repair obligations of all Common Areas.

1.11. "Common Assessments" shall mean those assessments described in ARTICLE 12 to fund the Common Expenses, which includes Regular Common Assessments and Special Common Assessments.

1.12. "Common Expense Account" shall mean one or more deposit or investment accounts of the Association into which are deposited the Common Assessments.

1.13. "Common Expenses" shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and all other expenses denominated as Common Expenses or expenses of the Association by this Declaration or by the Act. Without limiting the preceding sentence, such costs, expenses and liabilities shall include (a) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Areas; (b) providing facilities, services, utilities and other benefits to Owners as set forth in this Declaration; (c) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (d) levying, collecting and enforcing the Assessments; (e) operating the Association; and (f) creating reserves for any such costs, expenses and liability as required by this Declaration or the Act.

1.14. "County" shall mean Juab County, Utah and its appropriate departments, officials and committees.

1.15. "Declarant" shall mean Full Tilt Holdings, LLC, a Utah limited liability company, and its successors and assigns. Conveyance of all of the Lots shall not, by itself, constitute an assignment of Declarant's rights as "Declarant" hereunder. An assignment of Declarant's rights as "Declarant" hereunder

shall be made only by a written assignment signed by Declarant specifically stating Declarant's intent to transfer and assign its rights as "Declarant" to the assignee under such assignment.

1.16. "Declarant Affiliate" means any person directly or indirectly controlling, controlled by or under common control with Declarant, and shall include any general or limited partnership, limited liability company, limited liability partnership or corporation in which Declarant (or another Declarant Affiliate) is a general partner, manager, managing member or controlling shareholder.

1.17. "Declarant Control Period" means the period of time during which the Declarant has Class B membership status as provided herein.

1.18. "Dry Recreational Subdivision" shall have the meaning given it in the Recreational Subdivision Ordinance.

1.19. "Dwelling" shall mean either singularly, a Temporary Dwelling or a Permanent Dwelling, as the context permits, and collectively, all Temporary Dwellings and Permanent Dwellings.

1.20. "Exempt Lot(s)" shall mean each Lot in the Project while owned by Declarant or a Declarant Affiliate until the earlier to occur of (a) the acquisition of title to the Lot by a person or entity other than Declarant or a Declarant Affiliate, or (b) Declarant or Declarant Affiliate voluntarily and expressly making a Lot non-exempt as specified herein.

1.21. "Governing Documents" shall mean this Declaration, the Articles, the Bylaws, the Rules, and any other documents or agreements binding upon an Owner.

1.22. "Improvement" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, Dwellings, residences, solar panels, fire pits, storm drain culverts, detention basins, drinking water storage containers, garages, sheds, shelters, outhouses, other structures, walkways, retaining walls, driveways, fences, landscaping, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

1.23. "Lease" shall mean any agreement for the leasing or rental of a Lot or any other portion of the Project.

1.24. "Lot" shall mean each of the tracts of land shown on the Plat as a numbered building lot, including all Improvements located thereon.

1.25. "Manager" shall mean the person(s) or company(ies), if any, hired by the Association to manage the affairs of the Association and the Project. The Association shall enter into a written management agreement with any Manager setting forth the rights, duties and obligations of the Manager, including the services to be provided, the standards of performance required, and the rights and remedies applicable in the event of any breaches or defaults. The rights and remedies shall include the right to terminate the management agreement in accordance with the terms and provisions therein; and the right of the Association to hire a replacement Manager.

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

1.27. "Mortgagee" shall mean (a) any persons or entities named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, (b) any successor to the interest of

such person or entity under such Mortgage, or (c) any insurer or guarantor of such person or entity under such Mortgage.

1.28. “Notice of Claim” shall mean and include the following information: (a) an explanation of the nature of the claim, (b) a specific breakdown and calculation of any alleged damages, (c) a specific description of the claim along with any supporting opinions, information, or factual evidence upon which the claim is based, (d) photographs of any alleged condition, if applicable, (e) samples of any alleged defective conditions or materials, (f) all efforts taken to avoid, mitigate, or minimize the claim or any alleged damages arising therefrom, and (g) the names, phone numbers, and address of each person providing factual information, legal or factual analysis, or legal or factual opinions related to the claim.

1.29. “Owner” shall mean any individual or entity at any time owning in fee simple a Lot within the Project, as such ownership is shown by the records of the County Recorder. The term “Owner” shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

1.30. “Permanent Dwelling” shall mean a dwelling structure requiring a permanent foundation and shall not include any of the structures within the definition of “Temporary Dwellings.”

1.31. “Plat” shall mean the official and recorded plat of the Project, as filed of record in the County Recorder, as the same may be amended (including amendments effected by vacating all or part of such plat and recording a superseding plat covering the vacated portion) from time to time.

1.32. “Project” shall have the meaning set forth in the Recitals to this Declaration, and shall include the Property, the Lots, the Improvements, the Common Areas, and all improvements constructed on the Property.

1.33. “Property” shall have the meaning set forth in the Recitals to this Declaration.

1.34. “Recreational Subdivision Ordinance” shall mean Juab County Code Section 12-2-501 (Recreational Subdivision).

1.35. “Regular Common Assessments” shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses.

1.36. “Rules” means any instrument adopted by the Board for the regulation and management of the Association as provided in the Governing Documents.

1.37. “Special Common Assessments” shall mean assessments, which the Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

1.38. “Specific Assessments” shall mean assessments which the Association may levy from time to time against an Owner or Owner’s Lot, in addition to Regular Common Assessments and Special Common Assessments, for the purposes provided herein.

1.39. “Temporary Dwelling” shall mean any temporary dwelling not considered a Permanent Dwelling, including, without limitation, “Recreational Vehicles” (as defined in 12-1-202 of the County Code), tents, yurts, tepees, and other similar shelters not requiring a permanent foundation.

1.40. “Total Votes of the Association” shall mean the total number of votes appertaining to all Lots, as described in ARTICLE 14 hereof, including all votes pertaining to the Class B member for such time as Declarant owns at least one (1) Lot.

**ARTICLE 2.
SUBJECT TO ACT AND RECREATIONAL SUBDIVISION ORDINANCE**

2.1. Declarant hereby confirms and acknowledges that the Project is subject to the provisions of the Act and the Recreational Subdivision Ordinance. The Project is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved as a recreational subdivision known as Sahara Sunrise, as described more fully below. All of the Project is and shall be subject to the covenants, conditions, restrictions, easements, uses, limitations and obligations set forth herein and the Recreational Subdivision Ordinance, each and all of which are declared and agreed to be for the benefit of the Project. Without limiting the foregoing, and in accordance with the Recreational Subdivision Ordinance, any Dwelling located on a Lot shall be a Temporary Dwelling at all times in which the Project is deemed a Dry Recreational Subdivision. At such time power, water and wastewater systems and facilities are provided to and service the Property (or any portion thereof) in accordance with the Recreational Subdivision Ordinance, such that the Project (or portion thereof) is no longer deemed a Dry Recreational Subdivision, such Owners shall be permitted to apply for a building permit with the County to construct a Permanent Dwelling on such Owner’s Lot in accordance with applicable law. Each of the Owners agree, with respect to such Owner’s Lot, and at all times the Project is deemed a Dry Recreational Subdivision, to be responsible to supply its own water, waste water, sewage and sanitation needs, waste and garbage collection, and to dispose of such waste and collection in accordance with the Rules and applicable law. Further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit on the Property and shall be binding on any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

**ARTICLE 3.
EASEMENTS**

3.1. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area, including, without limitation, the private roadways and drives located on the Lots and designated on the Plat(s). Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom, or encumbered, pledged, assigned or otherwise alienated by an Owner. Any Owner may temporarily delegate the right and easement of use and enjoyment described herein to any family member, guest, tenant, lessee, contract purchaser, or other person who resides on such Owner’s Lot. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Area except for the necessary parking, access, and utility easements, if any, for use in common with others.

3.2. An Owner’s right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

3.2.1. The right of the Association to govern by Rules the use of the Common Area for the Owners so as to provide for the enjoyment of said Common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Lots by every Owner, including the right of the Association to impose reasonable limitations on the number of guests per Owner who at any given time are permitted to use the Common Area;

3.2.2. The right of the Association to suspend an Owner's right to the use of the Common Areas, or any amenities included therein, for any period during which an Owner is in violation of the terms and conditions of the Governing Documents or delinquent in the payment of a levied Assessment or fee; and

3.2.3. The right of the County, and any other governmental or quasi-governmental body having jurisdiction over the Property, to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection, utility access/installation, and providing any other governmental or municipal service.

3.3. The Association hereby reserves an easement for access and utilities (including but not limited to: electrical, gas, communication, phone, internet, cable, sewer, drainage and water facilities) over, under, along, across and through the Property, together with the right to grant to the County, or any other appropriate governmental agency, public utility or other utility corporation or association, easements for such purposes over, under, across, along and through the Property upon the usual terms and conditions required by the grantee thereof for such easement rights, provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Association and those claiming by, through or under the Owners or the Association; and in connection with the installation, maintenance or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof. Each Owner in accepting the deed to a Lot expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

3.4. The Lots are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees, independent contractors and other permittees from time to time:

3.4.1. For inspection during reasonable hours of the Lots in order to verify the performance by Owners or other persons of all items of maintenance and repair for which they are responsible;

3.4.2. For correction of emergency conditions on one or more Lots;

3.4.3. For the purpose of enabling the Association, the Architectural Review Board or any other committees appointed by the Association to exercise and discharge during reasonable hours their respective rights, powers and duties;

3.4.4. For inspection during reasonable hours of the Lots in order to verify that the Owners and occupants, and their guests, tenants and invitees, are complying with the provisions of the Governing Documents;

3.4.5. For the purpose of taking preventative measures for safety and fire prevention within the Project, including the construction of fire roads, upon the approval of a majority of Owners present in person or proxy, a quorum being present, at an annual or special meeting;

3.4.6. For the purpose of expelling stray livestock or other animals which traverse the Project from time to time; and

3.4.7. For the purpose of opening and closing roadways within the Project for maintenance, protection, weather and other related concerns.

**ARTICLE 4.
COMMON AREAS**

4.1. The Common Areas shall mean (a) those portions of the Property that are not part of the Lots, such as any open space areas of the Project, any common landscaping of the Project, any non-public roadways, drives and walkways within the Project, (b) those portions of the Property that are part of the Lots consisting of private roadways and driveways for ingress, egress and access to areas within the Project, and the Owners burdened thereby grant to the other Owners and to the Association an easement for use and enjoy of the same, and (c) any other Improvements and areas in the Project that are designated as Common Areas on the Plat. The Board may adopt and enforce reasonable Rules governing the use of the Common Areas. All access roads within the Project must be constructed and maintained to provide access for emergency services vehicles. Notwithstanding the foregoing, the Declarant, the Association and all Owners acknowledge and agree that County emergency services may be limited or delayed due to the remote location of the Project.

4.2. The Common Areas in the Project shall be owned and maintained by the Association, and the recordation of the Plat or this Declaration, whichever occurs later, shall operate to convey title to all Common Areas to the Association. Without limiting the foregoing, no Owner, directly or indirectly, shall make any alterations to any of the Common Areas without the prior written consent of the Board.

4.3. Except as otherwise provided in this Declaration, the Association, or its duly designated agent, including the Manager, shall maintain all Common Areas, including, without limitation, the improvements and landscaping located thereon, if any, in good order and repair and shall otherwise manage and operate all Common Areas as it deems necessary and appropriate. The Association shall have the authority to assess the Owners for the costs of said maintenance in accordance with the terms of this Declaration.

**ARTICLE 5.
NATURE AND INCIDENTS OF LOT OWNERSHIP**

5.1. Each Lot is a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration. Subject to the limitations contained in this Declaration, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and the exclusive right to occupy and use such Owner's Lot.

5.2. Each Owner shall keep their Lot, including any Dwelling located thereon, in a sanitary and attractive condition and in a good state of repair. In the event that any such Lot should develop an unsanitary condition or fall into a state of disrepair, and in the event that the Owner of such Lot should fail to correct such condition or state of disrepair promptly following written notice from the Board, the Board shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to correct or eliminate said unsanitary condition or state of disrepair. The Association shall collect any costs or expenses incurred by the Association to correct or eliminate an unsanitary condition or state of disrepair by Specific Assessment against the subject Lot.

5.3. Title to a Lot may be held or owned by any individual or entity and in any manner in which title to any other real property may be held or owned in the State of Utah. Title to part of a Lot may not be separated from any other part thereof during the period of ownership, and each Lot shall always be

conveyed, devised, encumbered and otherwise affected only as a complete Lot. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Lot, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Lot, together with all appurtenant rights created by law and by this Declaration, including appurtenant membership in the Association as herein set forth.

5.4. The Common Areas shall be owned by the Association, and no Owner may bring any action for partition thereof.

5.5. Each Owner shall have the right to encumber such Owner's interest in a Lot with a Mortgage. However, no Owner shall attempt to or shall have the right to encumber the Common Areas or any part thereof. Any Mortgage of any Lot within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

5.6. No labor performed or services or materials furnished with the consent of or at the request of an Owner may be the basis for the filing of a lien against the Lot of any other Owner, or against any part thereof, or against any other property of any other Owner, unless the other Owner has expressly consented to or requested the performance of such labor or furnishing of such services. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project if authorized by the Association and provided for in the Declaration, shall be deemed to be performed or furnished with the express consent of each Owner. The Owner may remove such Owner's Lot from a lien against two or more Lots or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien attributable to such Owner's Lot.

ARTICLE 6. RESTRICTIONS ON USE

6.1. Except as otherwise permitted in writing by the Board, but in any event as required by the Recreational Subdivision Ordinance, the Lots and Common Areas shall be used in accordance with the following restrictions:

6.1.1. All Owners and their guests and tenants shall comply with all state and local statutes, ordinances, rules, regulations, and orders applicable to the Project, including, without limitation, the Recreational Subdivision Ordinance and the Rules. Without limiting the foregoing, and as the same may be more particularly set forth in the Recreational Subdivision Ordinance, (a) no Permanent Dwellings may be constructed on a Lot until such time as water and wastewater systems are installed and service such Lot; (b) no Temporary Dwelling shall be occupied for more than twenty-one (21) consecutive days or more than a cumulative one-hundred eighty (180) total days during any calendar year; (c) where any access roads are gated, keys and/or access codes will be provided to all County emergency services agencies; (d) no Lot, or portions thereof, may be further divided or subdivided, sold or conveyed so as to be held in divided ownership (as opposed to community property, tenancy in common, or other form of joint undivided ownership); (e) no short-term rentals shall be permitted unless and until the Project is no longer deemed a Dry Recreational Subdivision in accordance with the terms of the Recreational Subdivision Ordinance; (f) one (1) accessory building or structure less than two hundred square feet (200 sq. ft.) or a maximum of two (2) metal shipping containers (one (1) per 5-acre Lot) no larger than three hundred twenty square feet (320 sq. ft.) each may be allowed on a Lot within the Project; (g) any metal shipping container located on a Lot must be a natural tone to blend in with the natural landscape; and (h) a minimum of a twenty-pound (20 lbs.) fire extinguisher must be on site on each Lot when such Lot is being occupied or in use.

6.1.2. No noxious, destructive or offensive activity shall be carried on or placed in or upon any Lot or in the Common Areas, or any part thereof, which shall interfere with the legal rights of other Owners, nor shall anything be done therein which is or may become an unreasonable annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unreasonably unsafe or hazardous to any person or property. The Common Areas shall be used only in a manner that is consistent with their community nature and the use restrictions applicable to the Lots and otherwise in compliance with the Rules. Without limiting the breadth of the foregoing sentence, (a) no automobile or other vehicle shall be parked at any location within the Common Areas which impairs or tends to impair vehicular or pedestrian access within the Common Areas or to and from its various parts, and (b) no stripped-down, partially wrecked, or junk motor vehicles of any kind (including snowmobiles, motorcycles, 4-wheelers, machinery, etc. that are inoperable), or sizable parts thereof, shall be permitted to be parked or maintained on any street, drive, road, Common Areas or Lots within the Project.

6.1.3. All animals, if permitted by the Rules, shall not create a nuisance, which nuisance is deemed to have occurred if any of the following acts occur: (a) causing damage to the property of anyone other than the pet owner; (b) causing unsanitary conditions; (c) defecating on any Common Areas when the feces are not immediately cleaned up by the responsible party; (d) barking, howling, whining or making other disturbing noises in an excessive or continuous fashion; (e) harassing passersby by lunging at them or chasing vehicles; (f) attacking or threatening to attack people or other domestic pets; or (g) otherwise acting so as to unreasonably bother, annoy or disturb other residents or unreasonably interfering with their right of peaceful and quiet enjoyment of their Lots.

6.2. No Owner shall, without the prior written consent of the Board, do any act that would impair any easement or hereditament appurtenant to the Project, or make or permit to be made any alteration, improvement or addition to the Common Areas or such Owner's Lot, including, without limitation, clearing of vegetation or re-grading of such Lots. There shall be no obstruction of the Common Areas by any Owner. Owners shall neither store nor leave any of their property in the Common Areas, except with the prior consent of the Board. Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof that would result in cancellation of the insurance on the Project or any part thereof, if any, nor shall anything be done or kept in any Lot which would increase the rate of any insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Board.

6.3. Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or such Owner's guests, lessees, licensees or invitees.

6.4. Each Owner shall comply strictly with all Rules adopted by the Association for the governance of the Lots, the Common Areas, and the Project, as such Rules may be modified, amended and construed by the Association in the sole discretion of its Board.

6.5. Any Lease agreement between an Owner and a lessee regarding a Lot shall be subject in all respects to the provisions of this Declaration, the Articles, the Bylaws, and applicable law (including the Recreational Subdivision Ordinance) and any failure by the lessee to comply with the terms of such documents and laws shall be a default under the Lease. An Owner shall be responsible and liable for any damage to the Project caused by such Owner's tenant.

**ARTICLE 7.
ASSOCIATION AND BOARD OF DIRECTORS**

7.1. Each Owner shall be entitled and required to be a member of the Association. There shall be two (2) classes of membership in the Association, as set forth in ARTICLE 14 herein. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one membership for each Lot owned by such Owner. Each membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from the Association membership appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Lot shall constitute a devise, encumbrance, conveyance or other disposition, respectively, of such Owner's membership in the Association and the rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot.

7.2. The Association shall be governed by the following provisions:

7.2.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Board of Directors consisting of at least three (3) natural persons as provided in the Bylaws. The Board shall be appointed or elected as provided in this Declaration and in the Bylaws. Notwithstanding the foregoing, the Declarant shall have the exclusive right to appoint, remove and replace all members of the Board during the Declarant Control Period.

7.2.2. Except as otherwise provided herein, the Board shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

7.2.2.1. To make, adopted, amend, repeal and enforce all Rules covering the operation and maintenance of the Common Area, the Lots and other areas of the Project, including, without limitation, governing (a) the use of the Common Areas; (b) the use of any facilities owned by the Association; (c) the use of allowed firearms and/or other weapons within the Project; (d) the collection and disposal of refuse; (e) the maintenance of animals in the Project; (f) the implementation of fire safety policies or rules, including restrictions of the County regarding open fires, fireworks and other fire causing dangers; (g) collection policies and procedures; and (h) other matters concerning the use and enjoyment of the Project and the conduct and safety of residents, as deemed necessary by the Board. The Rules may supplement, clarify and add detail to issues addressed in Governing Documents. However, the Rules may not contradict the Governing Documents.

7.2.2.2. To carry out through the Manager those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association or Board, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Board, be authorized to perform any of the functions or acts required or permitted to be performed by the Board itself. The cost of retaining or employing the Manager shall be a Common Expense.

7.2.2.3. To engage the services of accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor, and to appoint committees as determined by the Board.

7.2.2.4. To operate, maintain, repair, improve and replace the Common Areas.

7.2.2.5. To determine and pay the Common Expenses.

7.2.2.6. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in ARTICLE 12 below.

7.2.2.7. To levy Specific Assessments on Owners or Lot, as provided in ARTICLE 12.

7.2.2.8. To record and/or foreclose liens against an Owner's Lot in accordance with this Declaration and applicable law.

7.2.2.9. To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

7.2.2.10. To open bank accounts on behalf of the Association and to designate the signatories therefor.

7.2.2.11. To purchase, hold, sell, convey, mortgage or lease any one or more Lots in the name of the Association or its designee.

7.2.2.12. To bring, prosecute and settle any lawsuit, binding arbitration, mediation, or governmental proceeding for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Board, the Association or the Project in excess of \$25,000 without the prior approval of a majority of the Total Votes of the Association at a meeting or by written ballot distributed to Owners by mail; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Association's insurance carrier and which in either case results in no actual liability of funds of the Association in excess of \$25,000 shall not require Association approval.

7.2.2.13. To obtain insurance for the Association with respect to the Common Areas, as well as worker's compensation insurance, as needed and required by applicable law.

7.2.2.14. To repair or restore the Common Areas following damage or destruction or a permanent taking by the power of, or power in the nature of, eminent domain, or by an action or deed in lieu of condemnation not resulting in the removal of the Common Areas from the provisions of the Act.

7.2.2.15. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board and to the operation of the Project.

7.2.2.16. To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws. The Association or the Board shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Lot current copies of the Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

7.2.2.17. To do all other acts necessary for the operation and maintenance of the Project, including the maintenance and repair of any Lot if the same is necessary to protect or preserve the Project.

7.2.2.18. To prepare, adopt, amend and disseminate budgets and other information from time to time in accordance with the terms of the Bylaws.

7.2.2.19. To grant conveyances, easements and rights-of-way over the Common Areas.

7.2.2.20. Members of the Board, the officers and any assistant officers, agents and employees of the Association (a) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (b) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (c) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and (d) shall have no personal liability arising out of the use, misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

7.2.2.21. When a member of the Board is sued for liability for actions undertaken in his or her role as a member of the Board, the Association shall indemnify such Board member for any losses or claims, and undertake all costs of defense, until and unless it is proven that such Board member acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense and may recover costs already expended from the member of the Board who so acted. Members of the Board are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Association but may be recovered from persons whose gross negligence gave rise to the damages.

7.2.3. Neither the Board nor the Manager, if any, shall sell any Property of the Association, or any portion thereof, except as permitted by the Act and this Declaration.

7.2.4. An Architectural Review Board may be created and appointed by the Board in accordance with the Governing Documents to oversee any construction, re-construction, remodeling or altering of exterior Improvements, and the Board may adopt Rules applicable to the same. If no Architectural Review Board is appointed, the Board will assume the duties and responsibilities what would be delegated to the Architectural Review Board.

ARTICLE 8. MAINTENANCE, ALTERATION AND IMPROVEMENT

8.1. The Board, acting on behalf of the Association and, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon and shall keep the same in a good and safe condition, order and repair, including, without limitation, need for any snow removal, debris or other obstructions in the Common Areas. All such costs shall be a Common Expense funded by Association assessments.

8.2. Additions or Capital Improvements to the Common Areas that cost no more than \$15,000 may be authorized by the Board alone. Additions or Capital Improvements the cost of which exceed \$15,000 and which are not part of the Board-approved annual budget of the Association must, prior to being

constructed, be authorized by Owners entitled to vote at least a majority of the Total Votes of the Association. Any additional or Capital Improvements which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed, be authorized by Owners entitled to vote at least sixty-seven percent (67%) of the Total Votes of the Association.

8.3. Each Owner shall maintain such Owner's Lot in a good condition, order and repair.

ARTICLE 9. INSURANCE

9.1. EACH OWNER SHALL BE SOLELY RESPONSIBLE TO INSURE SUCH OWNER'S LOT AND DWELLING, IF ANY, AS REQUIRED BY APPLICABLE LAW.

9.2. The following shall constitute the insurance coverage requirements of the Association:

9.2.1. The Association shall obtain property insurance covering all Common Areas and all fixtures, building service equipment, personal property and supplies comprising a part of the Common Areas, if any, or owned by the Association, but excluding land, foundations, excavations, and other items normally not covered by such policies. Such insurance 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 common areas of projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available.

9.2.2. The Association shall obtain comprehensive general liability insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area, or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

9.2.3. The Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available).

9.3. The name of the insured under each policy required to be maintained by the Association shall be the Association for the use and benefit of the individual Owners. (Said Owners shall be designated by name, if required.) Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor to such trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or insurance trustee), as a trustee for each Owner and each such Owner's Mortgagee. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

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

9.5. Insurance proceeds for a loss under the Association's property insurance policy shall be payable to the Association; and shall not be payable to a holder of a security interest. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any proceeds remaining after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Lots. Each Owner hereby appoints the Association, as attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and the execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representative, successors or assigns of an Owner.

9.6. If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a Special Assessment against all Owners, as provided in the Governing Documents.

9.7. NOTWITHSTANDING ANY OTHER PROVISION OF THIS DECLARATION, AN OWNER WHOSE LOT SUFFERS DAMAGE AS PART OF A COVERED LOSS IS RESPONSIBLE FOR PAYING A PORTION OF THE ASSOCIATION'S DEDUCTIBLE IN AN AMOUNT CALCULATED BY APPLYING THE PERCENTAGE OF TOTAL DAMAGE TO THE PROJECT WHICH AFFECTS SUCH OWNER'S LOT TO THE AMOUNT OF THE DEDUCTIBLE UNDER THE ASSOCIATION'S POLICY. IN ADDITION, IF THE BOARD REASONABLY DETERMINES THAT A COVERED LOSS IS LIKELY NOT TO EXCEED THE AMOUNT OF THE ASSOCIATION'S DEDUCTIBLE, THE ASSOCIATION NEED NOT TENDER THE CLAIM TO ITS INSURER, AND THE AFFECTED OWNER OR OWNERS ARE SOLELY RESPONSIBLE FOR SUCH DAMAGE. EACH OWNER OF EACH LOT SHALL OBTAIN HIS OR HER OWN POLICY OF INSURANCE COVERING THE RISKS IDENTIFIED IN THIS SECTION.

ARTICLE 10. MORTGAGEE PROTECTION

10.1. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other Rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Lots in the Project. Generally, these documents shall be available during normal business hours upon reasonable notice to the Association.

10.2. The lien or claim against a Lot for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Lot if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor intitle to a First Mortgagee, or the Lot affected or previously affected by the First Mortgage concerned.

10.3. In the event any taxes or other charges which may or have become a lien on the Common Areas are not timely paid, or in the event the required insurance described in Section 9.2 lapses, is not maintained, or the premiums therefor are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

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

ARTICLE 11. AMENDMENT

11.1. Except as provided elsewhere in this Declaration, this Declaration may be amended by the affirmative vote or written consent, obtained by written ballot or otherwise, or any combination thereof, of Owners holding at least sixty-seven percent (67%) of the Total Votes of the Association. Notwithstanding the foregoing, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the County Recorder of an instrument executed by the Association. In such instrument an officer or a member of the Board of the Association shall certify that the vote required by this Section for amendment has occurred.

11.2. Declarant has the unilateral right to amend, modify, extend or revoke this Declaration for any purpose during the Declarant Control Period, so long as a copy of the written amendment is provided to all other Owners. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on any Lot; or (d) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment occurring after the Declarant Control Period shall not adversely affect the title to any Lot unless the Owner of such Lot shall consent in writing. Declarant's right to amend shall be construed liberally and shall include the right to amend and/or restate this Declaration in part or in its entirety.

ARTICLE 12. ASSESSMENT OF LOTS BY THE ASSOCIATION

12.1. The making and collection of Assessments by the Association from Owners of Lots for their share of Common Expenses and otherwise shall be pursuant to the Bylaws and subject to the following provisions:

12.1.1. Declarant, for each Lot owned by Declarant which is not an Exempt Lot, and each Owner, other than Declarant, by becoming an Owner of a Lot, is deemed to covenant and agree to pay Assessments to the Association in accordance with this Declaration. Each Lot in the Project (except for Exempt Lots) shall be liable for an equal share of the Common Expenses of the Association. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this ARTICLE 12 shall be the Common Expense Account. Common Assessments shall include both Regular Common Assessments and Special Common Assessments.

Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Lot (other than Exempt Lots) annually.

12.1.2. The Association may not impose a Regular Common Assessment per Lot which is more than twenty percent (20%) greater than the previous year's Regular Common Assessment without first obtaining the vote of Owners casting a majority of the Total Votes of the Association at a meeting of the Association. Such percentage increase shall be calculated without regard to any increase attributable to an increase in real estate taxes against the Lots. The Association shall provide notice, by first class mail to all Owners, of any increase in the Regular Common Assessments not less than fifteen (15) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

12.1.3. In addition to the Regular Common Assessments, the Association may levy in any calendar year, Special Common Assessments applicable to that year only. However, in any fiscal year, except as otherwise provided in this Declaration, the Board shall not, without the vote or written assent of Owners, casting a majority of the Total Votes of the Association at a meeting or by written ballot, levy Special Common Assessments which in the aggregate exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year. All Lots within the Project, except Exempt Lots, shall pay an equal portion of any Special Common Assessment. These provisions with respect to the imposition or allocation of Special Common Assessments shall not apply when the special assessment is to pay an increase in real property taxes. The Board shall provide notice by first class mail to all Owners of any Special Common Assessments not less than fifteen (15) nor more than sixty (60) days prior to the date such Special Common Assessment is due. Special Common Assessments shall be paid as determined by the Board, and the Board may permit Special Common Assessments to be paid in installments extending beyond the fiscal year in which the Special Common Assessment is imposed.

12.1.4. The Association may also levy a Specific Assessment against an Owner or an Owner's Lot: (a) to reimburse the Association for costs incurred in bringing an Owner and/or an Owner's Lot into compliance with the provisions of this Declaration, the Bylaws, the Rules or any other governing instrument of the Project; (b) to cover costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying a Specific Assessment for this purpose; and (c) to pay the costs, including overhead and administrative costs, of providing services to the Owner or the Owner's Lot in accordance with this Declaration or pursuant to any menu of special services which may be offered by the Association or the Manager. Specific Assessments for special services may be levied in advance of the provision of the requested service.

12.1.5. All Assessments shall be due as determined pursuant to this Declaration and the Bylaws. Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall be delinquent and shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Board, from the date when due until paid. In addition, Owners who do not pay their Common Assessments when due shall be subject to a late fee of up to One Hundred Dollars (\$100.00), adjustable from year to year at the discretion of the Board. All payments of Assessments shall be first applied to accrued interest and late fees, and then to the Assessment payment first due. All Assessments to pay a judgment against the Association may be made only against the Lots in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Lot(s). If the Owners' percentage interests in the Common Areas are reallocated, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

12.1.6. There shall be a lien upon the applicable Lot for all unpaid Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to the Declaration and the Act. The lien for unpaid Assessments and related charges shall be effective upon recordation in the office of the County Recorder of a written notice of lien by the Board or the Manager. The written notice of lien shall set forth the amount of the Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the State of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Title 38, Chapter 1a, Utah Code, as amended from time to time. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Lot which shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power on behalf of the Association to bid at any foreclosure sale and to hold, lease, mortgage or convey the subject Lot in the name of the Association. In furtherance of such foreclosure rights, the Association may bring an action at law against the Owner personally obligated to pay the same or the Association may foreclose the lien in accordance with the provisions of the Act. The Declarant hereby appoints Steven G. Dearing, Esq., of Bennett Tueller Johnson & Deere, LLC, 3165 East Millrock Drive, Suite 500, Salt Lake City, Utah 84121, as trustee for the purposes of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1, Utah Code and made applicable hereto by Title 57, Chapter 8a, Utah Code; provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1, Utah Code. The Declarant hereby conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8a-302 to Steven G. Dearing, with power of sale, the Lots and all improvements to the Lots, including Dwellings, for the purpose of securing payment of Assessments under the terms of the Declaration. Each Owner also hereby conveys all of its right, title and interest in its Lot to such trustee, in trust, with a power of sale, to secure each Owner's obligations under the Declaration, including but not limited to the obligation to pay all Assessments. The Association may, through its duly authorized agents, bid on the Lot at any foreclosure sale and acquire, hold, lease, mortgage and convey the same. The lien of the Association shall be superior (prior) to all other liens and encumbrances except liens and encumbrances recorded before recordation of this Declaration, a First Mortgage on a Lot as provided for in Section 10.2 hereof and assessments, liens and charges in favor of the state or any political subdivision thereof for taxes and other governmental assessments or charges past due and unpaid on the Lot. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. The Board, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid Assessments against the Lot. This statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board, the Manager and every Owner, in favor of all who rely on such statement in good faith.

12.1.7. The amount of any Assessment against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of such Owner's Lot or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment of unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

12.1.8. The personal obligation of an Owner to pay unpaid Assessments against such Owner's Lot as described in Section 12.1.7 shall not pass to successors in title unless assumed by them; provided, however, that a lien to secure unpaid assessments shall not be impaired, nullified or otherwise affected by the sale or transfer of the Lot unless foreclosure by a First Mortgagee is involved in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further Assessments.

12.1.9. All Exempt Lot shall be exempt from the Assessments (including Regular Common Assessments and Special Common Assessments). Declarant shall remain a Class B member in the Association at all times until Declarant surrenders such Class B membership status in writing in accordance with the provisions of Section 14.2, notwithstanding its temporary exemption status from the required Assessment payments. On the date on which a Lot loses its status of being an Exempt Lot (as set forth in Section 1.20), then it shall automatically be subject to its share of Assessments from that date forward.

12.2. The Board shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas for which the Association is responsible and for which the reserve fund was established or for litigation or binding arbitration involving such matters. Nevertheless, the Board may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short-term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Board may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and the Association, delay such restoration until the time it reasonably determines to be necessary. The Board shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Common Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Common Assessment shall not be subject to the limitations set forth in Section 12.1.3 hereof. At least once every three (3) years the Board shall cause a study to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements. The Board shall, thereafter, annually review the reserve account study and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve account study shall include, at a minimum:

12.2.1. Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a useful life of less than thirty (30) years.

12.2.2. Identification of the probable remaining useful life of the components identified in Section 12.2.1 above, as of the date of the study.

12.2.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in Section 12.2.1 above, during and at the end of its useful life.

12.2.4. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

For the purposes of this Section, the term "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace or restore those major components which the Association is obligated to maintain. The Association and the Board

shall comply with the provisions of the Act pertaining to a reserve analysis and the funding of a reserve account.

12.3. If an Owner shall at any time lease such Owner's Lot and shall default in the payment of Assessments, the Board may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due (all of which rent payments, to the extent paid by such tenant, shall be deemed to have been paid by the tenant to the Owner and credited towards rent obligations owed by such tenant to such Owner, and then immediately paid by such Owner to the Association), and the payment of such rent to the Board shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid.

ARTICLE 13. REINVESTMENT FEE COVENANT

13.1. Following the original conveyance of title to a Lot by Declarant to the initial Owner of the Lot (which original conveyance is exempt for the Reinvestment Fee herein described), with respect to each and every subsequent conveyance of title to the Lot to a new Owner (except only those transfers exempted from such fee by applicable law), a fee in the amount of Five Hundred Dollars (\$500.00) (the "Reinvestment Fee") shall be paid by the buyer of the Lot to the Association. The Board shall have authority, by written resolution, to modify the amount of the Reinvestment Fee according to the financial needs of the Association, but subject to any limitations on such amount imposed by applicable law. To the fullest extent practicable, the Reinvestment Fee shall be collected at the closing of the purchase/sale transaction by the title company, escrow company, or other persons involved with the transaction, and paid directly to the Association.

13.2. The Association shall have a lien against the Lot of the buyer/new Owner to secure payment and collection of the Reinvestment Fee. The lien securing payment of the Reinvestment Fee shall be enforceable in the same manner and in all respects as the lien securing payment of Assessments as provided in the provisions of ARTICLE 12 above.

13.3. Except to the extent expressly provided to the contrary in Utah Code Section 57-1-46 (or its successor statute), the obligation to pay the Reinvestment Fee shall be a personal and continuing obligation of the buyer/new Owner, regardless of whether the buyer/new Owner acquired title to the Lot by regular conveyance, pursuant to a foreclosure sale (judicial or non-judicial), by inheritance or probate, or otherwise.

13.4. The Association shall use the funds obtained from payment of all Reinvestment Fees to maintain, repair and/or replace the Common Areas of the Project for the benefit of all of the Lots in the Project.

13.5. The provisions of this ARTICLE 13 shall be interpreted and enforced in a manner that complies with the provisions pertaining to "reinvestment fee covenants" in Utah Code Section 57-1-46, as the same may be amended. The provisions of this ARTICLE 13 are intended to run with the land of the Lots and to be binding upon all successors and assigns, and inure to the benefit of the Association.

ARTICLE 14. VOTING

The Association shall have two (2) classes of memberships which shall be entitled to the following voting rights:

14.1. Each Owner of a Lot that is an Assessable Lot shall be a Class A member of the Association and each such Owner is allotted one (1) vote per Lot owned. Each Class A membership shall be held jointly by all Owners of such Lot.

14.2. Declarant shall be the only Class B member of the Association and shall be entitled to twenty (20) votes for each Lot owned by Declarant. Declarant shall be entitled to cast twenty (20) votes for each Lot owned by Declarant even if the Lots are temporarily classified as Exempt Lots under Section 1.20 of this Declaration.

All matters requiring a vote of the Members shall be decided by a majority of the Total Votes of the Association (including the votes pertaining to the Class B Member), except for matters expressly stated herein as requiring a higher voting threshold. During the Declarant Control Period, all matters requiring a vote of the Members or otherwise submitted to a vote of the Members shall be approved and implemented if and only if the Declarant also approves such matters. When Declarant is no longer a Class B member of the Association, then (a) the Class B membership shall cease being a class of membership; (b) there shall no longer be any Class B votes of the Association; and (c) all matters submitted to a vote of the Association shall be decided solely by the votes of the Class A members.

Except for Lots owned by Declarant as a Class B member, there shall be one (1) vote for each Lot in the Project.

ARTICLE 15. ENFORCEMENT

15.1. All Owners, guests or lessees of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Declaration, the Bylaws, and the rules and regulations and decisions issued pursuant thereto. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with provisions of the Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association. Failure to so comply shall be grounds for: (a) an action to recover sums due for damages or injunctive relief or both, maintainable by the Association, or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or (b) the Board to impose monetary penalties, temporary suspensions of an Owner's right to the use of the Common Areas, or other appropriate discipline so long as any such Owner has been given notice and has had an opportunity to present a written or oral defense to the charges in a hearing. The Board shall determine whether the Owner's defense shall be oral or written. After the hearing, but before any disciplinary action is taken, the Owner shall be notified of the decision of the Board. The Board may delegate to the Manager the power and authority to carry out disciplinary actions duly imposed.

15.2. The Board may adopt and enforce reasonable rules and regulations that are not inconsistent with the provisions of this Declaration. The Board may also adopt and enforce reasonable fine schedules and may impose and collect fines from Owners who violate the provisions of this Declaration. All costs and expenses incurred by the Board in enforcing the rules and regulations, and enforcing or collecting fines shall be paid by the offending Owner and shall be secured by a lien against the Lot owned by the offending Owner. Said lien shall be enforced in the same manner as the lien securing payment of Assessments, as provided in this Declaration.

15.3. The Association shall not be empowered to cause the absolute forfeiture of an Owner's right, title or interest in the Project on account of the Owner's failure to comply with the provisions of the Declaration or the rules and regulations for the Project except pursuant to:

15.3.1. The judgment of a court; or

15.3.2. A foreclosure for the failure of an Owner to pay Assessments or fines duly levied by the Association.

15.4. The Association shall be empowered only to cause or require alteration or demolition of any construction to enforce any restrictions contained in this Declaration pursuant to judicial proceedings.

**ARTICLE 16.
DISPUTE RESOLUTION; MANDATORY BINDING ARBITRATION**

16.1. Every Owner is capable of obtaining an inspection and is permitted to perform, or pay someone else to perform, any inspection on any Lot that Owner is purchasing or any aspect of the Project; all prior to purchasing a Lot. Moreover, if any warranty has been provided, it identifies the only items that are warranted by the Declarant. Having had the ability to inspect prior to purchasing a Lot, having received a written warranty if any warranty is provided, and having paid market price for a Lot in the condition it and the Lots and Common Area are in at the time of purchase, it is acknowledged that it is unfair and improper to later seek to have the Declarant, and/or any subcontractor performing work in the Project to change, upgrade, or add additional work to the Project outside of any express warranty obligation. Moreover, the Owners (by purchasing a Lot) and the Declarant acknowledge and agree that litigation is an undesirable method of resolving disputes and conflicts in that it can be slow, expensive, uncertain, and can often negatively impact the sale value and ability to obtain financing for the purchase of Lots for years, unfairly prejudicing those Owners who must or want to sell their Lot during any period when litigation is pending. For this reason, the Owners by purchasing a Lot and the Declarant agree and acknowledge that claims and disputes shall not be pursued through court action, but shall be asserted and resolved only through certain specific alternative dispute resolution mechanisms and only after full disclosure, right to cure periods, and knowing approval of the Owners, as set forth herein. In addition, the Association and the Owners agree that they take ownership and possession of the Lots and Common Areas AS IS, with no warranties of any kind except as otherwise required as a matter of law. The Declarant specifically disclaims any warranties of merchantability, fitness for a particular use, or of habitability, to the full extent allowed by law.

16.2. To the fullest extent permitted by law, all claims and disputes of any kind that any Owner or the Association may have involving the Declarant or any agent, employee, executing officer, manager, affiliate or owner of the Declarant or any engineer or contractor involved in the design or construction of the Project, which arises from or is in any way related to a Lot, the Common Areas, or any other component of the Project (a "Dispute"), shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving claims and disputes between or involving the Declarant and any Owner or between or involving the Declarant and the Association. Arbitration proceedings shall not be commenced unless the Pre-Arbitration Requirements set forth in Section 16.3 below have been satisfied in full. Without in any way limiting the foregoing, Disputes subject to binding arbitration shall include:

16.2.1. Any allegation that a condition in any of the Lots, the Common Areas, or any other component of the Project is a construction defect;

16.2.2. Any disagreement as to whether an alleged construction defect has been corrected;

16.2.3. Any disagreement about whether any warranties, including implied warranties, are applicable to the subject matter of any Dispute;

16.2.4. Any disagreement as to the enforceability of any warranties alleged to be applicable to the subject matter of any Dispute;

16.2.5. Any disagreement about whether any warranty alleged to be applicable to the subject matter of any Dispute has been breached;

16.2.6. Any alleged violations of consumer protection, unfair trade practice, or other statutes;

16.2.7. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;

16.2.8. Any allegation that any condition existing in the Project or created by the Declarant, including construction-related noise, dust, and traffic, is a nuisance;

16.2.9. Any disagreement concerning the issues that should be submitted to binding arbitration;

16.2.10. Any disagreement concerning the timeliness of performance of any act to be performed by Declarant;

16.2.11. Any disagreement as to the payment or reimbursement of any fees associated with binding arbitration;

16.2.12. Any other claim or disagreement arising out of or relating to the sale, design, or construction of any of the Lots, the Common Areas, or any other component of the Project.

16.3. Pre-Arbitration Requirements. An Owner (including the Declarant, in its capacity as an Owner) or the Association may pursue a claim against the Declarant, to the extent allowed herein or by law, only after the following efforts of dispute resolution have been completed:

16.3.1. The Owner shall provide to the Declarant a written Notice of Claim (defined below) and permit the Declarant one hundred eighty (180) days (the "Right to Cure Period") to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to initiating any formal arbitration proceedings.

16.3.2. If the dispute is not resolved within the Right to Cure Period, the parties agree to mediate the dispute prior to taking further action. If additional, different, or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against the Declarant that were not included in any previously submitted Notice of Claim, the Right to Cure Period provided for in this section shall immediately apply again, and any pending action or proceedings, including any mediation or arbitration, shall be stayed during such Right to Cure Period.

16.4. If a claim or dispute has not been resolved after satisfying and complying with the above-described pre-arbitration requirements, then the claimant (Owner or Association) shall have the right to proceed with binding arbitration; however, the Association shall not pursue or commence binding arbitration unless such action is first approved by a majority of the Total Votes of the Association after first obtaining a written opinion from legal counsel advising the Association of the likelihood of success on the merits of the claims, the anticipated costs and legal fees, the anticipated expert witness fees, and the likelihood of recovery if the Association prevails. The written opinion from legal counsel, addressing these topics, must be provided to all Owners before the formal vote on whether to proceed with binding arbitration. The binding arbitration shall be conducted by a member of the American Arbitration Association's Panel of Construction Arbitrators. The binding arbitration shall be conducted according to the rules and procedures set forth in the Construction Industry Arbitration Rules promulgated by the

American Arbitration Association. The award of the arbitrator shall be final and may be entered as a judgment by any court of competent jurisdiction.

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

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

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

ARTICLE 17. MISCELLANEOUS.

17.1. During the Declarant Control Period, the Declarant shall have the right to use any Lot owned by it, and any part of the Common Areas in furtherance of any activities designed to accomplish or facilitate construction, improvement and sale of all Lots owned by the Declarant or to be added to the Project, and the construction and improvement of all Common Areas, as the Declarant may desire. The Declarant shall also have the right to maintain any number and size of promotional, advertising, or directional signs, banners, or similar structures or devices at any place or places in the Project.

17.2. Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, or by express mail or overnight courier service providing proof of delivery. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Board for the purpose of service of such notice or to the Lot of such Owner if no such address has been given to the Board. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; and if by mail, the earlier of the day actually received or the third business day after the notice is deposited in the United States Mail, properly addressed and postage prepaid. Such address may be changed from time to time by notice in writing to the Board.

17.3. The failure of the Association or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws, to exercise any right or option herein contained or to serve any notice or institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Association or its agents or designees of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

17.4. The name and address of the person to receive service of process shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah.

17.5. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

17.6. This Declaration shall be construed and controlled by and under the laws of the State of Utah.

17.7. This Declaration shall take effect when recorded in the office of the County Recorder.

17.8. In this Declaration, the singular shall include the plural and the masculine shall include the feminine and vice versa, if the context so requires. The headings in this Declaration are included solely for convenience of reference and shall not be construed as limiting or in any other way modifying the text of the Declaration. Use of the word "including" and its derivatives shall mean "including but not limited to", "including without limitation", or words of similar import.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Declarant has caused the foregoing Declaration to be executed as of the date and year first set forth above.

FULL TILT HOLDINGS, LLC,
a Utah limited liability company

By: 
Name: Carlton Ricks Richey
Title: Manager

STATE OF UTAH)
) :SS
COUNTY OF Juab)

On October 7, 2024, before me, a notary public in and for the State of Utah, personally appeared Carlton Ricks Richey, the manager of Full Tilt Holdings, LLC, a Utah limited liability company, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same on behalf of such limited liability company.


Notary Public



EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PARCEL OF LAND LYING AND SITUATE IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SALT LAKE BASE AND MERIDIAN AND IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22 AND PORTIONS OF THE SOUTH HALF OF SECTION 22, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SALT LAKE BASE AND MERIDIAN.

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE B.L.M. BRASS CAP MONUMENT MARKING THE SOUTHWEST CORNER OF SECTION 22, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SALT LAKE BASE AND MERIDIAN, THENCE NORTH 00°02'15" WEST 1323.16 FEET TO THE SOUTH SIXTEENTH CORNER OF SAID SECTION 22;
THENCE SOUTH 89°22'54" WEST 1322.36 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SECTION 21, OF SAID TOWNSHIP AND RANGE;
THENCE NORTH 00°01'10" WEST 1322.53 FEET TO THE CENTER EAST SIXTEENTH CORNER OF SAID SECTION 21;
THENCE NORTH 89°21'34" EAST 1322.08 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 22;
THENCE SOUTH 89°54'39" EAST 1319.69 FEET TO THE CENTER WEST SIXTEENTH CORNER OF SAID SECTION 22;
THENCE NORTH 00°06'49" WEST 1327.26 FEET TO THE NORTHWEST SIXTEENTH CORNER OF SAID SECTION 22;
THENCE NORTH 89°51'33" EAST 1317.36 FEET TO THE CENTER NORTH SIXTEENTH CORNER OF SAID SECTION 22;
THENCE SOUTH 00°12'50" EAST 1332.56 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 22;
THENCE NORTH 89°54'39" WEST 659.85 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 00°10'22" EAST 1324.51 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 89°52'08" EAST 660.91 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 89°52'30" EAST 330.99 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 00°14'18" EAST 662.63 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 89°51'14" EAST 331.21 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE SOUTH 00°15'29" EAST 662.75 FEET TO A REBAR AND CAP STAMPED PLS 356548;
THENCE NORTH 89°49'58" WEST 662.88 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 22;
THENCE NORTH 89°49'45" WEST 2647.90 FEET TO THE POINT OF BEGINNING.

CONTAINS 236.15 ACRES, ±10,286,720 SQ. FT.

EXHIBIT B

ASSOCIATION BYLAWS

(See attached)

BYLAWS
OF
SAHARA SUNRISE LOT OWNERS ASSOCIATION
A Utah Nonprofit Corporation

_____, 2024

**BYLAWS
OF
SAHARA SUNRISE LOT OWNERS ASSOCIATION**

ARTICLE 1 - Definitions

Capitalized terms used in these Bylaws that are not defined herein shall have the respective meanings given to such terms in the Declaration. For purposes of these Bylaws, the following terms shall have the respective meanings set forth below:

“*Act*” shall mean the Utah Community Association Act (Title 57, Chapter 8a, Utah Code, as amended from time to time)..

“*Articles*” means the Association’s Articles of Incorporation on file with the Utah Department of Commerce, Division of Corporations and Commercial Code, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

“*Association*” means Sahara Sunrise Lot Owners Association, a Utah nonprofit corporation.

“*Board*” means the governing Board of Directors of the Association.

“*Declaration*” means the Declaration of Covenants, Conditions, Easements and Restrictions of Sahara Sunrise, to which these Bylaws are attached as an exhibit, as such document may be amended, restated, supplemented, or otherwise modified from time to time. The Declaration shall be recorded in the Juab County Recorder’s Office.

“*Director*” shall mean each individual member of the Board as of any given time.

ARTICLE 2 - Offices

Section 2.1. Business Office. The principal office of the Association shall be located at 3471 South 4550 West, West Haven, Utah 84401, or at such other location as the governing board of directors may designate. The Association may have such other offices, either within or outside Utah, as the governing board of directors may designate or as the affairs of the Association may require from time to time.

Section 2.2. Registered Office. The registered office of the Association required by the Utah Revised Nonprofit Corporation Act may be, but need not be, the same as the Association’s principal business office in Utah. The name and address of the initial registered agent and registered office of the Association are set forth in the Articles (as defined below). The Association’s registered agent and registered office may be changed by the governing board of directors from time to time.

ARTICLE 3 - Members; Voting; Meetings

Section 3.1. Members. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot. The Association shall have the following two classes of Membership and voting rights:

(a) Class A. Each Owner of a Lot that is an Assessable Lot shall be a Class A member of the Association, and each such Owner is allotted one (1) vote per Lot owned. Each Class A membership

shall be held jointly by all Owners of such Lot. Class A membership will begin immediately and automatically upon becoming an Owner of a completed Lot and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one membership for each Lot owned by such Owner. Each membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from the Association membership appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Lot shall constitute a devise, encumbrance, conveyance or other disposition, respectively, of such Owner's membership in the Association and the rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot.

(b) Class B. Declarant shall be the only Class B member of the Association and shall be entitled to twenty (20) votes for each Lot owned by Declarant. Declarant shall be entitled to cast twenty (20) votes for each Lot owned by Declarant even if the Lots are temporarily classified as Exempt Lots under Section 1.20 of the Declaration.

Section 3.2. Voting. Unless otherwise stated herein or in the Declaration, all voting shall be decided by a majority of the Total Votes of the Association, including, without limitation, the votes pertaining to the Class B member. During the Declarant Control Period, all matters requiring a vote of the Owners or otherwise submitted to a vote of the Owners shall be approved and implemented if and only if the Declarant also approves such matters. When Declarant is no longer a Class B member of the Association, then (a) the Class B membership shall cease being a class of membership in the Association; (b) there shall no longer be any Class B votes of the Association; and (c) all matters submitted to a vote of the Association shall be decided solely by the votes of the Class A members. Except for Lots owned by Declarant as the Class B member, there shall be one (1) vote for each Lot in the Project. The voting percentage for each Lot shall be equal to a fraction, the numerator of which shall be the vote held by the Owner of such Lot and the denominator of which shall be the number of the Total Votes of the Association.

Section 3.3. Annual Meeting. The first annual meeting of the Owners shall be held in August following the date of incorporation of the Association, and each subsequent regular, annual meeting of the Owners shall be held in August of each year thereafter. The Board may change the date of the annual meeting so long as the Board provides reasonable advance notice to all Owners.

Section 3.4. Special Meetings. Special meetings of the Owners may be called at any time by the Board, or upon written request of the Owners who are entitled to vote thirty percent (30%) of all of the Total Votes of the Association.

Section 3.5. Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, and no more than sixty (60) days, before such meeting to each Owner entitled to vote, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Those present at the meeting may vote to continue the meeting to any date within thirty (30) days. Notice of the continued meeting will be given by mail, and at the subsequent continued meeting, a quorum will consist of those Owners present. The president of the Association will chair meetings of the Owners.

Section 3.6. Quorum. The presence at the meeting of Owners entitled to cast, or of proxies entitled to cast, more than fifty percent (15%) of the Total Votes of the Association, regardless of class, shall

constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Unless otherwise stated in the Declaration, the Articles, or these Bylaws, a majority of the votes cast, regardless of class, at any meeting where a quorum is present shall be the action of the Owners.

Section 3.7. Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of the Lot to which such proxy applies.

ARTICLE 4 - Board; Selection of Directors; Term of Office; Meetings

Section 4.1. Nomination and Tenure. The Declarant shall select the three initial Directors, and the Declarant shall decide who serves on the Board during the time in which Declarant's Class B membership remains in effect. Upon the expiration or termination of the Declarant's Class B membership, the Owners at the next annual owners meeting shall elect three Directors. Each of the three elected Directors shall draw lots to divide themselves into terms of one, two and three years. At each successive annual meeting, the Owners shall elect a Director to replace the Director whose term has expired or is then expiring. Each newly elected Director shall serve for a three-year term. So long as a quorum is present, a simple majority of the votes cast shall elect a Director. If a quorum is not present at a meeting, the other Directors shall select a new Director. Nomination for election to the Board shall be made by the Directors. Nominations may also be made from the floor at the annual meeting. If any Director resigns, is removed, dies, or is otherwise unwilling or unable to serve during his or her term, the remaining Directors may appoint another Owner to fill the remainder of such term.

Section 4.2. Election. Election to the Board shall be by secret written ballot. At such election, the Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. There shall be no cumulative voting.

Section 4.3. Number of Directors. The Board shall consist of not less than three Directors. An odd number of Directors shall be required at all times. The initial number of Directors shall be three. The number of Directors may be increased or decreased by resolution of the Directors, so long as the number is not less than three.

Section 4.4. Regular Meetings. Regular meetings of the Board shall be held as frequently as the Board deems appropriate, but at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 4.5. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 4.6. Quorum. A majority of the number of Directors shall constitute a quorum for transaction of business. Every act or decision of a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE 5 - Powers and Duties of the Board

Section 5.1. Powers. The Board shall have all the powers as are now or may hereafter be provided by the Act, the Declaration and these Bylaws, including, but not limited to, the power to:

(a) Adopt and publish rules and regulations governing the operation and maintenance of the Project and the Lots, including use of the Common Areas and the personal conduct of the Owners and their guests thereon and to establish penalties for the infraction thereof;

(b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Owners by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(c) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and

(d) Employ a manager who shall be an independent contractor, and not an agent or employee of the Association or Board as they deem necessary, and to prescribe their duties, and to carry out through the Manager any of the functions or acts required or permitted to be performed by the Board itself.

Section 5.2. Duties. The Board shall have all the duties provided by the Declaration and these Bylaws, including, but not limited to, the duty to:

(a) Cause to be kept a complete record of all the Board's and the Association's acts and Association affairs and to present a statement thereof to the Owners at the annual meeting of the Owners, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Owners of each class who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

i. Fix the amount of the Regular Common Assessment against each Lot at least fifteen (15) and no more than sixty (60) days in advance of each annual assessment period, and fix the amount of any Special Common Assessments against each Lot;

ii. Send written notice of each Regular Common Assessment to every Owner subject thereto at least fifteen (15) and no more than sixty (60) days in advance of each annual assessment period and similar notice for imposition of each Special Common Assessment; and

iii. Foreclose the lien (at the option of the Board) against any property for which assessments are not paid within ninety (90) days after due date or to bring an action at law (at the option of the Board) against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain insurance in accordance with the provisions relating to insurance in the Declaration;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) Cause the Common Areas to be properly maintained.

ARTICLE 6 - Officers; Duties of Officers

Section 6.1. Offices. The officers of the Association shall be a president, a vice-president, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create. Following the expiration or termination of Declarant's Class B membership, all officers of the Association must be Owners of Lots in this Project, but such qualification shall not apply during the Declarant Control Period.

Section 6.2. Appointment of Officers. Each officer of the Association shall be appointed annually by the Board. The appointment of officers shall take place at the first meeting of the Board following each annual meeting of the Owners.

Section 6.3. Term. Each officer shall hold office for one (1) year, unless such officer sooner resigns, is removed, or is otherwise disqualified to serve.

Section 6.4. Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 6.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board or to the president or the secretary of the Association. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 6.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices, except in the case of special offices created pursuant to Section 6.4.

Section 6.8. Duties. The duties of the respective officers are as follows:

(a) President. The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments of the Association and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his or her absence or inability or refusal to act and shall exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all things and proceedings of the Board and the Owners; shall serve notice of meetings of the Board and of the Owners; shall keep appropriate current records showing the Owners of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall prepare an annual budget and a statement of income and expenditures to be presented to the Owners at the regular annual meeting of the Owners; and shall deliver a copy of such budget and statement of income and expenditures to the Owners.

ARTICLE 7 - Committees

The Board may establish committees as the Board determines to be appropriate in carrying out the Board's purposes. Committees shall be established by resolution of the Board. The resolution shall specify the powers and procedures of the committee so established.

ARTICLE 8 - Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. The Declaration, the Articles, and the Bylaws of the Association shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 9 - Assessments

As more fully set forth in the Declaration, each Owner is obligated to pay to the Association all Assessments which are secured by a continuing lien upon the Owner's Lot. Any Assessment that is not paid when due shall be delinquent. If the Assessment is not paid timely, then the Board has the authority to establish late fees from time to time and collect the same from the delinquent Owner. The Association may bring an action at law against the Owner personally obligated to pay the Assessments and late fees or foreclose the lien against the Owner's Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the Assessments and late fees provided for herein or provided in the Declaration by non-use of the Common Areas or abandonment of such Owner's Lot.

ARTICLE 10 - Amendments; Control of Conflicting Provisions

Section 10.1. Amendments. These Bylaws may be amended, at a regular or special meeting of the Owners at which a quorum is present, by the vote of a sixty-seven percent (67%) majority of the votes represented in person by proxy at such meeting; provided, however, that no amendment to the Bylaws shall be adopted that is inconsistent with or contradicts any provisions of the Declaration unless and until the Declaration is also amended (in accordance with the amendment requirements of the Declaration) to resolve such inconsistency or contradiction.

Section 10.2. Conflicting Provisions. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 11 - Miscellaneous

Section 11.1. Fiscal Year. The fiscal year of the Association shall be January 1 to December 31, except that the Association's first fiscal year shall commence upon the filing of the Articles.

Section 11.2. Application of the Act. The provisions of the Act shall apply and govern the Association's rights with respect to levying of Assessments, collection of Assessments, and remedies that apply in the event of non-payment of Assessments.

(END)