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For: SKYRIDGE DEVELOPMENT LLC

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR SKYRIDGE MOUNTAIN COMMUNITY**

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SKYRIDGE, is made effective as of this 15th day of May, 2019, by SKYRIDGE DEVELOPMENT, L.L.C., authorized to do business in the State of Utah, whose principal place of business and post office address is 1960 Sidewinder Drive, Suite 205, Park City, UT 84060, (referred to herein as "Declarant"), with respect to the following:

RECITALS

A. Declarant owns certain real Property located in Wasatch County, Utah, which is more particularly described on *Exhibit A* attached hereto and by this reference made a part hereof (the "Property"). Declarant desires to develop, in phases, the Property as a master planned development known as SkyRidge Mountain Community.

B. In General, Declarant plans to develop the Property as a multi-phased Residential Community, which may include Homesites, Common Areas and Developer Areas, and limited retail areas in accordance with the Master Plan and subject to any required governmental approvals. Declarant reserves the right to modify the Master Plan in its sole discretion from time to time and the consent of the Association, any Owner and any Mortgagee of any Owner shall not be required in connection therewith.

C. As the various phases of development of the Property proceed, Declarant intends, without obligation, to Record various Plats designating Common Areas including Private Roads, and grant easements for utilities and Improvements for drainage and flood control, as well as Record this Declaration and any Supplemental Declarations covering the Property.

D. As part of the development of the Property, Declarant may, without any obligation to do so, sell Homesites to various Builders and individuals.

E. Declarant has caused the Association to be formed as a non-profit corporation for the purpose of benefiting the Property and its Owners, which non-profit corporation will (a) own, operate, manage, and maintain a variety of Common Areas within the Property; (b) establish, levy, collect and disburse the Assessments and other charges imposed hereunder; and (c) as the agent and representative of the Members of the Association and the Owners, administer and enforce all of the provisions hereof and enforce the Use and other restrictions imposed on various parts of the Property.

F. Declarant desires to develop Parcels into Lots which will be recognized as Homesites for

residential use, dedicate certain land as Common Areas and reserve other land as Developer Areas. DEVELOPER AREAS ARE NOT COMMON AREAS AND ARE NOT SUBJECT TO THE TERMS AND CONDITIONS OF THIS DECLARATION.

G. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners and other holders of an interest in the Property, or any part thereof, certain mutually beneficial Covenants, restrictions and obligations with respect to the proper development, Use and maintenance of the Property.

H. Declarant desires and intends that the Owners and other holders of an interest in the Property and other Persons hereafter acquiring any interest in or otherwise utilizing portions of the Property shall at all times enjoy the benefits of the Property and shall hold their interest therein subject to the rights, privileges, Covenants and restrictions set forth in this Declaration, all of which are declared to be in furtherance of a plan to promote and protect the aesthetic and cooperative aspects of the Project and are established for the purpose of enhancing the value, desirability and attractiveness of the Project.

I. Declarant therefore desires to subject all Parcels, Lots, Homesites, and Common Areas to the Covenants, conditions, restrictions, Assessments, charges, servitudes, liens and reservations set forth in this Declaration.

In order to cause this Declaration and the Covenants contained herein to run with the Property and to be binding upon the Property and the Owners and other holders of an interest therein from and after the date this Declaration is Recorded, Declarant hereby makes or shall make conveyances of the Property, whether or not so provided therein, subject to this Declaration; and by accepting Deeds, leases, easements or other grants or conveyances to any portion of the Property, the Owners and other transferees for themselves and their heirs, personal representatives, trustees, administrators, Board of Directors, members, successors and assigns, agree that they shall be personally bound by this Declaration (including but not limited to the obligation to pay Assessments) hereinafter set forth, except to the extent such Persons are specifically excepted here from and that all portions of the Property acquired by them shall be subject to this Declaration.

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

ARTICLE I – DEFINITIONS

The following words, phrases or terms used in this Declaration (including that portion hereof headed "Recitals") shall have the following meanings:

1. **Additional Property:** additional property subject to Declarant's unilateral right of annexation as provided elsewhere in this Declaration.
2. **Amendment:** an amendment to this Declaration Recorded by the Association pursuant to *Section 18* of this Declaration.
3. **Architectural Guidelines** (sometimes referred to herein as "Guidelines"): the *SkyRidge Architectural Guidelines* as defined in this *Declaration* and adopted as part of the Governing Documents, including any and all Amendments thereto (which may be either added or modify restrictions applicable to a certain Subdivision or area in the Community) and appendices thereto.
4. **Architectural Review Committee** (sometimes referred to herein as the "ARC"): the committee formed to review Plans and specifications for the construction or modification of Improvements and to administer and enforce the *Architectural Guidelines* for SkyRidge.
5. **Articles of Incorporation** (referred to herein as the "Articles"): filed with the Utah Division of Corporations and Commercial Code for SkyRidge Mountain Community Association, Inc., a Utah non-profit corporation.
6. **Assessable Property:** all Homesites or other portions of the Property subject to Assessments assessed by the Association, except such part or parts thereof as may from time to time constitute Exempt Property.
7. **Assessment Lien:** the lien created and imposed by *Article VIII*.
8. **Assessment Period:** the term set forth in *Section 8.6*.
9. **Assessments:** Assessments all of which may be determined and assessed by the Association and which shall be payable by an Owner of a Homesite (other than Exempt Property) pursuant to the terms of this Declaration as set forth in *Section 8.3*, which can take different forms depending upon the relative purpose of the Assessment such as :
 - a) Common Area Assessments,
 - b) Reserve Fund Assessments,
 - c) Special Assessments, and
 - d) Individual Assessments.
10. **Association:** the Utah nonprofit corporation organized by Declarant under the name "SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.," to administer and enforce the Covenants defined herein and to exercise the rights, powers and duties set forth in this Declaration, the Articles, the Bylaws and any other Governing Document.
11. **Association Facilities:** certain land and the Improvements situated thereon, within the

Property reserved for the exclusive benefit and Use of the Members including, but not limited to, a clubhouse, community center, lounge, pool and related facilities. Developer Areas

12. **Association Use:** a benefit reserved for Members' exclusive Use and enjoyment Association Facilities.

13. **Board of Directors or Board:** the Board of Directors of the Association.

14. **Budget:** the proposed budget of Common Area Expenses prepared by the Board each year, as the basis for the calculation of the Assessments, as provided in *Section 8.3.3*.

15. **Builder(s):** a Person(s) or company who acquires Homesites in the Project for the purpose of improving and constructing Residences, Buildings or other Improvements and/or an Owner's General Contractor (including any and all of such contractor's subcontractors, employees, agents, materialmen, and other Persons working in conjunction with the construction of Improvements on such Owner's Homesite. Builder(s) does not refer to the Declarant under this Declaration.

16. **Building:** any structure constructed within the Project.

17. **Bylaws:** the Bylaws of the Association, as the same may from time to time be amended or supplemented.

18. **Capital Improvement:** all new Improvements intended to add to, enhance or upgrade the nature, scope, utility, value, or beauty of the Project, as opposed to ordinary repair and maintenance.

19. **Common Area(s):**

a) all land, and the Improvements situated thereon, within the Property which the Declarant indicates on a Plat or other Recorded instrument as Common Area(s) or Open Space(s) which is/are to be conveyed to or leased by and maintained by the Association as described in *Section 3.2*; and

b) all land, and the Improvements situated thereon, within the Property which the Declarant or Board declares as "Association Facilities" for Association Use, which is to be conveyed to or leased by and maintained by the Association and reserved for the exclusive benefit and Use of the Members.

20. **Common Area Assessments:** The allocation of the Common Area Expenses to the Owners of Homesites by the Association pursuant to this Declaration.

21. **Common Areas Expenses:** refers to those costs and expenses incurred by or on behalf of the Association arising out of or connected with the maintenance, Improvement, operation and replacement of the Common Areas (including Capital Improvements), and the operation of the Association as described in *Article VIII hereof*.

22. **Community:** sometimes referred to herein as the "SkyRidge Mountain Community" or

“SkyRidge.” The master planned Residential Community shall be known as “SkyRidge.”

23. **County:** Wasatch County, Utah.

24. **Covenants:** the Covenants, conditions, restrictions, Assessments, charges, rights, obligations, servitudes, liens, reservations and easements set forth in this Declaration, as amended or supplemented from time to time.

25. **Declarant:** SkyRidge Development, LLC, a Utah limited liability company, and the successors and assigns of Declarant’s rights and powers hereunder. Declarant shall also include any Person or Persons that have been assigned and have agreed to assume certain of Declarant’s rights and/or obligations in this Declaration pursuant to *Section 19.1* effective upon the Recording of a written instrument signed by the Declarant and such Person or Persons that evidences such assignment and assumption.

26. **Declaration:** this Declaration of Covenants, Conditions and Restrictions for SkyRidge, as amended or supplemented from time to time.

27. **Deed:** a Deed or other instrument conveying the fee simple title in a Homesite.

28. **Delinquent Assessment:** Any Assessment which is not paid when due. *See Section 8.6.*

29. **Development Agreement:** means the Development Agreement entered into the 26th Day of January 2018, by and between Declarant and Wasatch County; Utah.

30. **Developer Area(s):** all of the real and personal property owned and operated by the Declarant as defined in *Section 3.6.*

31. **Drainage Control Features:** the term set forth in *Section 4.3.5.*

32. **Eligible Mortgagee:** a Mortgagee which has requested notice of certain matters from the Association in accordance with *Section 17.2* of this Declaration.

33. **Event or Events:** the earliest of certain happenings to occur which will mark the expiration of the Period of Declarant Control as described in *Section 7.3.2.*

34. **Exempt Property:** parts of the Project which are not subject to Assessment assessed by the Association as defined in *Section 2.3 and better described in Section 8.6.14.*

35. **First Mortgage:** any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

36. **First Mortgagee:** any Person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such Person under a First Mortgage.

37. **General Public Uses:** those types of Uses designated from time to time by the Declarant or by the Board as General Public Uses, including but not limited to Common Areas and Developer

Areas.

38. **Governing Authority:** the applicable governmental entity or municipality which may have jurisdiction over some part of the Project.

39. **Governing Authority Property:** all real Property which may from time to time be conveyed, assigned, or transferred by Deed, a grant of a perpetual easement or other written instrument to the applicable Governing Authority.

40. **Governing Documents:** this Declaration, Supplemental Declarations and Amendments, Articles of Incorporation, Bylaws, Architectural Guidelines and Rules and Regulations.

41. **Homesite:** any area of real Property within the Project designated as a Lot on any Plat Recorded or approved by Declarant to be used for Residential Use.

42. **Improvement(s):** any improvement now or hereafter constructed in the Project including anything which is a structure for purposes of applicable Governing Authority law, including but not limited to any Private Road, public road, building, structure, shed, covered patio, fountain, pool, antenna or receiving dish, paving or impervious materials, curbing, landscaping, tank, fence, mailbox, sign, any excavation or fill having a volume exceeding ten (10) cubic yards and any excavation, fill, ditch, diversion, dam, or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel.

43. **Land Use Classification:** the Classification to be established by the Declarant pursuant to *Section 5.1*, which designates the type of Improvements which may be constructed on the Property and the purposes for which such Improvements and surrounding land may be utilized.

44. **Lot:** any area of real property within the Project designated as a Lot on any Plat Recorded or approved by Declarant, specifically referred to herein as a "Homesite" and intended for occupancy, Residential Development and Residential Use .

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

46. **Member:** any Person holding a Membership in the Association pursuant to this Declaration as an Owner of a Homesite.

47. **Membership:** a Membership in the Association and the rights granted to the Owners and Declarant pursuant to *Article VII* to participate in the Association.

48. **Membership Initiation Fee:** an Individual Assessment assessed as a one-time charge at

closing upon the Person purchasing a Homesite from Declarant in an amount equaling the next full quarter of Assessments which shall be deposited into the Reserve Fund.

49. **Mortgage:** any mortgage, Deed of trust, or other document encumbering any portion of a Homesite or interest therein, including without limitation a leasehold interest, as security for the payment of a debt or obligation.

50. **Mortgagee:** a beneficiary of a Deed of trust that is included within the definition of a Mortgage as well as a named mortgagee under a Mortgage.

51. **Motor Vehicles:** motor vehicles including but not limited to any automobile, motorcycle, motorbike, snowmobile, snow cat, personal watercraft, boat, boat trailer, motorcycle, motorbike, motor scooter, mini-bike, all-terrain vehicle, moped, electric bike, off-road vehicle, Recreational Vehicle or other similar equipment or vehicle.

52. **Neighboring Property and Neighboring Properties:** any Homesite, Parcel, Common Area including Private Roads, Developer Areas, or public roads within the Project other than the specific Property in reference.

53. **Other Uses:** Uses by Declarant or designee of portions of the Developer Areas for retail business purposes as defined in the Governing Documents and in accordance with the Master Plan, e.g. sales center for the sale, resale or rental of Homesites or Residences within the Community or other communities designated by Declarant in its sole discretion. Declarant may assign, in whole or in part, its rights under this *Section*.

54. **Owner:** (a) any Person(s) who is (are) Record holder(s) of legal, beneficial or equitable title to the fee simple interest of any Homesite including, without limitation, one who is buying a Homesite under a Recorded contract or Recorded notice of such contract, but excluding others who hold an interest therein merely as security shall not be deemed the Owner thereof for purposes of this Declaration.

55. **Parcel:** a portion of the Property limited by the Governing Documents to one or more specific Uses, but any such areas shall cease to be a Parcel upon the Recording of a Plat covering the area and creating Homesites and related amenities. A Parcel shall not include a Homesite but, in the case of staged developments, shall include areas not yet included in a Plat or other Recorded instrument creating Homesites and related amenities. Declarant shall have the right, subject to the requirements of any applicable Governing Authority, to identify and create and/or reconfigure the boundaries of any Parcel of which Declarant is the Owner.

56. **Period of Declarant Control:** the period during which the Declarant who filed the

Governing Documents, or the Declarant's successor in interest, who retains authority to appoint or remove members of the Board or exercise power or authority assigned to the Association under the Governing Documents as defined in more detail in *Section 7.3.2*.

57. **Person:** a natural individual, a corporation, limited liability company, partnership or any other entity with the legal right to hold title to real property.

58. **Plat:** any Recorded subdivision plat affecting SkyRidge, as such may be amended from time to time.

59. **Private Road(s):** Improvements on land identified on the Plat and other Recorded instruments for roads within the Project, except the Jordanelle Parkway, which shall be provided by the Declarant and, once conveyed to the Association, will be maintained, repaired and replaced by the Association, subject to easement rights of Declarant and non-exclusive easements rights of Owners, their guests and invitees for reasonable ingress and egress to their Homesite(s) and travel throughout the Project.

60. **Project:** same meaning as the defined term "SkyRidge".

61. **Property:** the real property described on *Exhibit A*.

62. **Record, Recording, or Recorded:** placing an instrument of public record in the Office of the Recorder of Wasatch County, Utah, and "Recorded" means having been so placed of public record.

63. **Recreational Vehicles:** mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer or other similar equipment or vehicle.

64. **Reserve Fund:** the Fund created or to be created by the Association pursuant to *Section 8.3.3.4* for the purposes provided in *Section 10.1*.

65. **Residence:** any Building, or part of a Building, on a Homesite which is intended for occupancy and Residential Use as a separate residence.

66. **Resident:** refers to the following:

a) Owner, guest of Owner, tenant or lessee actually residing on any part of the Assessable Property; and

b) Members of the immediate family of each Owner, lessee, tenant or buyer actually living in the same household with such Owner, lessee, tenant or buyer; and

c) Subject to the Rules and Regulations (including the imposition of special non-Resident fees for Use of the Association Facilities if the Association shall so direct), the term "Resident" also may include the on-site employees, caretakers, guests or invitees of any such Owner, lessee, or tenant, if and to the extent the Board in its absolute discretion by resolution so directs.

67. **Residential Areas or Residential Community or Residential Development or Residential Use:** Homesites in a subdivision that have been approved by the County pursuant to the Governing Documents and platted as Homesites for the construction thereon of Residences, together with related areas intended for the Use and enjoyment of the Owners and Residents of such Homesites.

68. **Rules and Regulations:** the Rules and Regulations for SkyRidge adopted by the Board pursuant to *Section 6.3*.

69. **Special Assessment:** any assessment levied and assessed by the Board pursuant to *Section 8.4*.

70. **Special Assessment Limit:** the limit placed on Special Assessments forth in *Section 8.4.1*.

71. **Special Use Fees:** means the term set forth in *Section 4.1.4*

72. **State:** the State of Utah.

73. **Supplemental Declaration:** a supplement to this Declaration executed by or consented to by Declarant.

74. **Trail System:** the system of trails within the Project which is established from time to time by Declarant and/or the Association and which may be identified pursuant to the Governing Documents.

75. **Use:** one or more specific types of property development and classification as set forth in *Section 5.1* of this Declaration.

76. **Visible from Neighboring Property:** with respect to any given object, that such object is or would be visible to a person six feet (6') tall standing on Neighboring Property, on the level of the base of the object being viewed.

ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION

2.1 General Designation Creating SkyRidge

Declarant hereby declares that all of the Property, together with the Additional Land, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise Used, Improved or transferred, in whole or in part, subject to this Declaration as amended and modified from time to time. In additional, some of the Property within the Project may be subject to a Recorded Supplemental Declaration as applicable from time to time.

2.2 Plan for Development

Declarant plans to develop the Property as a multi-phased Residential Community with Common Areas that include Private Roads, Developer Areas, public roads, public parks, Trails and Trailheads as described in the Governing Documents and in accordance with the Master Plan and subject to any required governmental approvals by that certain Government Authority. Declarant reserves the right to modify the Master Plan in its sole discretion from time to time and the consent of the Association, any Owner and any mortgagee of any Owner shall not be required in connection therewith.

2.2.1 Association. Declarant has caused the Association to be formed to perform certain administrative and operational functions regarding the Property as set forth more fully in the Association Documents.

2.2.2 Not Condominium or Cooperative. This Declaration is not a declaration of condominium. No portion of the Property is submitted by this Declaration to the condominium form of ownership. Moreover, no portion of the Project shall be a cooperative. However, portions of the Property may be submitted to the condominium form of ownership by a Supplemental Declaration.

2.2.3 No Timeshare / Fractional Share Development or Timeshare/Fractional Share Use. Notwithstanding anything to the contrary contained in this Declaration, Declarant has decreed that no portion of the Property shall be utilized or subjected to any Timeshare or Fractional Share Development or Timeshare or Fractional Share Use as defined under Utah Code Ann. Sections 57-19-2(25) through (27) or successor statutes.

2.3 Exempt Property

Parts of the Project that are not subject to Assessment by the Association shall include:

2.3.1. Declarant Owned Property. All Property, including each Homesites, while owned by Declarant or a Declarant-related developer entity, until the happening of the first of the Events described in *Section 7.3.2.*;

2.3.2. Common Areas. All Common Areas for as long as the Declarant or Association is the owner thereof;

2.3.3. Governing Authority Property. All land and Improvements owned by or dedicated to and accepted by the United States, a Governing Authority, or any political subdivision thereof, for as long as any such entity or political subdivision is the owner thereof or for so long as said dedication remains effective, including all Governing Authority Property better described at *Section 2.6*; and

2.3.4. Developer Areas. See Section 3.6.

2.4 Annexation of Additional Property

Declarant reserves the absolute right and option to expand the Property at any time (within the limits herein prescribed) and from time to time by adding to the Property certain Additional Property or a portion or portions thereof. Notwithstanding any provision of this Declaration which may be construed to the contrary, prior to the expiration of the Period of Declarant Control, Declarant shall have the unilateral right, privilege, and option, in its sole discretion, to subject any Additional Property to the provisions of this Declaration and to the administration of the Association by Recording a Plat and Supplemental Declaration in Wasatch County, Utah. Such Supplemental Declaration shall not require the consent of any of the Owners, any mortgagee of any Owner or the Association, but shall require the consent of the owner of such Additional Property, if the owner of such Additional Property is other than Declarant. Any such annexation shall be effective upon the filing of Record of a corresponding Plat and such Supplemental Declaration unless otherwise provided therein. Declarant shall have the right, in its sole discretion, to transfer to any other Person the right, privilege, and option to annex Additional Property. Except to the extent specifically indicated herein, Declarant shall have no obligation to expand the Property upon the annexation of Additional Property. Once Additional Property has been annexed, it shall be considered part of the Property and shall be subject to all Governing Documents.

2.5 Supplemental Declarations

In General, Declarant shall have the right, alone and in its sole discretion, to execute and Record in Wasatch County, Utah, Supplemental Declarations from time to time containing provisions which (a) assign a specific use to a portion of the Property; (b) impose additional restrictions or delete restrictions on a portion of the Property; (c) assign some or all of Declarant's rights and obligations hereunder; (d) subject some or all of the Additional Property to the effect of this Declaration; or (e) do anything else permitted by this Declaration.

2.6 Governing Authority

From time to time, Declarant may, in its sole and exclusive discretion and without the vote of the Members, convey, assign, or transfer by Deed or other written instrument certain Common Areas to the applicable Governing Authority. Once any such Common Areas are conveyed, assigned or transferred to a Governing Authority, they shall be Exempt Property and shall constitute Governing Authority Property. It is contemplated that from time to time certain Common Areas, the Trail System and other real property and

facilities, may be conveyed, assigned or transferred by Deed or other written instrument to the Governing Authority, which conveyances are authorized pursuant to this Declaration.

ARTICLE III - LAND DESIGNATION AND ADMINISTRATION

3.1 In General

The Property may be subjected to designated Uses in accordance with the terms of this Declaration, by any Supplemental Declaration or by any other reasonable means by Declarant. Declarant may, in its sole and absolute discretion, establish any Use for the Property consistent with the terms of the Master Plan, this Declaration and applicable law. Without limiting the foregoing, the Property may be used in the following manner:

3.1.1. Residential Areas. Residential Areas shall be those areas used for Residential Use, which shall include Homesites and Improvements associated with Residential Uses including, but not limited to Private Roads, public roads, driveways, sidewalks, walkways, entranceways, street lighting, parking spaces, public or private pedestrian, bicycle and equestrian trails, public or private parks, Common Areas, landscaping, and other areas or amenities appurtenant to the Homesites that each Owner shall be responsible for all Improvements on and maintenance of his or her Homesite.

3.1.2. Common Areas. Every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Areas, subject to this Declaration as it may be amended from time to time, and to any restrictions or limitations contained in any Deed conveying or leasing such property to the Association.

3.1.3. Developer Areas. *See Section 3.6* herein.

3.2 Administration of Common Areas

3.2.1. Administration and Operation of Common Areas. The administration and operation of the Common Areas shall be the responsibility of the Association, except that the Association with the prior consent of the accepting party may assign or delegate such responsibility, in whole or in part, exclusively or non-exclusively, and permanently or temporarily, for any portion of the Common Areas to a governmental entity or any other Person determined to be appropriate by Declarant prior to the expiration of the Period of Declarant Control; or thereafter determined to be appropriate by a two-thirds (2/3) vote of the Board.

3.2.2. Improvements to Common Areas. All routine and general maintenance and Capital

Improvements will be provided by the Declarant, and will be maintained, repaired and replaced by the Association upon conveyance or lease to the Association. Declarant shall determine the manner of making Improvements to all Common Areas and the use thereof prior to the expiration of the Period of Declarant Control, and, thereafter, the Association shall have the same right provided the general quality of the Master Plan is not materially and detrimentally changed.

3.2.3. Boundaries. Prior to the expiration of the Period of Declarant Control, the Declarant shall have the right, in its sole and absolute discretion, to alter the boundaries of the Common Areas, and to construct, develop, grant or modify the Common Areas and any Improvements, easements and use rights thereon or appurtenant thereto in a manner determined appropriate by Declarant, in its sole discretion, without the joinder or consent of any Person, including, without limitation, the Association, any Owners or any mortgagee of any Owner, provided all applicable zoning requirements are met and applicable permits are obtained.

3.2.4. Community Park. Declarant has designated a portion of the Property as a public park as shown on the Plats. Declarant will cause the development of the park on said Parcel of land. The subject Parcel will be part of the Common Areas for purposes of this Declaration and the general public will have access to and be able to enjoy the park. Declarant will convey or lease the subject Parcels to the Association to be maintained, repaired and replaced by the Association. The Association may in the future, subject to agreement with Wasatch County, convey the subject Parcel to a Governing Authority, in which case, the property in question may no longer be Common Areas, but would continue to be accessible by the general public, including without limitation, Owners of Homesites from time to time.

3.2.5. Trail System. Declarant has designated a portion of the Property for certain pathways or trails around and/or through the Property (including the Trail System) will be part of the Common Areas for purposes of this Declaration. The general public will have access to and be able to enjoy the Trail Systems. Declarant will convey or lease the subject Parcel(s) to the Association to be maintained, repaired and replaced by the Association. The Association may in the future, subject to an agreement with a Governing Authority, convey, dedicate, assign, or transfer by Deed or other written instrument the subject Parcel(s) to a Governing Authority, in which case, the property in question may no longer be Common Areas.

3.3 Alterations to the Common Areas

Anything to the contrary notwithstanding and until the occurrence of the Events defined in *Section 7.3.2*, the Declarant may make changes to the Common Areas without the consent of either the Association or the Board; provided, however, no Owner or any other Person may make any structural alterations, modifications, changes or Improvements to the Common Areas, or including but not limited to any additions, extensions, enclosures, fencing, decks, patios, walkways, Buildings or sheds not shown on the approved plans and specifications, without the prior consent of the Board.

3.4 Transfer of Common Areas upon expiration of Period of Declarant Control

3.4.1. Transfer of Common Areas to Association. Within four (4) months after the expiration of the Period of Declarant Control, as described in *Section 7.3.2*, Declarant agrees to convey, transfer, assign and deliver to the Association, and the Association shall accept same from Declarant, Declarant's interest in the Common Areas as the same exists on the date of conveyance. Nothing in this *Section* shall prevent the Declarant from conveying Common Areas to the Association from time to time prior to the expiration of the Period of Declarant Control.

3.4.2. Transfer Disclaimer of Warranties. The Association and each Owner agree that the Common Areas shall be conveyed in its "where is, as is" condition and without recourse, and Declarant disclaims and makes no representations, warranties or other agreements express or implied with respect thereto, including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the condition, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to utilization or the future economic performance or operations of the Common Areas. No claim shall be made by the Association or any Owner relating to the condition, operation, use, accuracy or completeness of the Common Areas or for incidental or consequential damages arising therefrom. Declarant will transfer and assign to the Association, without recourse, all warranties which it receives from manufacturers and suppliers relating to any of the Common Areas which exist and are assignable.

3.5 Actions Affecting Common Areas Require Approval.

The Association shall not abandon, partition, alienate, release, transfer, hypothecate, or otherwise encumber any portion of the Common Areas without the prior written approval of Declarant so long as it continues to own any portion of the Property and, thereafter, without the prior approval of

a majority of the votes eligible to be cast by the Class "A" Members. The preceding sentence shall not prohibit the Association from granting such easements over, under and above Common Areas as are reasonably necessary or appropriate for the development and operation of the Property in a manner consistent with the provisions of this Declaration, nor shall the foregoing prohibit the Association from encumbering Common Areas provided such encumbrances are solely to secure loans obtained for improving Common Areas, and the lien of such encumbrance is not superior to the provisions of this Declaration.

3.6 Developer Areas

3.6.1. The Declarant has designated a portion of the Property as Developer Areas, which is land that includes large open recreational areas and facilities, including but not limited to: a golf course and golf facilities, equestrian facilities, public clubhouse facilities, maintenance facilities, out buildings, and retail space, as defined in the Governing Documents and in accordance with the Development Agreement, Master Plan or Plat Maps. Any such Use shall be designated by Declarant in a Supplemental Declaration, and Declarant may, in any such Supplemental Declaration, set forth any restrictions, conditions and Covenants that run with such portion of the Property. Declarant may also set forth any rights and obligations of the Owner of such portion of the Property, if any, and the manner in which such portion of the Property shall be administered and assessed under this Declaration. Notwithstanding the foregoing, a portion of the Property may be used as a sales center for the sale, resale of Homesites and Residences within the Community or other communities designated by Declarant and/or Memberships relative to the Developer Areas without designation in a Supplemental Declaration. Declarant may assign, in whole or in part, its rights under this *Section 3.6.1*.

3.6.2. Administration and Operation. The administration and operation of the Developer Areas shall be the responsibility of the Declarant or designee, who may assign or delegate such responsibility, in whole or in part, exclusively or non-exclusively, and permanently or temporarily, for any portion of the Developer Areas to an entity or any other Person determined to be appropriate by Declarant. Declarant shall determine the manner of making Improvements to all Developer Areas and the Use or Other Uses thereof.

3.6.3. Privately Owned; Not Subject to the Declaration. Developer Areas shall be privately owned and operated by the Declarant or designee, are not a part of the Common Areas hereunder and are not subject to the Use restrictions, terms or conditions described in this Declaration. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made

by Declarant or any other Person with regard to the continuing existence, ownership or operation of the Developer Areas, and no purported representation or warranty in such regard, either written or oral, shall be effective without an amendment to this Declaration executed or joined into by Declarant. The Declarant has the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Developer Areas shall be used. OWNERSHIP OF A HOMESITE OR RESIDENCE OR ANY PORTION OF THE PROPERTY OR MEMBERSHIP IN THE ASSOCIATION DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE DEVELOPER AREAS AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE DEVELOPER AREAS OR ASSOCIATED FACILITIES.

3.6.4. Boundaries. So long as Declarant owns any portion of the Property, the Declarant shall have the right, in its sole and absolute discretion, to alter the boundaries of the Developer Areas and construct, develop, grant or modify the Developer Areas and any Improvements, easements and Use rights thereon or appurtenant thereto in a manner determined appropriate by Declarant, in its sole discretion, without the joinder or consent of any Person, including, without limitation, the Association, any Owners or any mortgagee of any Owner, provided all applicable zoning requirements are met and applicable permits are obtained.

3.7 Other Uses

Declarant may use limited portions of the Property for retail business purposes in accordance with the Master Plan. Any such use shall be designated by Declarant in a Supplemental Declaration, and Declarant may, in any such Supplemental Declaration, set forth any restrictions, conditions and Covenants that run with such portion of the Property. Declarant may also set forth any rights and obligations of the Owner of such portion of the Property, and the manner in which such portion of the Property shall be administered and assessed under this Declaration. Notwithstanding the foregoing, a portion of the Property may be used as a sales center for the sale, resale or rental of Homesites within the Community or other communities designated by Declarant without designation in a Supplemental Declaration. Declarant may assign, in whole or in part, its rights under this *Section 3.7*.

3.8 Disputes as to Use

If there is any dispute as to whether the designation of any portion of the Property complies with this Declaration, any Supplemental Declaration, or any other documents, the dispute shall be

resolved by Declarant in its sole discretion for so long as Declarant owns any portion of the Property or the Additional Property. After Declarant no longer owns any portion of the Property or the Additional Property, the dispute shall be resolved by the Board of Directors. The determination rendered by Declarant or the Board of Directors, as the case may be, shall be final and binding on all Persons involved in the dispute.

ARTICLE IV – DEVELOPMENT, EASEMENTS AND RIGHTS OF ENJOYMENT

4.1 Easements of Enjoyment

Every Member shall have a right and nonexclusive easement of enjoyment in and to the Common Areas, as such areas are dedicated for Use by Declarant, which shall be appurtenant to and shall pass with the title to every Homesite, subject to the following provisions:

4.1.1. Suspension of Rights. The right of the Association to suspend the voting rights of any Member and the right to the Use of the Common Areas by any Member (a) for any period during which any Assessment against such Member's Homesite remains delinquent sixty (60) or more days; (b) for a period not to exceed 60 days for any infraction by such Member of this Declaration, the Rules and Regulations or any of the other governing Documents, and (c) for successive sixty (60)-day periods if any such infraction by such Member is not corrected during any prior sixty (60) day suspension period or such infraction is repeated within one (1) year of being notified of the initial infraction.

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

4.1.3. Transfer. The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association.

4.1.4. Governing Authority. The right of the applicable Governing Authority and any other governmental or quasi-governmental body having jurisdiction over SkyRidge to access and rights of

ingress and egress over and across any Private Road, public road, parking area, walkway, or Common Areas contained within the SkyRidge Property for purposes of providing police and fire protection, transporting school children and providing other governmental or municipal service.

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

4.1.6. Limitation on Number of Guests and Invitees Using Association Facilities. The right of the Association to limit the number of guests and invitees who may use the Association Facilities at any one time and may restrict the Use of the Association Facilities by guests, invitees, and other Persons to certain specified times.

4.2 No Partition

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

4.3 Declarant Reserved Easements

4.3.1. Easement for Development. Declarant hereby reserves an easement throughout the Property for the purpose of completing all Improvements contemplated by this Declaration. Declarant shall be entitled to use Common Areas, including Private Roads and Association Facilities, public roads and other facilities located in, on or under the Property in order to make Improvements thereto and to continue with the development of the Property.

4.3.2. Landscaping Easement. By Recordation of this Declaration, Declarant does hereby reserve for itself and its successors and assigns, a perpetual alienable and transferable easement over, across and upon each and every Homesite which abuts or is contiguous to the Common Areas and Developer Areas for the purpose of operation and maintenance of the Common Areas, and Developer Areas, including but not limited to, the Use of usual and common equipment for irrigation, maintenance and landscaping thereof, which easement shall specifically constitute a part of the Common Areas, and Developer Areas. By way of example and not limitation, such easement shall permit, but shall not require, entry into any Homesite for the purpose of planting grass, trees and shrubs, applying fertilizer, mowing and edging and removing any underbrush, trash, debris and trees.

4.3.3. Golf Play Easement. By Recordation of this Declaration, Declarant does hereby reserve for itself and the participants of the Golf Academy and other invitees, a perpetual alienable and transferable easement over, across and upon each and every Homesite which abuts or is contiguous to the Developer Areas used for golf activities for the purpose of doing every act necessary and appropriate to the playing of golf on the Developer Areas, which shall include, but not be limited to, the recovery of golf balls from any Homesite, the flight of golf balls over and upon any Homesite, the usual and common noise level created by the playing of golf and the usual and common activities associated with the operation and maintenance of the Golf Academy. Nothing herein however, shall be deemed to permit the playing of golf on any Homesite, it being the intention of this easement that golf play should be limited to the Developer Areas reserved for golf.

4.3.4. Easements for Encroachments. If any part of a Homesite or any Improvement built in substantial accord with the boundaries for such Homesite as depicted on a Plat (or in other approved documents depicting the location of such on the Homesite) encroaches or shall encroach upon the Common Areas, Developer Areas or upon an adjoining Homesite, an easement for such encroachment and for the maintenance of the same shall exist upon the written approval of the Declarant for so long as the Declarant is the Owner of a Class B Membership, and thereafter upon the written approval of the Board. If any part of the Common Areas, or Developer Areas encroaches or shall encroach upon a Homesite or an Improvement, an easement for such encroachment and for the maintenance of the same shall exist upon the written approval of the Declarant for so long as the Declarant is the Owner of a Class B Membership, and thereafter upon the written approval of the Board. Each Owner shall have an unrestricted right of ingress or egress to and from its Homesite.

4.3.5. Easements for Drainage Maintenance and Flood Water. Various Common Areas, Developer Areas, and Homesites have or may have ditches, diversions, drainage channels, swales, depressions, berms, retention basins, detention basins, bulkheads, walls, dams, or other structures retaining water or other similar features on, under or through the soil that are designed to carry water away from any Common Areas, Developer Areas, or Homesites, as depicted upon a Recorded Plat, or otherwise found on such properties (collectively, "Drainage Control Features"). All Owners of Homesites wherein Drainage Control Features are located shall remove trash and other debris therefrom and fulfill their maintenance responsibilities with respect to such Owners' Homesite as provided in this Declaration. Notwithstanding the foregoing, the Declarant reserves for itself and its successors, assigns, and designees and for the Association a perpetual, nonexclusive right and easement, but not the obligation, to enter upon the Drainage Control Features located within any Common Areas, Developer Areas, and Homesite for the purpose of maintaining, repairing, cleaning, or altering drainage and water flow, and shall have an access easement over and across any Common Areas, Developer Areas, and Homesite (but not the Residences or other Buildings thereon) abutting or adjacent to any portion of any Drainage Control Features to the extent reasonably necessary to exercise their rights under this *Section 4.3.5*. Any or all of Declarant's and the Association's rights and easements provided for in this *Section 4.3.5* may be transferred by Declarant or the Association to a Governing Authority at Declarant's or the Association's election by a written instrument, and Declarant's rights under this *Section 4.3.5* shall be transferred automatically to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. All persons entitled to utilize these easements shall use reasonable care in, and repair any material damage resulting from, the Use of such easements. Nothing herein shall be construed to make Declarant, the Association or any other Person liable for damage resulting from flooding due to heavy rainfall, excessive spring run-off, or natural disasters. Owners or Residents are strictly prohibited from disrupting the drainage pattern and shall not interfere with, obstruct, re-channel, construct upon, alter, build-in, fill-in, or impair any Drainage Control Features or the drainage pattern over his or her Homesite from or to any other Homesite as that pattern may be established by a Governing Authority or by Declarant, the Association, a Builder, or another developer.

4.4 Easements for Utilities

4.4.1 In Common Areas and Developer Areas . There is hereby created an easement at specific locations approved by Declarant upon, across, over and under the Common Areas, and Developer Areas

for reasonable ingress, egress, installation, replacement, repair or maintenance, of all Private Roads, emergency access roads, all utilities, including, but not limited to, gas, water, sanitary sewer, telephone, storm drain, cable television and electricity, and all Drainage Control Features. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain the necessary equipment at such locations on Common Areas and Developer Areas, but no sanitary sewers, electrical lines, water lines, storm drain lines, or other utility or service lines may be installed or located on the Common Areas and Developer Areas, except as designed, approved and/or constructed by the Declarant or as approved by the Board.

4.4.2. In Homesite and Parcels. There is hereby created a blanket easement upon, across, over and under each Homesite and Parcel for ingress to, egress from, and for the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to storm drain, water, sewer, gas, telephone, electricity, television cable or communication lines and systems, as such utilities are installed in connection with the initial development of each Homesite and the construction of the Improvements thereon and also to the extent deemed necessary thereafter by the Declarant or the Board, provided that the location of any such easements shall not unreasonably interfere with the intended Use of such Homesite by the Owner thereof. Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Buildings on the Homesites and Parcels. Notwithstanding anything to the contrary contained in this *Section*, no sewers, storm drain lines, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any Homesite except as approved by the Declarant (or the Board following the expiration of the Period of Declarant Control).

4.5 Easements for Ingress and Egress

There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Common Areas and Developer Areas. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the Owners and Residents of the Homesites and their guests, families, tenants and invitees. There is also hereby created an easement upon, across and over the Common Areas including Private Roads, and Developer Areas, , and private parking areas within the Property for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. Declarant for so long as the Declarant is the Owner

of a Class B Membership, and thereafter upon the written approval of the Board shall have the right to relocate and/or reconfigure any and all such easements from time to time as it sees fit without the consent of any Owners (but subject to any necessary approvals of the County or any other governmental body or agency having jurisdiction including in particular, but without limitation, the easements granted herein for police, fire, medical and other emergency vehicles and personnel).

4.6 Delegation of Use

Each Member shall, in accordance with the Governing Documents and the reasonable regulations and limitations therein contained, be deemed to have delegated his or her right of enjoyment in the Common Areas to the Members of his or her family, his or her tenants or lessees, his or her guests or invitees or to his or her tenant's family, guests or invitees.

4.7 Transfer of Title

Declarant agrees that it shall convey to the Association the Common Areas subject to certain easements, this Declaration, and the lien of current general taxes and the lien of any Assessments, charges, or taxes imposed by governmental or quasigovernmental authorities within a reasonable period of time after the closing of the last sale of a Homesite or Parcel within the Project, or at such earlier time as Declarant determines in its sole discretion.

ARTICLE V - LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

5.1 Land Use Classifications

5.1.1. As portions of the Property are readied for development and/or sale to Owners or to Builders, the Land Use Classifications, restrictions, easements, rights-of-way and other matters, including new or different Uses and restrictions therefor and including any number of subclassifications thereof for any special Uses, shall be fixed by Declarant and may be disclosed on the Plat which shall be Recorded for that portion of the Property. The Land Use Classifications for Homesites and Common Areas established pursuant to the Governing Documents shall not be changed except as specifically permitted by the Governing Documents. The current contemplated Land Use Classifications are as follows:

5.1.1.1. Residential Use, designated for development as Homesites;

5.1.1.2. Association (or Member) Use upon Association Facilities and other Common Areas .

5.1.1.3. General Public Uses, which include certain Common Areas open to the public including Private Roads and Trails (but specifically excluding Association Facilities), and Developer Areas as approved by the Declarant for development purposes, related businesses and commercial purposes.

5.1.2. Unless otherwise specifically provided in the Governing Documents, the definitions and characteristics of such Land Use Classifications, and specific permitted and prohibited Uses in such Land Use Classifications, shall be within the complete discretion of Declarant. This Declaration shall be subject to the zoning, Land Use, and development laws, ordinances, rules and regulations, and policies of the applicable Governing Authority.

5.1.3. Health, Safety and Welfare Rules or Regulations. In the event any Uses and activities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the Board may make rules restricting or regulating their presence within the Project as part of the Rules and Regulations.

5.1.4. Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Resident, tenant, or occupant of a Homesite which shall not be less than forty-eight (48) hours, any Member of the Board or any authorized representative of the Board, shall have the right to enter upon and inspect any Homesite and the Improvements thereon, except for the interior portions of any completed Residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such Persons shall not be deemed guilty of trespass by reason of such entry.

5.1.5. Citation, Fines and Penalties.

5.1.5.1. The Association, by and through the Board or its Manager, may issue a citation to any Owner whose behavior or Use of his Homesite or Common Areas does not conform to the Association's Governing Documents ("Non-Conforming Member"). Owners are responsible for the action and/or failure to act on the part of their family members, guests, visitors, tenants, and invitees.

5.1.5.2. Written Warning of Non-Conforming Use. The Association shall send a written warning of non-conforming use and deliver it consistent with the notice provisions in the Bylaws. The warning shall generally advise the Non-Conforming Member of the nature of the offense, cite

the specific provision with the Governing Documents which the Non-Conforming Member has violated, state that the Board will assess fines or impose nonmonetary penalties including suspension of privileges if the violation is continuing and not cured in not less than forty-eight (48) hours after the date of the warning. This warning shall also advise the Non-Conforming Member of the Association's power to impose fines or other monetary penalties if the Non-Conforming Member commits similar violations within one (1) year after the day of the written warning is issued or a fine is assessed. Notwithstanding the provisions in this *Section*, the Board is not required to provide a warning if it determines that the interests of health and safety of the residents of SkyRidge requires a more expedited handling of the allegations.

5.1.5.3. Issuance of Fine. The Board may issue a fine against the Non-Conforming Member if: (i) the Non-Conforming Member does not cure a continuing violation within the time noted in the warning described in *Section 5.1.5.2*, or (ii) within one (1) year after the date of the written warning, the Non-Conforming Member commits another violation of the same rule or provision identified in the warning. Fines may only be made for a violation of a rule, Covenant, condition or restriction and in the amount found in the Governing Documents. Fines may accrue interest and late fees as provided for in the Governing Documents. The Association shall provide written notice of the issuance of a fine.

5.1.5.4. Additional Fines for Repeated or Continuing Violations. After the Board assesses a fine under *Section 5.1.5.3*, the Board may, without further warning or notice, assess an additional fine against the Non-Conforming Member each time the Owner: (i) commits a violation of the same rule or provision within one (1) year after the day on which the Board assesses a fine for a violation of the same rule or provision; or (ii) allows a violation to continue for ten (10) days or longer after the day on which the Board assesses a fine.

5.1.5.5. Right to Informal Hearing. A Non-Conforming Member has a right to dispute a fine by requesting a hearing with the Board within thirty (30) days after the day on which the Non-Conforming Member receives or is deemed to receive notice that a fine has been assessed. If the Non-Conforming Member timely requests an informal hearing, no interest or late fees may accrue until after the Board conducts the hearing and notifies the Non-Conforming Member of its final decision. The Non-Conforming Member shall be afforded a reasonable opportunity to be heard consistent with the procedures contained in the Governing Documents. The Non-Conforming Member must demonstrate *extenuating circumstances* which require deviation from the Governing

Documents and shall include all pertinent backup information to support the existence of the *extenuating circumstance*. The decision of the Board shall be binding. See Governing Documents for informal hearing procedures.

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

5.2 Covenants Applicable to All Land Use Classifications

The following Covenants, conditions, restrictions and reservations of easements and rights shall apply to all Homesites, the Owners and lessees thereof, and all Residents, regardless of the Land Use Classification of such property.

5.2.1 **Animals**. No animal, bird, fish, or reptile other than a reasonable number of generally recognized house or yard pets as determined solely by the Board, shall be maintained on any Homesite and then only if they are kept, and raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept within a Homesite or Residence or on a leash at all times. No animal, bird, fish, or reptile shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal, bird, fish, or reptile shall be maintained so as to be Visible From Neighboring Property, unless otherwise approved by the Board. Enclosures,

kennels, runs and the leash areas must be kept clean and sanitary and must be located not less than fifteen (15) feet from any property line on such Owner's Homesite. If a pet defecates on any portion of the Property, the Owner of such animal shall immediately remove all feces left by such Owner's pet. The Board may establish in the Rules and Regulations a maximum number of domestic pets and/or the maximum size or weight of any of such pets that may be kept or maintained by any Owner of any Homesite. The Rules and Regulations may also establish restrictions or prohibitions with respect to animals left unattended in yards or on private decks and the construction of electric fences to contain pets. If an Owner or Resident fails to abide by the terms of this Declaration and the Governing Documents applicable to pets, additional restrictions and fees will be enforced. Horses, livestock or wildlife are prohibited.

5.2.2. Accessory Buildings. Accessory Buildings are subject to the Governing Documents and Wasatch County Code and Restrictions and JSPA Codes and Restrictions. Any outdoor areas which house trash containers, firewood, maintenance/service equipment (i.e. snowblowers, etc.), or overflow Residential storage shall be screened.

5.2.3. Antennas, Satellite Dishes and Flag Poles. To the full extent permissible under State and federal law, no television, radio, shortwave, microwave, satellite, or other antenna, flag pole, tower or dish shall be placed, constructed or maintained upon any Homesite, or other part of the Property unless such antenna, pole, tower or dish is fully and attractively screened or concealed, which means of screening or concealment shall be subject to the Governing Documents and the Rules and Regulations and prior approval of the ARC. Notwithstanding the foregoing, the ARC may allow, pursuant to the Governing Documents, the placing on a Homesite of a flag pole no greater than eight (8) feet in length for the purpose of displaying the national flag of the United States of America, which flag shall be no greater than twenty (20) square feet in size.

5.2.4. Artificial Vegetation, Exterior Decorations and Lighting. Artificial vegetation and exterior decorations are governed by the Rules and Regulations. Lighting, sculptures, fountains, and similar items are subject to the Governing Documents and must be pre-approved by the ARC.

5.2.5. Architectural Control. No Improvements (whether temporary or permanent), alterations, repairs, excavation, grading, decks, landscaping or other work which in any way alters the exterior appearance of any portion of the Property, or the Improvements located thereon, from its natural or improved state existing on the date this Declaration is Recorded shall be made or done without the prior written approval of the ARC pursuant to *Article XII* except as otherwise expressly provided in this

Declaration. No Building, fence, wall, Residence or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the ARC pursuant to *Article XII*. All subsequent additions to or changes or alterations in any Building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of Homesites, shall be subject to the prior written approval of the ARC pursuant to *Article XII*. No changes or deviations in or from the plans and specifications once approved by the ARC shall be made without the prior written approval of the ARC pursuant to *Article XII*.

5.2.6. Construction Activities. All construction activities and parking in connection with the building of Improvements on any Homesite shall be subject to the Governing Documents and approved by the ARC pursuant to *Article XII*. The Board acting on behalf of the Declarant shall have the right to determine the existence of any nuisance arising out of construction and any activities related thereto. The Board has the right to impose fines related to violations of the Governing Documents. The Governing Documents may require submittal to the ARC of site-specific construction mitigation plans prior to the commencement of any construction activities.

5.2.7. Diseases and Insects. No Owner shall permit anything or condition to exist upon any Homesite which shall induce, breed or harbor infectious plant diseases or noxious insects.

5.2.8. Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his or her Homesite from or to any other Homesite as that pattern may be established by Declarant, a Builder, or any other developer or as described in *Section 4.3.5* hereof with respect to Drainage Control Features.

5.2.9. Energy Conservation Equipment. No solar energy collector panels, attendant hardware related thereto or other energy conservation equipment shall be constructed or installed on any Building or Residence located within the Project without the prior written consent of the ARC acting on behalf of the Declarant and must be an integral and harmonious part of the architectural design of the Building or Residence, as determined in the sole discretion of the ARC. The ARC may impose reasonable restrictions on the solar energy system's size, location and manner of placement consistent with *Section 57-8a-701, et. seq.*, of the Utah Code, as such *Section* may be amended, supplemented or replaced from time to time.

5.2.10. Fences and Walls. Perimeter fences or walls shall not be constructed or otherwise allowed within the Project without prior approved by the ARC.

5.2.11. Garages. All garages shall be fully enclosed. No carports shall be permitted. Garages are subject to all Governing Documents.

5.2.12. Landscaping.

5.2.12.1. Installation. Unless otherwise approved by the ARC, the initial Owner that purchases from Declarant or from any Builder of a Residence on any Homesite shall be responsible to install, within six (6) months (weather permitting) after initial occupancy, landscaping and irrigation on such Homesite pursuant to a landscape plan that shall be approved in advance by the ARC. All such landscape plans shall contain requirements for the commencement and completion of all such landscape Improvements. The required minimum landscaping for all Homesites shall be as set forth in the Governing Documents.

5.2.12.2. Nuisances. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Homesite, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the Residents of such other property, as determined by the Board on a reasonable, good faith basis. No other nuisance shall be permitted to exist or operate upon any Homesite so as to be offensive or detrimental to any other property in the vicinity thereof or to its Residents, as determined by the Board on a reasonable, good faith basis. Without limiting the generality of any of the foregoing provisions, except as specifically provided in this *Section 5.2.12.2*, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property.

5.2.12.3. Dumping. No Person may dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances anywhere on the Property, except that fertilizers may be applied to landscaping, provided care is taken to minimize runoff.

5.2.13. Incidental Uses. The Declarant or the Board may approve Uses of Property within a Land Use Classification which are incidental to the full enjoyment by the Owners of the Property within that Land Use Classification. Such approval may be subject to such regulations, limitations and restrictions, including termination of the Use, as the Declarant in its sole discretion or the Board with Declarant approval, may wish to impose, for the benefit of the Project as a whole.

5.2.14. Irrigation. No sprinkler or irrigation systems of any type which draw from any body of water within the Property shall be installed, constructed or operated by any Person, other than the Association, Declarant, without the pre-approval of the ARC. All Homesites which are developed are required to have an underground irrigation system which shall be maintained by the Owner of such property.

5.2.15. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Homesite except (i) such machinery or equipment as is usual and customary in connection with the Use, maintenance or construction (during the period of construction) of a Building, appurtenant structures, or other Improvements; (ii) that which Declarant or the Association may require for the operation and maintenance of the Property; or (iii) that which is Used or displayed in connection with any business permitted under this Declaration.

5.2.16. Mineral Exploration. No portion of the Property shall be Used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, gas, earth or any earth substance of any kind. No derrick or other structure designed for use in boring for water, oil, or other hydrocarbons or minerals of any kind or nature shall be erected, maintained or permitted on any portion of the Property.

5.2.17. Outdoor Play Apparatus, Sculptures, Flag Poles, and Art. Outdoor play apparatus, structures, basketball goals, backboards, swimming pools, spas or hot tubs, water features, tennis courts, sports courts, pickleball courts, and swing sets, sculptures, or outdoor art are subject to the Governing Documents.

5.2.18. Overhead Encroachments. Except as provided for herein, no tree, shrub or planting of any kind on any Homesite shall be allowed to overhang or otherwise to encroach upon any sidewalk, Private Road, public road, pedestrian way, or other area from ground level to a height of eight (8) feet without the prior approval of the Board. Notwithstanding the foregoing, if any part of a healthy tree or shrub shall encroach upon the Common Areas or Developer Areas, or upon an adjoining Homesite, an easement for such encroachment and for the maintenance of the same shall and does exist, provided such encroachment does not create a hazardous, dangerous, unsafe or unsightly or otherwise objectionable condition, as determined by the Board acting on behalf of the Declarant. Upon consent of the Owner of the adjoining Homesite, an encroaching Owner shall have the right to access the adjoining Homesite to the extent reasonably necessary to maintain an encroaching tree or shrub.

5.2.19. Parking, Stowing and Towing. All Motor Vehicles, including Recreational Vehicles, and trailers associated therewith are subject to parking and storage restrictions as defined in the Governing Documents. Violations of any rules or restrictions related to parking and storage may result in the assessment of fines and/or towing.

5.2.20. Repair of Improvements. No Improvement on any Homesite shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof, unless otherwise provided in this Declaration. In the event any Improvement is damaged or destroyed, then, subject to the approvals required by *Section 5.2.4* above, such Improvement shall be immediately repaired, rebuilt or demolished by the Owner thereof, unless otherwise provided in this Declaration. If any Improvement should be demolished, then the Owner shall at all times maintain the vacant Homesite in a clean and slightly condition, and shall clear and shall continue to clear the Homesite of any weeds, debris, garbage, tree pruning, or like items.

5.2.21. Roofs. To the full extent permissible under the Governing Documents or under State and federal law, no apparatus, structure or object shall be placed on the roof of a Residence or other Improvement without the prior written consent of the ARC. Any apparatus, structure or object approved by the ARC for placement on the roof of a Residence shall be mounted on the rear of the roof so that such apparatus or object is below the highest ridge on the roof. No air conditioning units or evaporative coolers extending from windows or protruding from roofs are permitted, except as installed by Declarant or as approved by the ARC. The Governing Documents may contain additional restrictions and conditions regarding the placement of apparatus, structures and objects on the roof of a Residence.

5.2.22. Restriction on Further Subdivision, Property Restrictions and Rezoning. No Homesite shall be further subdivided or separated into smaller Homesites or interests by any Owner, and no portion less than all of any such Homesite, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Declarant (or the Board following the expiration of the Period of Declarant Control), which approval must be evidenced on the Plat or other instrument creating the subdivision, easement or other interest. This provision shall not apply to transfers of an ownership interest in the whole of any Homesite. Further, this provision shall not, in any way, limit Declarant from subdividing or separating into Homesites the Property, which has not previously been Platted or subdivided into Homesites. No further Covenants, conditions, restrictions or easements shall be Recorded by any Owner or other Person against any Homesite without the provisions thereof having been first approved in writing by the Declarant (or the Board following the expiration of the Period of Declarant

Control), and any Covenants, conditions, restrictions or easements Recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Homesite, and no applications for variances or Use permits, shall be filed with a Governing Authority, unless the proposed Use of the Homesite complies with this Declaration.

5.2.23. Sight Distance at Intersections. All property located at road intersections shall be maintained so as to permit safe sight across the road corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

5.2.24. Signs. No signs (including, but not limited to commercial, political, "For Sale," "For Rent," and similar signs) which are Visible from a Neighboring Property shall be erected or maintained on any Homesite without the prior written consent of the Board except:

5.2.24.1. The Owner of a Residence may display one "For Sale" or "For Rent" sign as determined in the Governing Documents;

5.2.24.2. Signs erected and maintained by Declarant (or the Association pursuant to *Section 11.1.4*) pursuant to this Declaration;

5.2.24.3. Signs required by law;

5.2.24.4. Residence identification signs, provided the size, color, content and location of such signs have been approved in writing by the ARC;

5.2.24.5. Signs of Builders approved from time to time by the ARC as to number, size, color, design, content, location and type;

5.2.24.6. Such construction job identification signs and subdivision identification signs which are in conformance with the requirements of any Governing Authority and which have been approved in writing by the ARC as to number, size, color, design, content, and location; and

5.2.24.7. Signs identifying the entry way to locations of special interest, provided the size, color, content and location of such signs have been approved in writing by the ARC.

5.2.25. Tanks. Unless otherwise approved by Declarant or the Board, no tanks of any kind (including tanks for the storage of fuel) shall be erected, placed or maintained on any Homesite, unless such tanks are buried underground. Nothing herein shall be deemed to prohibit Use or storage upon any Homesite of an above ground propane or similar fuel tank with a capacity of ten (10) gallons or less used in connection with a normal Residential gas barbecue, grill or fireplace or a spa or "hot tub", so long as any such tank

either: (a) has a capacity of ten (10) gallons or less; or (b) is appropriately stored, used and/or screened, in accordance with the Governing Documents or as otherwise approved by the ARC. The Rules and Regulations may contain additional conditions and restrictions regarding the use and placement on a Homesite of propane or similar fuel tanks. Notwithstanding the foregoing, Declarant or a Builder shall have the right to use above-ground tanks during the course of construction and related activities in the development of the Project as otherwise authorized by applicable Governing Authorities.

5.2.26. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Homesite, except in covered containers of a type, size and style required by the County and approved by the Board. Such containers should be stored and made available for collection as provided for in the Rules and Regulations. All rubbish, trash and garbage shall be removed from the Homesites and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Homesite.

5.2.27. Utility Service. No lines, wires or other devices for communication or for the transmission of electric current or power, including telephone, television and radio signals, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Homesite, unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on Buildings or other structures as approved by the Declarant (or the Board following the expiration of the Period of Declarant Control), except for:

5.2.27.1. Overhead power poles and lines to perimeter areas of the Property as approved by Declarant (or the Board following the expiration of the Period of Declarant Control); and

5.2.27.2. Boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices as approved by the Declarant (or the Board following the expiration of the Period of Declarant Control).

5.2.27.3. All utilities within the Property shall be installed underground, unless otherwise specifically pre-approved by Declarant (or the Board following the expiration of the Period of Declarant Control). To the extent possible, utility lines, including without limitation cable television and gas lines, should be installed, repaired or replaced under existing roads, sidewalks and driveways by a method which will not disturb the paved surface of such road, sidewalk or driveway. This restriction is intended to preserve the aesthetic nature of the paved surfaces.

5.2.28. Violations of Law. Any activity which violates local, State, or federal laws or Regulations is prohibited, and the Board may exercise the remedies provided for herein to compel an Owner to resolve the violation; however, the Board shall have no obligation to take enforcement action in the event of a violation.

5.3 Covenants Applicable to Property within Residential Use Land Use Classifications

The following Covenants, conditions, restrictions and reservations of rights shall apply only to the Owners and Residents thereof lying within a Residential Use Land Use Classification:

5.3.1. General. Property classified as a Residential Use Land Use Classification may be used only for the construction and occupancy of Residences. All Property within such Land Use Classification shall be Used, improved and devoted exclusively to Residential Use.

5.3.2. Compliance with the Documents. Every Owner shall cause all occupants of his or her Homesite to comply with the Governing Documents and shall be responsible for all violations, losses and damages to Common Areas , caused by such occupants, notwithstanding the fact that such occupants of a Homesite shall be held jointly and severally liable and may be sanctioned for any violation of the Governing Documents.

5.3.3. Business Activities. Property classified for the purposes set forth in Section 5.3.1 may only be Used for any business that complies with the Governing Documents, such that an Owner or Resident may conduct business activities within the Residence so long as:

5.3.3.1. the Owner or Resident obtains all necessary licenses and permits;

5.3.3.2. the activity conforms to applicable laws, including all zoning requirements for the Project;

5.3.3.3. the activity does not require or involve members of the Public routinely visiting the Residence;

5.3.3.4. the activity is consistent with the Residential character of the Property, does not constitute a nuisance, or a hazardous or offensive Use, or threaten the security or safety of other Residents of the Property, as may be determined by the Board acting on behalf of the Declarant; and

5.3.3.5. the Owner or Resident obtains the prior written consent of the Board.

5.3.3.6. Business Exemptions. This *Section 5.3.3* shall not apply to any activity conducted by Declarant, or a Builder approved by Declarant, with respect to its development, construction and sale of the Homesites or their Use of any Residences which it owns within the Project. See *Section 5.3.7*.

5.3.3.7. Short-Term Rentals. Notwithstanding any provisions contained in this *Section 5.3.3* or in any other *Section* of this Declaration, short-term rentals of Residences within the Project are permitted, but rentals of Residences shall be subject to terms, conditions and restrictions of these Governing Documents. All short-term rentals shall be subject to the provisions of the Governing Documents and shall obligate the tenants to comply with the Governing Documents. If the tenants fail to comply with the terms of the Governing Documents, then the Board, in addition to any other remedies available to it, may evict the tenants on behalf of the Owner and specifically assess all costs associated therewith against the Owner. An Owner shall be responsible and liable for any damage to the Project caused by the Owner's tenants.

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

5.3.5. Landscape Maintenance of Homesites.

5.3.5.1. The Owner of each Homesite shall be responsible to landscape, plant, care for, maintain, irrigate, and repair all areas on such Owner's Homesite. The Governing Documents establish minimum standards of maintenance and care for all Homesite areas. If the Owner of a Homesite fails to landscape, plant, care for, maintain, irrigate, or repair such Owner's Homesite in a manner consistent with the requirements of this Declaration and the Governing Documents, then the Association shall have the right to cause such Owner's Homesite to be landscaped, planted, cared for, maintained, irrigated, and repaired in a manner consistent with this Declaration and the Governing Documents, and the Association shall have the right to levy against the Owner of such Homesite an Individual Assessment for all of the costs related thereto incurred by the Association to care for, maintain, and repair such landscaped areas.

5.3.5.2. Owners shall not modify the landscaping, green space, sod, plant and flower beds, sprinkling system, or drainage in, on or about the Common Areas or without the prior written consent of the Board.

5.3.5.3. Specific guidelines and restrictions on landscaping are established by the Board and may change from time to time. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced immediately or as soon as reasonably practicable, as determined by the Board in its sole discretion. All lawn areas shall be neatly mowed, and trees, shrubs and bushes shall be properly pruned and trimmed.

5.3.6. Leasing. An Owner who leases his or her Residence shall be deemed to have delegated all such rights to the Homesite's lessee. Any leasing of a Residence shall be in compliance with the provisions of the Governing Documents. All Leases shall be subject to the provisions of the Governing Documents and shall obligate the tenant to comply with the Governing Documents. If the tenant fails to comply with the terms of the Governing Documents, then the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner. An Owner shall be responsible and liable for any damage to the Project caused by the Owner's tenants.

5.3.7. Model Residences. The provisions of this Declaration which, in certain instances, prohibit non-Residential Use of Homesites and regulate parking of vehicles shall not prohibit the construction and maintenance of model Residences by Persons engaged in the construction of Residences within the Project and parking incidental to the visiting of such model Residences so long as the location of such model Residences and the opening and closing hours are approved by the Board and so long as the construction, operation and maintenance of such model Residences otherwise comply with all of the provisions of this Declaration and the Governing Documents. The Board may also permit areas within the Project to be Used for parking in connection with the showing of model Residences so long as such parking and parking areas are in compliance with the ordinances of the Governing Authority and with the Governing Documents. Any Residences constructed as model Residences shall cease to be used as model Residences at any time the Owner thereof is not actively engaged in the construction and sale of Residences within the Project, and no Residences shall be used as a model Residence for the sale of Residences not located at the Project.

5.4 Exculpations and Approvals

Declarant, the Association, the ARC and any of their agents may grant, withhold or deny their consent, permission or approval in any instance when their consent, permission or approval is permitted or required at their sole discretion and without any liability of any nature or kind to any Owner or any other Person for any reason whatsoever and shall be indemnified and held harmless by such Owner or other Person from any and all damages resulting therefrom, including, but not limited to, court costs and reasonable attorneys' fees. Every consent, permission or approval by Declarant, the Association, the ARC or any of their agents under this Declaration shall be in writing and binding upon all Persons.

5.5 Variances

Subject to the provisions of the Governing Documents, the Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in *Article V* of this Declaration or in the other Governing Documents, if the Board determines in its discretion (a) either (1) that a restriction would create an unreasonable hardship or burden on an Owner which hardship is not self-imposed by such Owner or (2) that a change of circumstances since the date this Declaration is Recorded has rendered such restriction obsolete and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners and Residents of the Project and is consistent with the high quality of life intended for Owners and Residents of the Project.

ARTICLE VI - ORGANIZATION OF ASSOCIATION

6.1 Formation of Association

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

6.2 Board of Directors and Officers

The affairs of the Association shall be conducted by a Board of three (3) or five (5) directors and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws, as the same may be amended from time to time. The initial Board shall be composed of three (3) directors appointed by Declarant, which initial Board shall be controlled by Declarant until the expiration of the Period of Declarant Control. At the first meeting after the expiration of the Period of Declarant Control,

three Members of the Board shall be elected by the Owners; two Members shall be elected for two-year terms and one Member shall be elected for a one-year term. Thereafter, all Members of the Board shall be elected for staggered two-year terms. If the Board is expanded to five (5) Directors, the election shall happen on the year that only one (1) Director is elected. The Board may also appoint various committees and may appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association. The Board shall determine the compensation to be paid to the Manager. The Board's responsibilities shall include, but shall not be limited to, the following:

- 6.2.1. administration;
- 6.2.2. preparing and administering an operational Budget;
- 6.2.3. establishing and administering an adequate Reserve Fund;
- 6.2.4. scheduling and conducting the annual meeting and other meetings of the Members;
- 6.2.5. collecting and enforcing the Assessments;
- 6.2.6. accounting functions and maintaining Records;
- 6.2.7. promulgation and enforcement of the Rules and Regulations;
- 6.2.8. maintenance of the Common Areas; and
- 6.2.9. all the other duties imposed upon the Board pursuant to the Governing Documents, including the enforcement thereof.

6.3 Rules and Regulations

By a majority vote, the Board may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal Rules and Regulations. The Rules and Regulations may restrict and govern the Use of any area of the Project by any Member or Resident, by the family of such Member, or by any invitee, licensee or tenant of such Member; provided, however, that the Rules and Regulations shall be reasonable and consistent with the rest of the Governing Documents. No Rule or Regulation may discriminate among Members.

6.3.1. Notwithstanding any provision in this Declaration to the contrary, no rule, regulation or action of the Association, Board or Manager shall unreasonably impede Declarant's right to develop the Property.

6.3.2. ALL OWNERS ARE GIVEN NOTICE THAT THE USE OF THEIR HOMESITE AND THE COMMON AREAS AND DEVELOPER AREAS IS LIMITED BY THE RULES AND REGULATIONS AND ALL OTHER GOVERNING DOCUMENTS AS AMENDED, EXPANDED, AND OTHERWISE MODIFIED FROM TIME TO TIME. EACH OWNER, BY ACCEPTANCE OF A DEED, ACKNOWLEDGES AND AGREES THAT THE USE AND ENJOYMENT AND ABILITY OF HIS OR HER HOMESITE CAN BE AFFECTED BY THIS PROVISION AND THAT THE GOVERNING DOCUMENTS MAY CHANGE FROM TIME TO TIME. ALL PURCHASERS OF HOMESITES ARE ON NOTICE THAT DECLARANT AND/OR THE BOARD MAY ADOPT CHANGES TO THE GOVERNING DOCUMENTS FROM TIME TO TIME. COPIES OF THE GOVERNING DOCUMENTS MAY BE OBTAINED FROM THE ASSOCIATION.

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

6.4 Personal Liability

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

6.5 Professional Management

The Association may carry out through the Manager those of its functions which are properly subject to delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association, 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 Association, be authorized to perform any of the functions or acts required or permitted to be

performed by the Association itself. Any such management agreement may be terminated by the Declarant without cause at any time during the Period of Declarant Control. In addition, any such management agreement may be terminated by the Association without cause upon giving reasonable notice at any time after the expiration of the Period of Declarant Control.

6.6 Implied Rights

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

ARTICLE VII - MEMBERSHIPS AND VOTING

7.1 Membership

Every Person who is the Owner of Assessable Property shall be subject to Assessments and shall be a Member of the Association (provided, however, Declarant as a Class B Member shall be and shall remain a Member of the Association at all times that the Class B Member status exists with voting rights, notwithstanding its temporary exemption status from required Assessments payments). Each such Owner shall have the following number of Memberships:

7.1.1 Homesites. One Membership for each Homesite owned by the Member.

7.1.2 Parcels. In the case of the Owner of a Parcel designated for development as Residential Use, one Membership for each Homesite permitted upon the Parcel under the Master Plan. If a Plat or other instrument creating Homesites is Recorded covering all or part of the area within such Parcel, the Parcel

shall be reduced in size by the area so Platted, and the number of Memberships held by the Owner, as the Owner of the portion of the Parcel so Platted, shall be the number of Homesites on the Recorded Plat. All Memberships attributable to the Parcel shall cease when the land area ceases to be a Parcel because all of the area in the Parcel has been Platted or otherwise dedicated to the public and no un-Platted area remains within the Parcel.

7.1.3. Exempt Property. No Memberships shall be allocated to Owners of Exempt Property (except as otherwise provided regarding Declarant), Governing Authority Property or Property utilized for General Public Uses.

7.1.4. Each Membership shall be appurtenant to and may not be separated from ownership of a Homesite to which the Membership is attributable. As provided in this *Section 7.1* above, there shall be only one Membership for each Homesite, which Memberships shall be shared by any joint Owners of, or Owners of undivided interests in a Homesite.

7.2 Declarant

The Declarant shall be a Member of the Association for so long as the Declarant holds a Class B Membership pursuant to *Section 7.3.2* below or for owns any Homesites or Parcels within the Project and holds a Class A Membership.

7.3 Voting Rights

7.3.1. Class A. The Class A Memberships shall be all Memberships other than the Class B Memberships held by the Declarant. Each Owner shall be entitled to one (1) vote for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of this Declaration in accordance with the provisions hereof. Notwithstanding the forgoing, no vote shall be cast or counted for any Class A Membership not subject to Assessment.

7.3.2. Class B. The Class B Memberships shall be held only by the Declarant and any successor of Declarant who takes title to any Homesite or Parcel from Declarant for the purpose of development and sale and who is designated to be the owner of a Class B Membership in a Recorded instrument executed by Declarant. Except as provided in the preceding sentence, upon the sale of a Homesite by Declarant, the transferee of such Homesite shall automatically become the Owner of a Class A Membership. The Declarant shall initially be entitled to ten (10) votes for each Homesite owned by Declarant. The Class B Memberships shall cease and shall be converted to Class A Memberships, on the basis of the number of

Homesites and Parcels then owned by the Declarant, on the happening of the first of the following events (herein referred to as the "Event" or "Events"):

7.3.2.1. four (4) months after 75% of the Homesites and/or the Parcels within the Project owned by Declarant have been conveyed to Owners other than Declarant; or

7.3.2.2. seven (7) years after Declarant and any successor in interest to the rights of Declarant as the Declarant under this Declaration has ceased to offer Homesites and/or Parcels for sale in the ordinary course of business; or

7.3.2.3 the day when Declarant, in its sole discretion, Records an instrument in the Office of the Recorder in Wasatch County, Utah, that it voluntarily surrenders some or all of its rights to control activities of the Association following written notice to the Owners.

7.3.2.4. If and when Declarant elects to voluntarily relinquish control of the Association, described in *Section 7.3.2.3* above, Declarant shall send written notice of such relinquishment to the Board. The notice shall state the effective date of the relinquishment, which date shall be the effective date of the Event.

7.3.2.5. From and after the happening of such above-described Events, whichever occurs first, (i) the Class B Member shall be deemed to be a Class A Member entitled to one vote for each Homesite and Parcel owned, (ii) the Board shall call an annual or special meeting, as applicable, in the manner described in the Bylaws to (A) advise the Owners of the termination of the Class B Member status, and (B) elect a new Board in accordance with *Section 6.2* above.

7.3.3. Voting Threshold. Except as otherwise expressly provided in this Declaration or in any of the other Governing Documents, any issue put to a vote by ballot without a meeting or at a duly called meeting of the Members at which a quorum is present shall be decided by a simple majority of all votes represented in Person or by valid proxy at such meeting.

7.4 Membership Rights

Each Member shall have the rights, duties and obligations set forth in this Declaration and such other rights, duties and obligations as are set forth in the Governing Documents, as the same may be amended from time to time. In any situation in which a Member is entitled personally to exercise the vote appurtenant to such Member's Homesite and there is more than one Owner of a particular Homesite, the vote associated with such Homesite shall be exercised as such Co-Owners determine among themselves

and as they then advise the Board in writing. Absent such written designation by joint Owners of a Homesite, the Homesite's vote shall be suspended, if more than one Persons seek to exercise it.

7.5 Transfer of Membership

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

ARTICLE VIII - COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

8.1 Creation of Lien and Personal Obligation of Assessments

Declarant, for each Homesite hereafter established within the Project, hereby covenants and agrees, and each Owner by acceptance of a Deed or other conveyance of a Homesite (whether or not it shall be so expressed in such Deed or conveyance) is deemed to covenant and agree, to pay Assessments as provided in this Declaration. Notwithstanding the foregoing sentence and notwithstanding any other provisions in this Declaration to the contrary, Exempt Property shall not be subject to Assessments assessed by the Association. All Assessments shall be established and collected as hereinafter provided. No diminution or abatement of Assessments nor any decrease, offset or deduction shall be claimed or allowed by reason of any alleged failure of the Association or the Board to take some action or to perform some function required to be taken or performed by the Association or the Board under this Declaration or any of the Governing Documents, or for inconvenience or discomfort arising from the making of repairs or Improvements which are the responsibility of the Association, or from any action taken by the Association or the Board to comply with any law, ordinance, or with any order or directive of any Governing Authority or other governmental authority. The obligation to pay Assessments shall be deemed to be a separate and independent covenant on the part of each Owner. The Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the Homesite and shall be a continuing servitude and lien upon the Homesite against which each such Assessment is made, except that

Exempt Property shall not be subject to the Assessments. The Assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Homesite at the time when the Assessments fell due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner, unless expressly assumed by them. However, the lien upon the applicable Homesite for any unpaid Assessments existing at the time of any transfer shall continue, notwithstanding such transfer, until the Assessments have been paid in full.

8.2 Property Assessable Upon Recording of Deed

ALL OWNERS ARE GIVEN NOTICE THAT THEIR HOMESITE(S) SHALL BE SUBJECT TO FULL ASSESSMENT IN ACCORDANCE WITH THE TERMS OF THIS DECLARATION UPON ACCEPTANCE OF A DEED, REGARDLESS OF WHETHER OR NOT SUCH HOMESITE(S) HAVE BEEN IMPROVED, EXCEPT AS OTHERWISE PROVIDED IN THIS DECLARATION. At the time a Deed is Recorded conveying a Homesite to an Owner, such Homesite shall thereupon be subject to the Assessments, and the Board shall levy such Assessments upon the Owner of the Homesite at closing of the sale or purchase. Assessments shall be prorated for the remaining portion of the Assessment term, e.g. annual, semi-annual, quarterly or monthly basis, as determined by the Board. In any dispute, question or controversy regarding whether Property is Assessable Property or Exempt Property, the Board shall have the exclusive power and authority to decide such dispute, question or controversy, and any decision regarding the foregoing shall be conclusive and binding on all interested parties. All decisions of the Board regarding the foregoing shall be final and binding on all associated Persons.

8.2.1. Membership Initiation Fee. Upon the initial transfer of a Homesite from the Declarant to a Person, in addition to Assessments being prorated for the remaining portion of the Assessment term, a one-time Membership Initiation Fee shall be charged as an Individual Assessment at closing in an amount equaling the next full quarter of Assessments. All Membership Initiation Fees assessed shall be deposited into the Reserve Fund to be used for the purposes described in *Section 8.3.3.4 herein*. The Membership Initiation Fee shall not be charged on subsequent transfers of a Homesite.

8.3 Assessments

Assessments shall be computed and assessed against all Homesites (other than Exempt Property) as follows:

8.3.1. Purpose of Assessments. The Assessments provided for herein are assessed and collected by the Board for the purpose of obtaining from the Owners the funds necessary to enable the Association

to pay the Common Area Expenses incurred by the Association in the performance of the responsibilities and duties of the Association as set forth in the Governing Documents.

8.3.2. Creation of Assessments. Owners shall pay Assessments as they may be calculated and charged from time to time by the Board.

8.3.3. Budget. At least annually the Board shall prepare and adopt a Budget for the Association.

8.3.3.1. Itemization. The Budget shall set forth an itemization of the anticipated Common Area Expenses for the 12-month calendar year, commencing the following January 1.

8.3.3.2. Basis. The Budget shall be based upon advance estimates of cash requirements by the Board to provide for the payment of all estimated Common Area Expenses. Estimates shall include but are not limited to expenses of management, grounds maintenance, taxes and Special Assessments, premiums for all insurance which the Board is required or permitted to maintain, community lighting and heating, water charges, repairs and maintenance of specified areas and replacement of those elements of the specified areas that must be replaced on a periodic basis, wages for Association employees or contractors, legal and accounting fees, any deficit remaining from a previous period, the creation of a reasonable contingency reserve, surplus or sinking fund, Capital Improvements, general reserve fund, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration.

8.3.3.3. Presentation of the Budget. The Board shall present the adopted Budget to the Members at a meeting of the Members called for the purpose of the presentation of the Budget, which may be the annual meeting of the Members or a special meeting of the Members called for that purpose. The Budget shall be deemed approved and effective unless, within forty-five (45) days after the date of the meeting at which the Board presented the Budget to the Members, there is a vote of disapproval by at least fifty-one percent (51%) of all the Members entitled to vote, which vote shall be taken at a special meeting called for that purpose by the Members pursuant to the terms of this Declaration or the Bylaws. Notwithstanding the foregoing, if the Members disapprove all or a portion of the Budget, for the succeeding year, then and until such time as a new Budget shall have been adopted by the Board, the Budget last adopted by the Board (and not disapproved by the applicable Members) shall continue as the Budget for any category of the Common Area Expenses until the Board adopts another Budget, which Budget is not disapproved by a Majority of the Members affected thereby. Notwithstanding anything in this *Section 8.3.3.3.*

to the contrary, Members shall have no right to disapprove a Budget during the Period of Declarant Control.

8.3.3.4. Reserve Fund. The Board shall cause the Association to establish and maintain a Reserve Fund to cover the cost of repairing, replacing or restoring Improvements within the Common Areas that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost of repairing, replacing or restoring such Improvements cannot reasonably be funded from the Budget or other funds of the Association (the "Reserve Fund"). Pursuant to *Section 57-8a-211* of the Utah Code, the Board shall cause a Reserve Fund analysis to be conducted as required by law. After the initial Reserve Fund analysis is conducted, the Board shall review and, if necessary, update a previously conducted Reserve Fund analysis on a periodic basis. The Board may conduct a Reserve Fund analysis itself or may engage a reliable Person or organization, as determined by the Board, to conduct the Reserve Fund analysis.

8.3.3.4.1. The Board may not use money in the Reserve Fund: (i) for daily maintenance expenses, unless a Majority of the Members vote to approve the Use of the Reserve Fund money for that purpose; or (ii) for any purpose other than the purpose for which the Reserve Fund was established.

8.3.3.4.2. The Board shall maintain the Reserve Fund separately from other funds of the Association.

8.3.3.4.3. The foregoing may not be construed to limit the Board from prudently investing money in the Reserve Fund, subject to any investment constraints imposed by the Articles or the Bylaws.

8.3.3.4.4. The Association shall annually provide Members a summary of the most recent Reserve Fund analysis or update and shall provide a copy of the complete Reserve Fund analysis or update to any Member who requests a copy of the same.

8.3.3.4.5. In formulating the Budget each year, the Board shall include a Reserve Fund line item in an amount the Board determines, based on the Reserve Fund analysis to be prudent. Within forty-five (45) days after the day on which the Association adopts its annual Budget, the Members may veto the Reserve Fund line item by a fifty-one percent (51%) vote of the allocated voting interests of the Members in a special meeting called by the Members for the purpose of voting whether to veto a Reserve Fund line item. If the Members veto a Reserve Fund line item as provided in the foregoing sentence, and if a

Reserve Fund line item exists in the previously approved Budget of the Association that was not vetoed, the Association shall fund the Reserve Fund in accordance with the prior Reserve Fund line item that was not vetoed.

8.3.4. Uniform Rate of Assessments. The annual Assessments shall be allocated equally to the Owners who are responsible for the payment of such Assessments, as applicable, and may be collected on an annual, semi-annual, quarterly or monthly basis, as determined by the Board. The dates and manner of payment shall be determined by the Board. The Board has the sole authority and discretion to determine how and when the Assessments are to be paid.

8.3.5. Failure to Assess. The omission or failure of the Board to fix the Assessments amounts or rates or to deliver notice of an Assessments to each Owner shall not be deemed a waiver, modification or a release of any Owner from the obligation to pay any Assessments. In such event, each Owner shall continue to pay annual Assessments on the same basis as for the last year for which Assessments were made until new annual Assessments are made, at which time any shortfalls in collections may be assessed retroactively by the Board.

8.3.6. Personal Obligation of Owner. Owners are personally liable to pay all Assessments. Provided, however, no Mortgagee (but not the seller under an executory contract of sale such as a uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Homesite pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to the acquisition of title. For purposes of this *Section*, the term "Owner" means and refers jointly and severally to: (i) the Owner of both the legal and equitable interest in any Homesite, (ii) the owner of Record in the Official Records, and (iii) both the buyer and seller under any executory sales contract or other similar instrument.

8.3.7. Statements of Account.

8.3.7.1. Statement of Account Unassociated with Sale, Transfer or Refinance. Upon written request, the Association shall furnish to any Owner a written statement of any Assessments due, if any, on such Owner's Homesite. The Association may require the advance payment of a processing charge not to exceed twenty-five dollars (\$25.00) for the issuance of such statement.

8.3.7.2. Payoff Statement Associated with Sale, Financing, Refinancing or Closing. Upon written request to the Association's primary contact designated under Section 57-8a-105(3)(d) of the Utah Code by an Owner's closing agent who is assisting the Owner with the financing,

refinancing or closing of the sale of the Owner's Homesite, the Association shall furnish a payoff statement to the closing agent within five (5) business days. The Association may charge a reasonable fee associated with the request up to fifty dollars (\$50.00), however payment of the fee shall not be required before closing.

8.3.7.2.1. To be effective, the written request to the Association referenced in *Section 8.3.7.2* above shall contain (i) the name, telephone number and address of the person making the request, and (ii) the facsimile number or email address for delivery of the payoff information; and (iii) is accompanied by a written consent for the release of the payoff information (A) identifying the person requesting the information as a person to whom the payoff information may be released and (B) signed and dated by an owner of a Homesite for which the payoff is requested.

8.4 Special Assessments

In addition to the other Assessments authorized herein, the Association may levy Special Assessments applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of the Improvement upon Common Areas, including fixtures and personal Property related thereto, or for the purpose of defraying other extraordinary Common Area Expenses, provided that, except as provided in *Section 8.4.1* below, any such Special Assessment shall have the ascent of a majority of the votes of the Members who are voting in Person or by proxy at a meeting duly called for such purpose or by written approval of such Members. The provisions of this *Section 8.4* are not intended to preclude or limit the assessment, collection or Use of Assessments, other than Special Assessments. Special Assessments may be collected as specified by the Board, unless otherwise determined by the majority vote of the Members of the Association approving the Special Assessment.

8.4.1. Board Based Assessment. So long as the total Special Assessment does not exceed ten percent (10%) of the total of all budgeted Common Area Expenses in any one fiscal year (the "Special Assessment Limit"), the Board may impose the Special Assessment upon Class A Members which are not exempt, as determined by the Board, without the approval of the Members to be assessed a Special Assessment.

8.4.2. Association Approval. Any Special Assessment which would exceed the Special Assessment Limit shall be effective only if approved by a Majority of the Members to be assessed a Special Assessment. The Board in its discretion may allow any Special Assessment to be paid in installments.

8.5 Individual Assessments

Individual Assessments shall be levied by the Board against an Owner of a Homesite to reimburse the Association for:

8.5.1. fines levied and costs incurred in enforcing the Governing Documents;

8.5.2. costs associated with the maintenance, repair or replacement of matters for which the Owner is responsible;

8.5.3. any other charge, fee, dues, expense, or cost designated as an Individual Assessment in the Governing Documents; and

8.5.4. attorneys' fees, interest, and other charges relating thereto as provided in this Declaration.

8.6 Collection of Assessments

All Assessments must be paid in a timely manner and shall be collected as follows:

8.6.1. Time is of the Essence. Time is of the essence, and all Assessments shall be paid promptly when due.

8.6.2. Delinquent Assessments. Any Assessments which are not paid when due are delinquent (Delinquent Assessments) and shall constitute a lien against the Homesite affected, which lien shall attach automatically, regardless of whether an Assessment Lien is Recorded.

8.6.3. Late Assessments, Interest and Collection Costs. Any Assessments that remain unpaid for a period of more than ten (10) days shall incur a late charge of twenty-five dollars (\$25.00) or ten percent (10%) of the delinquent amount, whichever is greater. Interest at the rate of one-and-one-half percent (1.5%) per month shall accrue on all delinquent amounts commencing on the due date thereof and continuing until the Delinquent Assessments plus any expenses incurred by the Association in collection of Delinquent Assessments, including reasonable attorneys' fees and costs, and accrued interest is paid in full. The Board may, in its discretion, change the amount of the late fee and/or the interest rate that accrues on Delinquent Assessments and/or waive accrued interest, but the Board is not required to do so.

8.6.4. Notice of Delinquency. The Association shall give a notice of delinquency to any Owner who has not paid his Assessments in a timely manner. However, the Association shall be entitled to assess late charges and interest as provided in this Declaration, regardless of the date on which any such notice of delinquency is given.

8.6.5. Acceleration. The Board may, at its option and in its discretion, elect to accelerate the entire amount of the annual Assessments or the remaining Assessments for the fiscal year attributed to a delinquent Owners and all accrued but unpaid interest thereon. If, however, the annual Assessments are accelerated and an Owner subsequently files bankruptcy or the Board otherwise decides acceleration is not in its best interest, the Board, at its option and in its discretion, may elect to decelerate the obligation.

8.6.6. Notice of Lien. If any Delinquent Assessment in a notice of lien evidencing the unpaid amounts, accrued interest, late charges, attorneys' fees, the cost of a foreclosure or abstractor's report, and any other additional charges permitted by law should be Recorded (Assessment Lien), then the lien provided for in this *Section* shall be for the benefit of the Association on behalf of all other Owners who have been assessed a similar Assessment by the Association. It may be executed by the Association's President, Treasurer, Manager, attorney or any other designated agent.

8.6.7. Foreclosure of Lien and/or Collection Action. If any Delinquent Assessment remain unpaid, the Association may, as determined by the Board, institute suit to collect the amounts due and/or foreclose the Assessment Lien.

8.6.8. Personal Obligation. Each Owner, by acceptance of a Deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of the Assessment as a debt or to foreclose an Assessment Lien in the same manner as mechanics liens, mortgages, Deeds of trust or encumbrances may be foreclosed.

8.6.9. No Waiver. No Owner may waive or otherwise exempt himself or herself or itself from liability for the Assessments provided for herein by the Non-Use of Common Areas, by the abandonment of such Owner's Homesite or because of a suspension of rights as described in *Section 4.1.1*.

8.6.10. Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or to perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or Improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with

an order or directive of any governing or other governmental authority. The obligation to pay Assessments shall be a separate and independent covenant on the part of each Owner.

8.6.11. Application of Payments. All payments shall be applied first to satisfy all Delinquent Assessments, then to satisfy current Assessments, next attorney's fees and costs and lastly accrued interest.

8.6.12. Establishment of Assessment Period. The period for which the Assessment is to be levied (Assessment Period) shall be the calendar year, except that the first Assessment Period shall commence upon the Recording of this Declaration and terminate on December 31 of such year. The Board in its discretion from time to time may change the Assessment Period by Recording an instrument specifying the new Assessment Period.

8.6.13. Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt rules setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Assessments, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Association to send a bill to a Member shall not relieve any Member of his or her liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to the commencement of such foreclosure or enforcement, at the address of the Member on the Records of the Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after the delinquency of such payment. The Association shall be under no duty to refund any payments received by it, even though the ownership of a Membership changes during an Assessment Period. Successor Owners of Homesites shall be given credit for prepayments, on a prorated basis, made by prior Owners. The amount of the Assessments against Members who become such during an Assessment Period shall be prorated.

8.6.14. Property Exempted from the Assessments. All Exempt Property shall be exempt from Assessments but shall nevertheless be subject to all other provisions of this Declaration, including but not limited to, the Use restrictions and Architectural Guidelines. In the event any change of ownership or Use of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the annual Assessments (prorated as of the date it became Assessable Property) and the associated Assessment Lien.

8.6.15. Declarant's Duty to Fund Deficits. Beginning on the date of the recordation hereof, and continuing until the expiration of the Period of Declarant Control, Declarant shall either (i) fund the

difference, if any, between the amount of Assessments payable by Owners other than Declarant and the actual Common Area Expenses incurred by the Association for each Assessment period (the "Association Deficit"); or (ii) pay Assessments on its unsold Homesites as described more fully below. In the event Declarant elects to fund the Association Deficit, the Declarant will pay outright to the Association an amount equal to the Association Deficit ("Declarant Payment"). After the expiration of the Period of Declarant Control, Declarant shall pay outright Assessments on each Homesite it owns. Each Assessment payment made by Declarant and each Declarant Payment, if any are made, may be satisfied by Declarant's cash payment or may be satisfied by "in kind" contributions of services or materials, or a combination of the same. If Declarant uses "in kind" contributions, then the nature and value of such contributions must be agreed to in writing between the Declarant and the Board.

ARTICLE IX - ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND ENFORCEMENT OF ASSESSMENT LIEN

9.1 Association as Enforcing Body

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

9.2 Association's Enforcement Remedies

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

9.2.1. Suit. Bring an action at law and recover judgment against the Member personally obligated to pay the Assessments; and/or

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

9.2.2.1. Trustee to Facilitate Foreclosure. In order to facilitate the foreclosure of any such lien in the manner provided at law for the foreclosure of Deeds of trust, Declarant hereby designates Matthew Hutchinson, attorney at law, as Trustee, and Declarant hereby conveys and warrants pursuant to *Sections 57-1-20 and 57-8a-302* of the Utah Code to Trustee, with power of sale, the Homesites and all of the Improvements to the Homesites within the Project for the purpose of securing payment of all of the Assessments under the terms of this Declaration. Each Owner, by accepting a Deed to a Homesite, also hereby conveys and warrants to Trustee, with power of sale, each Homesite acquired by such Owner and all of the Improvements thereon for the purpose of securing payment of all of the Assessments under the terms of this Declaration and such Owner's performance of such Owner's obligations set forth herein. The Board may, at any time, designate one or more successor trustees, in the place of Trustee, in accordance with the provisions of Utah law for the substitution of trustees under Deeds of trust. Such Trustee, and any successors, shall not have any other right, title or interest in the Property beyond those rights and interests necessary and appropriate to foreclose any liens against Homesites arising pursuant hereto. In any such foreclosure, the Owner of the Homesite being foreclosed shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Homesites purchased at such sale.

9.2.2.2. Notwithstanding the subordination of an Assessment Lien as described in *Section 8.3*, the delinquent Member shall remain personally liable for the Assessments and related costs after such Member's Membership is terminated by foreclosure or Deed in lieu of foreclosure or otherwise.

9.2.3. Collection of Lease Payments from Tenant. Each Owner by accepting a deed to a Homesite hereby irrevocably appoints the Association as the Owner's attorney-in-fact to collect rent from any Person renting the Owner's Homesite if the Owner is delinquent. Provided that the Board complies with the requirements of *Section 57-8a-310*, as amended, supplemented or replaced from time to time, the Board may require a residential tenant under a lease with an Owner to pay the Association all future lease payments due to the Owner if the Owner fails to pay an Assessment for a period of more than sixty (60) days after the Assessment is due and payable. Before requiring a tenant to pay lease payments to the Association, Declarant, the Association's Board or Manager shall give the Owner notice that shall state (i) the amount

of the Assessment due, including any interest, late fee, collection cost and attorney's fees, (ii) that any costs of collection, including attorney's fees, and other Assessments that become due may be added to the total amount due and be paid through the collection of lease payments, and (iii) that the Association intends to demand payment of future lease payments from the Owner's tenant if the Owner does not pay the amount owing within fifteen (15) days.

9.2.3.1. If the Owner fails to pay the amount owing within 15 days after the notice described in *Section 9.2.3* herein, Declarant or the Association's Board or Manager may exercise the Association's rights herein by delivering a written notice to the tenant. The notice shall state that (i) because of the Owner's failure to pay Assessments within the required time, the Board has notified the Owner of the Board's intent to collect all lease payments until the amounts owing are paid; (ii) Utah law requires the tenant to make all future lease payments, beginning with the next monthly or other periodic payments, to the Association, until the amount owing is paid; and (iii) the tenant's payment of lease payments to the Association does not constitute a default under the terms of the lease with the Owner. A copy of the notice to the tenant shall be sent to the Owner.

9.2.3.2. The tenant to whom notice under *Section 9.2.3.1* is given shall pay to the Association all future lease payments as they become due and owing to the Owner: (i) beginning with the next monthly or other periodic payment after the notice is delivered to the tenant and (ii) until the Association notifies the tenant that the amount owing is paid.

9.2.3.3. The Owner shall credit each payment that the tenant makes to the Association under this *Section* against any obligation that the tenant owes to the Owner as though the tenant made the payment to the Owner and may not initiate a suit or other action against the tenant for failure to make a lease payment that the tenant pays to an Association as required under this *Section*.

9.2.3.4. Within five (5) business days after the amount owing is paid, Declarant, the Board or Manager shall notify the tenant in writing that the tenant is no longer required to pay future lease payments to the Association. A copy of the written notice shall be sent to the Owner.

9.2.3.5. The Association shall deposit the money paid under this *Section* in a separate account and disburse the money to the Association until the amount owing is paid and any cost of administration, not to exceed twenty-five dollars (\$25.00) is paid. Within five (5) days of the amounts owing being paid in full, the Association shall pay any remaining balance to the Owner.

9.2.4. Termination of Delinquent Owner's Access and Use Rights. Provided that the Board complies with the requirements of *Section 57-8a-309* of the Utah Code, as such *Section* may be amended, supplemented or replaced from time to time, the Board may terminate an Owner's right of access to and Use of any Common Areas including Association Facilities within the Project, if an Owner is delinquent in the payment of any Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

9.2.5. Suspension of Right to Vote for Non-Payment. At the discretion of the Board, the right of an Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of any Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

9.3 Priority of Lien

The Assessment Lien provided for herein shall be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided and except as provided in *Section 17.5*, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Homesite. The sale or transfer of any Homesite shall not affect the Assessment Lien, except as provided in *Section 17.5*.

9.4 Attorneys' Fees and Costs

In any action taken pursuant to *Section 9.2*, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Assessments together with the Association's collection costs and attorneys' fees.

ARTICLE X - USE OF FUNDS; BORROWING POWER; OTHER ASSOCIATION DUTIES

10.1 Purposes for Which Association's Funds May Be Used

The Association shall apply all funds and Property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and Property received by it from any other source) for the common good and benefit of the Project and the Members and Residents by devoting said funds and Property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of all land, properties, Improvements, facilities, services, projects, programs, studies and systems, within the Project, which may be necessary,

desirable or beneficial to the general common interests of the Project, the Members and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: maintenance of landscaping on Common Areas, , and public right-of-way and drainage areas within the Project; insurance; communications; utilities; public services; indemnification of officers and directors of the Association and any committees created by the Association; and compliance with any Governing Document. The Association also may expend its funds as otherwise permitted under the laws of the State of Utah.

10.2 Borrowing Power

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

10.3 Association's Rights in Spending Funds from Year to Year

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

ARTICLE XI - MAINTENANCE

11.1 Common Areas

The Association, or its duly delegated representative, shall maintain and otherwise manage all Common Areas, including, but not limited to, the Improvements, Private Roads, landscaping, walkways, trails, parks, parking areas, drives, all interiors and exteriors of the Buildings and structures located therein, provided, however the Association shall not be responsible for providing or maintaining the landscaping or structures on any Common Areas which are part of Homesites (i) unless such landscaping or structures are available for use by all Owners and Residents or such Improvements are within easements intended for the general benefit of the Project or (ii) unless specified in *Section 5.2.12.1 and*

Section 5.3.5. herein, or (iii) unless the Association assumes in writing the responsibility as set forth in a Recorded instrument as hereinafter provided.

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

11.1.1.1. Reconstruct, repair, replace or refinish any Improvement or portion thereof upon Common Areas;

11.1.1.2. Maintain, reconstruct, repair, replace or refinish Private Roads, parking or paved areas, walkways, driveway, trails (including snow removal therefrom) upon any portion of the Common Areas;

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

11.1.1.4. Place and maintain upon any Common Areas such signs as the Board and Wasatch County may deem appropriate for the proper identification, Use and regulation thereof; and

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

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

11.2 Maintenance and Use of Homesites

Except as provided in *Section 11.1* above, each Residence, Improvement, and Homesite shall be properly maintained by the Owner so as not to detract from the appearance of the Project and so as not to affect adversely the value or Use of any other Residence, Improvement, or Homesite.

11.2.1. Failure to Maintain; Corrective Action Necessary. In the event any portion of any Homesite is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance

or quality of the surrounding Homesites or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Homesite is being Used in a manner which violates this Declaration applicable thereto, or in the event the Owner of any Homesite is failing to perform any of its obligations under the Governing Documents, the Board may by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said fourteen (14)-day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to:

11.2.1.1. enter the Homesite and cause such action to be taken, and the cost thereof shall be added to and become a part of the Assessment (including interest at the rate of eighteen percent (18%) per annum) to which the offending Owner and the Owner's Homesite is subject and shall be secured by the Assessment Lien;

11.2.1.2. Record a notice of violation;

11.2.1.3. impose a fine commensurate with the severity of the violation; and/or

11.2.1.4. bring an action at law and recover judgment of specific performance and/or damages against the Owner and including costs and attorneys' fees.

11.2.2. In any action taken pursuant to *Section 11.2.1* above, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Association's collection costs and attorneys' fees.

ARTICLE XII - ARCHITECTURAL REVIEW COMMITTEE

12.1 The Committee

12.1.1. Composition of ARC. Declarant hereby establishes an Architectural Review Committee for SkyRidge (the ARC), which shall be responsible to carry out all of the other responsibilities assigned to the ARC herein and other Governing Documents. The ARC shall be composed of three (3), five (5) or seven (7) individuals or entities the Declarant determines in its sole discretion, who need not be Members of the Association. All Members of the ARC shall be appointed, removed, and replaced by Declarant in its sole discretion, until the expiration of the Period of Declarant Control, and at that time the Board shall succeed to Declarant's right to appoint, remove, or replace the Members of the ARC.

12.1.2. Term. Except for two of the initial members of the ARC appointed by Declarant (whose term shall be two (2) years), the term of office of each member of the ARC, subject to *Section 12.1.1*.

hereof, shall be one (1) year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should an ARC member die, retire, resign, become incapacitated, or in the event of a temporary absence, a successor may be appointed as provided in *Section 11.1*. The Declarant may remove any member of the ARC at any time for any cause without notice.

12.1.3. Chair of the ARC. So long as Declarant appoints the ARC, Declarant shall appoint the chairman. At such time as the ARC is appointed by the Board, the chairman shall be elected annually from among the Members of the ARC by majority vote of said Members. The chairman shall take charge of and conduct all meetings and shall provide for reasonable notice to each Member of the ARC prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any Member. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, a temporary successor.

12.1.4. Voting. The affirmative vote of a majority of the Members of the ARC shall govern its actions and be the act of the ARC. A quorum shall consist of all three members regardless of the number of members.

12.1.5. Consultants. The ARC may avail itself of technical and professional advice and consultants as it deems appropriate.

12.1.6. ARC-Related Expenses; Plan/Review Fee. Except as provided below, all expenses of the ARC shall be paid by the Association. The ARC shall have the right to charge a fee as an Individual Assessment related to each application submitted to it for architectural review, in an amount which may be established by the Board from time to time upon consultation with the ARC. The review fee shall be collected by the ARC and remitted to the Association to defray the expenses of the ARC's operation. The review fee may not exceed the actual cost of reviewing and assessing the Owner's application and related plans.

12.2 Purpose of the ARC

The ARC shall review, study and either approve, reject or request additional information and materials in support of Owner's application related to the proposed Improvements to a Homesite, all in compliance with the Governing Documents specifically including the Architectural Guidelines adopted and established from time to time by the ARC which are incorporated by reference.

12.2.1. The ARC shall exercise its best judgment to see that all Improvements conform and harmonize with any existing Buildings as to external design, quality and type of construction, materials,

color, location on the Homesite, height, grade and finished ground elevation, and all aesthetic considerations set forth in the Governing Documents.

12.2.2. The ARC shall exercise its best judgment to see that each Owner and/or Builder undertakes its development of a Homesite, including but not limited to, the Private Roads, public roads, and major infrastructure, in compliance with the Governing Documents.

12.2.3. Except for Improvements made by Declarant, no Improvement on a Homesite shall be erected, placed or altered on any Homesite nor shall any construction be commenced until plans for such Improvements have been approved by the ARC.

12.2.4. The actions of the ARC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties subject to the Owner's right to appeal the procedure of which is described in the Bylaws.

12.3 Limitation of Liability

The ARC shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the ARC, nor any individual ARC Member, shall be liable to any Person for any official act of the ARC in connection with submitted plans and specifications, except to the extent the ARC or any individual ARC Member acted with gross negligence or was guilty of willful misconduct. Approval by the ARC does not necessarily assure approval by the appropriate Governing Authority. Notwithstanding that the ARC has approved plans and specifications, neither the ARC nor any of its Members shall be responsible or liable to any Owner, developer, or contract holder with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of any Improvements. Neither the Board, the ARC, or any agent thereof, nor Declarant or any of its shareholders, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Governing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the ARC shall be defended and indemnified by the Board in any such suit or proceeding which may arise by reason of the ARC's decision. The Board, however, shall not be obligated to indemnify each Member of the ARC to the extent any such Member of the ARC shall be adjudged to be liable for gross negligence or willful misconduct in the performance of his duty as a Member of the ARC, unless and then only to the extent that the Court in which such action or suit may be brought shall

determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

12.4 Architectural Review Guidelines and Procedures

12.4.1. The Architectural Guidelines that have been adopted by the Declarant and the Association are available upon request from the Association; the Association may charge a reasonable fee to cover the costs of providing the Architectural Guidelines. The Architectural Guidelines provide guidance to Owners and Builders regarding matters deemed to be of relevance or importance to the ARC in considering applications for approval and set forth minimum requirements for all Homesite Improvements. The Architectural Guidelines shall not be the exclusive basis for decisions by the ARC and compliance with the Architectural Guidelines shall not guarantee approval of an application.

12.4.2. The Architectural Guidelines adopted pursuant to this *Article* shall be subject to modification and amendment from time to time by the Board acting on behalf of the Declarant. Modifications and amendments to the Architectural Guidelines shall not apply to or require modifications to or removal of Improvements previously approved once such Improvements have commenced. There shall be no limitation on the scope of modifications or amendments to the Architectural Guidelines. All modifications and amendments to the Architectural Guidelines shall be published in Association newsletters, electronic bulletin boards, by e-mail, or by other means calculated to give reasonable notice to Owners of such modifications or amendments; provided, however, that the failure of any Owner to actually receive any Architectural Guideline or modification or amendment to the Architectural Guidelines pursuant to this *Article*, shall not affect the validity of any such Architectural Guideline or modification or amendment thereto.

12.4.3. Procedures. Prior to commencing any Improvements for which review and approval is required, an Owner must follow the procedure for approval of such Improvements as set forth in the Architectural Guidelines or the Governing Documents.

12.4.3.1. The ARC may consider (but shall not be restricted to consideration of) visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding Buildings and environment, location in relation to Neighboring Properties, surrounding Buildings and plant life, compliance with the general intent of the Architectural Guidelines and architectural merit. In many instances, decisions will be based

solely on aesthetic considerations and each applicant acknowledges that determinations as to such matters may be highly subjective and opinions may vary as to the desirability and/or attractiveness of particular Improvements.

12.4.3.2. Non-Precedential Nature of Approvals. Each applicant acknowledges that the composition of the ARC will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Architectural Guidelines may vary from time to time. In addition, each applicant acknowledges that it may not always be possible to identify objectionable features of proposed Improvements until the Improvements are completed, in which case it may be unreasonable to require changes to the Improvements previously approved, but the ARC may refuse to approve similar Improvements in the future. Approval of Improvements for any particular applicant or Homesite shall not be deemed a waiver of the right to withhold approval as to any similar Improvements subsequently submitted for approval.

12.4.3.3. Waivers and Exceptions. The ARC may, at the discretion of the Board, but shall not be required to, authorize waivers or exceptions from compliance with any of the provisions of the Architectural Guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations, architectural merit, or other reasonable considerations warrant such a waiver or exception. Such exceptions shall be granted only if and when, in the reasonable judgment of the ARC, unique circumstances exist, and no applicant shall have any right to demand or obtain a waiver or exception. No waiver or exception may (1) be effective unless in writing, (2) be contrary to this Declaration, (3) stop the ARC from denying a waiver or exception in other circumstances or (4) be inconsistent with the goals or objectives of the Declarant.

12.4.3.4. Limited Scope of Approval. The standards and procedures established by this *Article* are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Community. Neither the Declarant, the Association, the Board, nor the Architectural Review Committee shall bear any responsibility for ensuring structural integrity or soundness or compliance with Building codes, other governmental approvals or requirements, or ensuring that any Improvements are located so as to avoid impairing views from or having other negative impacts on other Homesites. No representation is made by the Declarant with respect to the quality, size, value or design of future Improvements. Neither the Declarant, the Association, the Board, the Architectural Review Committee, nor any Member of any of the foregoing shall be liable for soil

conditions, drainage problems, availability or suitability of the Homesites, or other site work, nor for defects or errors in any plans or specifications submitted as part of the application process, nor for any structural or other defects in Improvements constructed according to an approved Final Approval Application, nor for any injury, damages, or loss arising out of the manner, design or quality of any approved Improvements. Each Person who submits plans or specifications and every Owner agrees that such Person or Owner will not bring any action or suit against the ARC, the Association, Declarant or any other party, to recover any damages and hereby releases, remises, quit claims, and covenants not to sue for all claims, demands, and causes of actions arising out of or in connection with this *Article XII* and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given.

12.4.3.5. Enforcement. Any Improvements constructed in violation of this *Article* or in a manner inconsistent with the approved Final Approval Application shall be deemed to be nonconforming. Upon written request from the Declarant, the Board of Directors or the ARC, the defaulting Owner shall, at their own cost and expense, promptly remove any nonconforming Improvement and restore the Property to substantially the same condition as existed prior to the nonconforming Improvements. Should an Owner fail to remove and restore as required, the Declarant, the Board of Directors or the ARC, or their designees shall have the right to enter the Homesite, remove the violation and restore the Homesite to substantially the same condition as previously existed and any such action shall not be deemed a trespass. Upon demand, the Owner shall promptly reimburse all costs incurred by any of the foregoing in exercising their rights under this *Section*.

12.4.3.6. Sanctions for Failure to Comply. Declarant (during the Period of Declarant Control), or the Association (after expiration of the Period of Declarant Control's Rights Period), may fine or preclude any contractor, subcontractor, agent, employee or other invitee of any Owner who fails to comply with the terms and provisions of this *Section* and the Governing Documents from continuing or performing any further activities in the Community, subject to the notice and hearing procedures contained in the Bylaws. Neither the Declarant, the Association, nor their officers, directors or agents shall be held liable to any Person for exercising the rights granted by this *Article*.

ARTICLE XIII – RIGHTS AND POWERS OF ASSOCIATION

13.1 Association's Rights and Powers as set Forth in Articles and Bylaws

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

13.2 Association's Rights of Enforcement

The Association, as the agent and representative of the Owners and Members, shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in this Declaration and/or any and all Covenants, restrictions, reservations, charges, servitudes, Assessments, conditions, liens or easements provided for in any contract, Deed, Declaration or other instrument which (i) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (ii) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association or by Declarant. In the event suit is brought or arbitration is instituted or an attorney is retained by the Association to enforce the terms of this Declaration or any other Governing Document and the Association prevails, the Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith, including but not limited to the Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Homesite. If the Association should fail to act within a reasonable time, any Owner shall have the right to enforce the Covenants set forth in this Declaration.

13.3 Contracts with Others for Performance of Association's Duties

Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others, including the Declarant and its affiliated companies, and such

contracts or transactions shall not be invalidated or in any way affected by the fact that one or more Board Members or officers of the Association or Members of any committee are employed by or otherwise connected with Declarant or its affiliates, provided that the fact of such interest shall be disclosed or known to the other Board Members acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such Board Member, officer or committee Member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he or she is a Member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Declarant, its affiliated companies or any competitor thereof and may vote to authorize any such contract, transaction or approval with like force and effect as if he or she were not so interested

13.4 Declarant-Related Disputes; Pre-Litigation Requirements

13.4.1. Disclaimer. Every Owner is capable of obtaining an inspection and is permitted to perform, or pay someone else to perform, any inspection on any Homesite that the Owner is purchasing from Declarant or any aspect of the Project, all prior to purchasing a Homesite. Moreover, if any warranty has been provided, it identifies the only items that are warranted by Declarant. Having had the ability to inspect a Homesite prior to purchasing a Homesite, having received a written warranty (if any warranty is provided), and having paid market price for a Homesite in the condition the Homesite, the Project and the Common Areas, are in at the time of purchase, Owner acknowledges and agrees that it would be inequitable later to seek to have Declarant and/or its respective contractors and subcontractors performing work in the Project to change, upgrade, or perform any additional work to the Project outside of any express warranty obligation. Moreover, the Owners and the Association acknowledge and agree that litigation is an undesirable method of resolving Disputes (as defined below) because litigation can be slow, expensive, uncertain, and can often negatively impact the sale value and ability to obtain financing for the purchase of Homesites for years, unfairly prejudicing those Owners who must or want to sell their Homesites during any period when litigation is pending. For this reason, the Owners (by purchasing a Homesite) and the Association acknowledge and agree that before any Dispute is pursued through litigation, the "Pre-Litigation Requirements" set forth below shall be satisfied. In addition, the Association and each Owner (by purchasing a Homesite) acknowledge and agree that each Owner takes ownership and possession of the Homesite, Common Areas, and AS IS, WHERE IS, with no warranties of any kind (except as set forth in a written warranty, this Declaration or as otherwise required as a matter of law). To the fullest extent

permitted by applicable law, Declarant specifically disclaims any warranties of merchantability, fitness for a particular Use, or of habitability.

13.4.2. Notice of Claim and Opportunity to Cure. All claims and disputes of any kind that any Owner or the Association may have involving the Declarant or any its agents, employees, executing officers, Managers, affiliates or owners, 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 Homesite or Common Areas, , or any other component of the Project (a "Dispute"), shall first be identified in a written notice of claim that sets forth with specificity the facts and the legal basis upon which the claim or dispute is asserted (a "Notice of Claim"), which Notice of Claim shall be delivered to Declarant, and Declarant shall have one hundred and fifty (150) days to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to the initiating of any formal court action. If the Dispute is not resolved within the one hundred and fifty (150)-day right to cure period, then with respect to any claims, actions or Disputes that the Association (but not an individual Owner) desires to pursue, the "Pre-Litigation Requirements" set forth below must be satisfied in full before initiating formal court action. If additional, different or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against 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 shall be stayed during the one hundred and fifty (150)-day period.

13.4.3. Pre-Litigation Requirements. Notwithstanding any other provision to the contrary in this Declaration, the Association shall not file, commence or maintain any lawsuits, actions or legal proceedings against Declarant, the individual Managers, owners, Members or officers of Declarant, Declarant's contractors, engineers or architects, or any other Person or entity involved in the design or construction of the Residences unless and until the Notice of Claim requirements set forth above have been satisfied, and all of the following Pre-Litigation Requirements have been satisfied:

13.4.3.1. The Association has obtained a legal opinion from an attorney licensed to practice law in Utah having at least ten years of experience, with the legal opinion providing in substance the following: (a) a description of the factual allegations and legal claims to be asserted in the action; (b) an analysis of the facts and legal claims explaining why it would be in the best interests of the Association to file and pursue such action, taking into account the anticipated costs and expenses of litigation, the likelihood of success on the merits of the claims, and the likelihood of recovery if a favorable judgment is obtained by the Association; and (c) providing a

Budget of the estimated amounts of legal fees, costs, expert witness fees and other expenses likely to be incurred in connection with such action (the "Litigation Budget");

13.4.3.2. A copy of the opinion letter described above has been provided to all Owners, and, after the Owners have had a reasonable period of time to review the opinion letter, the decision for the Association to file the subject action has been approved by the Owners (excluding Declarant) who collectively hold at least sixty-seven percent (67%) of the voting rights of all of the Owners within the Project; and

13.4.3.3. The Association has collected funds from the Owners, by Special Assessment or otherwise, equal to at least fifty percent (50%) of the Litigation Budget as set forth in the opinion letter obtained as described above.

13.4.3.4. If any claims or actions of the Association are filed without satisfying all of the requirements of *Section 13.4.3* listed above, such claims/action shall be dismissed without prejudice and shall not be re-filed unless and until all such requirements have been satisfied. In any action to enforce the requirements of this *Section 13.4*, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

13.4.3.5. The purposes of these requirements include, but are not limited to, the following: (a) to minimize the risks to the Association of pursuing litigation involving claims that lack merit; (b) to minimize the risks of becoming involved in litigation that is unlikely to be successful or, even if successful, will not result in meaningful recovery sufficient to justify the costs and expenses of litigation; and (c) to avoid becoming involved in litigation without sufficient support from the Members financially and otherwise.

For purposes of clarity, this *Section 13.4* and the requirements set forth herein shall not apply to any actions or legal proceedings (a) filed by the Association to recover payment of any Assessments or other amounts required to be paid by Owners to the Association under this Declaration, or (b) filed by individual Owners relating solely to their own Homesite. Individual Owners, however, shall not be allowed to file or pursue any actions or claims on behalf of other Owners or for the Association.

ARTICLE XIV – INSURANCE AND FIDELITY BONDS

14.1 Hazard Insurance

The Association shall at all times maintain in force insurance satisfying the insurance requirements set forth in *Sections 57-8a-401 through 57-8a-407* of the Utah Code, as such *Sections* may be amended, supplemented or replaced from time to time, which may include the following coverages: all insurable Improvements, if any, on the Common Areas, fixtures, Building service equipment, personal Property and supplies comprising a part of the Common Areas, or owned by the Association; but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a “master” or “blanket” type policy of Property insurance are intended to denote single entity insurance coverage. If blanket all-risk insurance is not reasonably available, then at a minimum, such “master” or “blanket” policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and Use, including (without limitation) all perils normally covered by the standard “all risk” endorsement, where such endorsement is available. Such “master” or “blanket” policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Common Areas, covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a guaranteed replacement cost endorsement (under which the insurer agrees to replace the insurable Property regardless of the cost) and, if the policy includes a co-insurance clause, an agreed amount endorsement (which waives the requirement for co-insurance); or (2) a replacement cost endorsement (under which the insurer agrees to pay up to one-hundred percent of the Property’s insurable replacement cost but no more) and, if the policy includes a coinsurance clause, an agreed amount endorsement (which waives the requirement for coinsurance). The maximum deductible amount for such policy shall be determined by the Board.

14.1.1. The Association shall have no obligation to provide any insurance for any structure or Building located on Homesite within the Project.

14.2 Flood Insurance

If any part of the Common Areas, is or comes to be situated in a “special flood hazard area” as designated on a “flood insurance rate map,” a “master” or “blanket” policy of flood insurance shall be

maintained, if reasonably available, covering the Improvements located on the Common Areas, and any machinery and equipment related thereto (hereinafter Insurable Property) in an amount deemed appropriate, but not less than the lesser of (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all Insurable Property within any portion of the Common Areas, located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for such policy shall be determined by the Board.

14.3 Policy Requirements

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

14.3.1. Each policy required to be maintained by the foregoing *Sections 14.1 and 14.2* shall contain the standard Mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located.

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

14.4 Fidelity Bonds or Insurance

The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds or insurance, including but not limited to, directors' and officers' insurance for the benefit of all Members of the Board, officers and Members of committees and subcommittees appointed by the Board

or otherwise established pursuant to the provisions of this Declaration, for all officers, agents, and employees of the Association and for all other Persons handling or responsible for funds of or administered by the Association. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds or insurance, with coverage identical to such bonds required of the Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including Reserve Funds, in the custody of the Association, or the Manager, as the case may be, at any given time during the term of coverage.

14.5 Liability Insurance

The Association shall maintain in force, and pay the premium for a policy providing commercial general liability insurance coverage covering all of the Common Areas , public ways in the Project, if any, all other areas of the Project that are under the Association's supervision. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to the Project in construction, location, and Use. Nevertheless, such coverage shall be for at least two million dollars (\$2,000,000) for bodily injury, including deaths of Persons, and Property Damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for Property Damage, bodily injuries and deaths of Persons in connection with the operation, maintenance, or Use of the Common Areas , and legal liability arising out of lawsuits related to employment contracts of the Association. Such policy shall provide that it may not be cancelled or substantially modified by any party without at least thirty (30) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

14.6 Annual Review of Policies and Coverage

All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Common Areas, and Improvements thereon which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration and the requirements of any applicable laws. In the event any of the insurance coverage provided for in this *Article XIV* is not available at a reasonable cost or is not reasonably necessary to provide the Association with adequate insurance protection, as determined by the Board, the Board shall

have the right to obtain different insurance coverage or insurance coverage which does not meet all of the requirements of this *Article XIV* so long as, at all times, the Board maintains insurance coverage on a basis which is consistent with the types and amounts of insurance coverage obtained for projects similar to the Project.

ARTICLE XV - DAMAGE OR DESTRUCTION

15.1 Association as Attorney in Fact

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

15.2 Estimate of Damages or Destruction

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

15.3 Repair and Reconstruction

As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and

reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

15.4 Funds for Repair and Reconstruction

The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction of such affected personal Property and Improvements on the Common Areas. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to *Section 8.4*, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

15.5 Disbursement of Funds for Repair and Reconstruction

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

15.6 Notice to First Mortgagees

The Association shall give timely written notice to any holder of any First Mortgage on a Homesite who requests such notice in writing in the event of substantial damage to or destruction of a material part of the personal Property owned by the Association and/or Improvements on the Common Areas.

ARTICLE XVI - CONDEMNATION

16.1 Rights of Owners

Whenever all or any part of the Common Areas shall be taken or conveyed in lieu of and under threat of condemnation, each Owner shall be entitled to notice of the taking, but the Association shall act

as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

16.2 Partial Condemnation Distribution of Award; Reconstruction

The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

16.2.1. If the taking involves a portion of the Common Areas on which Improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and Owners representing at least sixty-seven percent (67%) of the votes of the Members in the Association shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Common Areas, to the extent lands are available therefor, in accordance with plans approved by the Board.

16.2.2. If such Improvements are to be repaired or restored, the provisions in *Article XV* above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

16.2.3. If the taking does not involve any Improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be retained by the Association to pay for future Common Area Expenses.

ARTICLE XVII - MORTGAGEE REQUIREMENTS

17.1 Notice of Action

Upon written request made to the Association by a Mortgagee, or an insurer or governmental guarantor of a Mortgage, which written request shall identify the name and address of such Mortgagee, insurer or governmental guarantor and the Homesite number or the address of the Residence, any such Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

17.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Homesite on which there is a Mortgage held, insured or guaranteed by such Mortgagee, insurer or governmental guarantor;

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

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

17.1.4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in *Section 17.2* below or elsewhere herein.

17.2 Matters Requiring Prior Eligible Mortgagee Approval

Except as provided elsewhere in this Declaration, the prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes of the Members in the Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control) and of Eligible Mortgagees holding Mortgages on Homesites having at least fifty-one percent (51%) of the votes of the Homesites subject to Mortgages held by Eligible Mortgagees shall be required to:

17.2.1. Dissolve the Association after substantial destruction or condemnation occurs. Dissolution of the Association for any other reason shall require the affirmative vote or authorization of Eligible Mortgagees holding Mortgages on Homesites having at least sixty-seven percent (67%) of the votes of the Members in the Association owning Homesites subject to Mortgages held by Eligible Mortgagees.

17.2.2. Amend any material provision of this Declaration, the Articles, Bylaws or Plat after the expiration of the Period of Declarant Control and the Declarant no longer owns any portion of the Property or any Additional Property. "Material Provisions" shall mean any provision substantially altering the following (an amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors for clarification only):

17.2.2.1. Increases in Assessments that raise the previous annual Assessment amount by more than thirty percent (30%);

17.2.2.2. Reduction in reserve requirements by twenty-five percent (25%) for maintenance, repair, and replacement of Common Areas;

- 17.2.2.3. Reallocation of interests in the Common Areas, or rights to their Use;
- 17.2.2.4. Redefinition of any Homesite or Parcel boundaries encumbered by a Mortgage held by an Eligible Mortgage (except as otherwise permitted by this Declaration);
- 17.2.2.5. A decision by the Association to establish self-management if professional management had been required previously by this Declaration;
- 17.2.2.6. Restoration or repair of the Project (after damage or partial condemnation) in a matter other than that specified in this Declaration; or
- 17.2.2.7. Any provisions that expressly benefit Mortgagees, insurers or guarantors.

17.3 Mortgage Approval

Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the Governing Documents and who fails to deliver or post to the Association a negative response within sixty (60) days shall be deemed to have approved such request, provided the written request was delivered by certified, with a "return receipt" requested.

17.4 Availability of Documents and Financial Statements

The Association shall maintain and have current copies of the Governing Documents 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 Mortgages that are secured by Homesites. Generally, these documents shall be available during normal business hours by prior appointment.

17.5 Subordination of Lien

The lien or claim against a Homesite for unpaid Assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Homesite, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Homesite shall take the same free of such lien or claim for unpaid Assessments or charges, but only to the extent of Assessments 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, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, the purchaser at

the Mortgage foreclosure or Deed of trust sale, or any grantee taking by Deed in lieu of foreclosure, of the Homesite affected or previously affected by the First Mortgage concerned.

17.6 Payment of Taxes, Charges or Premiums

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 hazard insurance described in *Section 14.1* lapses, is not maintained, or the premiums therefor are not paid when due, any First Mortgagee or any combination of First Mortgagees may jointly or singly, pay such taxes or premiums or obtain such insurance. Any First Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

17.7 Priority

No provision of this Declaration or the other Governing Documents 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 Homesites or the Common Areas.

17.8 Mortgagee Notice Information.

Upon request, the Association may request from an Owner and an Owner has the obligation to furnish the name and address of a holder of any mortgage encumbering such Owner's Homesite for purposes of providing notice under this *Section*.

ARTICLE XVIII – TERM; AMENDMENTS; TERMINATION

18.1 Term; Method of Termination

This Declaration shall be effective upon the date of the Recording hereof and, as amended from time to time, shall continue in full force and effect for a term of fifty (50) years from the date this Declaration is Recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Members casting sixty-seven percent (67%) of the total votes of all of the Members cast at an election held for such purpose (or otherwise approved for such purpose in writing) within six months prior to the expiration of the initial effective period hereof or any ten-year extension. This Declaration may be terminated at any time, if Members casting at least sixty-seven percent (67%) of

the Members eligible to vote shall be cast in favor of termination at an election held for such purpose. Anything in the foregoing to the contrary notwithstanding, no vote to terminate this Declaration shall be effective unless and until written consent to such termination has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from Eligible Mortgagees of fifty-one percent (51%) of the Homesites upon which there are such Eligible Mortgages. If the necessary votes and consents are obtained, the Board shall cause to be Recorded a "Certificate of Termination," duly signed by the President or Vice President attested by the Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

18.2 Amendments

18.2.1. Amendment by Owners. Except as provided elsewhere in this Declaration, the affirmative vote of at least a Majority of the Owners eligible to vote shall be required and shall be sufficient to amend this Declaration. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument, the Association shall certify that the vote required by this *Section* for amendment has occurred, and, if approval of a specified percentage of Eligible Mortgagees is required for such amendment, that such approval has been obtained.

18.2.2. Amendment by Declarant. Until the expiration of the Period of Declarant Control, Declarant may unilaterally amend this Declaration or the Plat for any purpose that Declarant deems to be in the best interest of the Project. Any such amendment hereunder shall be effected by the Recording by Declarant of a Certificate of Amendment duly signed by the Declarant.

18.3 Declarant's Control

It is the desire and intent of Declarant to retain control of the Association and its activities throughout the Period of Declarant Control. If any amendment requested pursuant to the provisions of this *Article XVIII* deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control.

ARTICLE - XIX DECLARANT'S RIGHTS

19.1 Declarant's Rights; Duration of Rights

19.1.1. Declarant Rights. The purpose of this *Article XIX* is to set forth certain Declarant rights, and to refer, for ease of reference, to certain other Declarant rights set forth in this Declaration. The purpose

of this *Article XIX* shall in no way be a limitation of any rights of Declarant otherwise set forth in this Declaration.

19.1.2. Duration of Rights. The rights of Declarant set forth in this Declaration that refer to this *Article XIX* shall extend for a period of time ending when Declarant no longer owns any portion of the Property or the Additional Property or such earlier date as determined by Declarant, in its sole and absolute discretion (“Declarant’s Rights Period”).

19.1.3. Scope. The rights and privileges of Declarant, its successors, designees and assigns, as herein set forth or referred to above are in addition to and in no way limit any other rights or privileges of Declarant, its successors, designees and assigns, under any of the Governing Documents. The provisions above, like other provisions of this Declaration, grant or reserve rights to and for Declarant that may not be suspended, superseded or modified in any manner unless same is consented to in writing by Declarant, and such rights may be assigned in writing by Declarant in whole or in part as Declarant deems appropriate. As used in this Declaration, the words “its successors or assigns” specifically do not include purchasers of Homesites unless specifically designated as such in a Supplemental Declaration.

19.2 Rights During Period of Declarant Control

19.2.1. Period of Declarant Control. The “Period of Declarant Control” under this Declaration shall commence upon the Recording of this Declaration and shall terminate upon the happening of an Event described in *Section 7.3.2* above. During the Period of Declarant Control, Declarant, as holder of the right to vote the Memberships owned by Declarant, shall have the sole right to appoint all of the Directors as provided in this Declaration.

19.2.2. Right to Amend to Preserve Control. *See Section 18.3.*

19.2.3. Right to Delegate. Declarant shall have the right to delegate certain of its rights and responsibilities under this Declaration (including, but not limited to, management of the Association) to the Owners without terminating the Period of Declarant of Control. If and when Declarant elects to delegate rights and responsibilities to the Owners, Declarant shall send written notice of such delegation to the Board. Notwithstanding anything herein to the contrary, the termination of the Period of Declarant Control shall only occur upon the happening of an Event described in *Section 7.3.2*.

19.2.4. Right to Exemption. All Exempt Property described herein shall be exempt from Assessments and Membership in the Association and its associated privileges and responsibilities, but shall nevertheless be subject to all other provisions of this Declaration, including but not limited to, the Use

restrictions and architectural controls. Provided, however, at the sole and exclusive option of Declarant, Property described in this *Section 19.2.3* shall be fully exempt from all of the terms and provisions of this Declaration.

19.2.4.1. Right to Waive Exemption re: Exempt Property. Declarant or a Declarant related developer entity may expressly waive its right to an exemption from Assessments as to some or all Exempt Property of which it is then the Owner, by delivering a written notice to the Association identifying such Exempt Property, which written notice is signed by Declarant. In such event, such exemption shall terminate as to each such identified Exempt Property when the Association receives such written notice from Declarant. Any such waiver shall run with the title to each such Exempt Property and shall bind its subsequent Owners, including Declarant and any Declarant related developer entity.

19.3 Transfer of Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be assigned and transferred to other Persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective, unless it is in a written instrument signed by the Declarant and duly Recorded. Without limiting the generality of the foregoing, Declarant may by such Recorded instrument establish that Declarant and such Person or Persons be Co-Declarants under this Declaration, in which event such Persons shall be deemed collectively the Declarant for all purposes under this Declaration, and any ownership of portions of the Property by any such Persons shall be considered owned by Declarant. So long as Declarant continues to have rights under this *Article XIX*, no Person or entity shall Record any declaration of Covenants, conditions and restrictions, or similar instrument affecting any portion of the Project without Declarant's review and written consent thereto, and any attempted Recording without compliance herewith shall result in such declaration of Covenants, conditions and restrictions or similar instrument being void and of no force and effect, unless subsequently approved by a Recorded consent signed by Declarant.

19.4 Declarant's Rights in the Association

Until Declarant no longer owns any portion of the Property or the Additional Property, the Association shall have no authority to, and shall not, without the written consent of Declarant, which may be withheld for any or no reason whatsoever, undertake any action which shall:

19.4.1. prohibit or restrict in any manner the sales and marketing program of Declarant or the leasing activities of Declarant;

- 19.4.2. decrease the level of maintenance services provided by the Association;
- 19.4.3. diminish the powers of the ARC as stated herein;
- 19.4.4. terminate or waive any rights of the Association under this Declaration;
- 19.4.5. alter or amend this Declaration, the Articles of Incorporation or the Bylaws;
- 19.4.6. convey, lease, Mortgage, alienate or pledge any easements on Common Areas;
- 19.4.7. accept the conveyance, lease, Mortgage, alienation or pledge of any real or personal Property to the Association;
- 19.4.8. terminate or cancel any easements granted hereunder or by the Association;
- 19.4.9. terminate or impair in any fashion any easements, powers or rights of Declarant hereunder;
- 19.4.10. restrict Declarant's rights of Use, access and enjoyment of any of the Property; or
- 19.4.11. cause the Association to breach or default on any obligation of it under any contract or this Declaration.

In any such matter, Declarant's consent may be exercised by its representative on the Board or other Person designated to so act by Declarant.

19.5 Right of Declarant to Disapprove Actions

19.5.1. From the expiration of the Period of Declarant Control and until the Declarant no longer owns any portion of the Property or Additional Property, Declarant shall have a right to disapprove actions of the Board and any committees, as is more fully provided in this *Section*. This right shall be exercisable only by Declarant, its successors, and assigns who specifically take this power in a Recorded instrument, or who become a successor Declarant pursuant to a Recorded assignment or court order. No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy or program be implemented until ten (10) days following Declarant's receipt of notice of the action taken at the meeting held pursuant to the terms and provisions hereof. At any time prior to the expiration of such ten (10) day period, Declarant may exercise its right to disapprove actions of the Board and any committees and the Association shall not take any action or implement any policy, program or rule or regulation previously approved by the Association that Declarant has disapproved.

19.5.2. This right to disapprove shall not extend to the requiring of any action or counteraction on behalf of any committee or the Board or the Association. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and Regulations.

19.6 Recognition by Owners of Declarant's Rights to Develop and Construct Improvements on the Property

Each Owner on his, her or its own behalf and on behalf of such Owner's heirs, personal representatives, successors, Mortgagees, lienors and assigns acknowledges and agrees that the completion of the development of the Community may occur over an extended period of time and that incident to such development and the construction associated therewith, the quiet Use and enjoyment of the Property and each portion thereof may be temporarily interfered with by the development and construction work occurring on those portions of the Property and the Additional Property owned by Declarant or its successors and assigns. Each Owner, on behalf of such Owner's heirs, personal representatives, successors, Mortgagees, lienors and assigns does hereby waive all claims for interference with such quiet enjoyment and Use as a result of the development and construction of any portion of the Property or the Additional Property. Each Owner on behalf of such Owner's heirs, personal representatives, successors, Mortgagees, lienors and assigns agrees that the development, construction and completion of the Property and the Additional Property may interfere with such Owner's original and existing views, light and air and diminish the same and each such Owner on such Owner's behalf and on behalf of such Owner's heirs, personal representatives, successors, Mortgagees, lienors and assigns does hereby release Declarant and its successors in interest and others involved from all claims that they may have in connection therewith.

19.7 Declarants Rights in Connection with Development

Declarant and its successors or assignees or its or their contractors or subcontractors and their representatives will undertake the work of site development and constructing Buildings and Improvements related thereto. The completion of that work and the sale, resale, rental and other disposal of Homesites is essential to the establishment and welfare of the Community. In order that said work may be completed and the Community established as a fully occupied Community as rapidly as possible, no Owner or the Association shall do anything to interfere with Declarant's activities. Without limiting the generality of the foregoing, nothing in this Declaration or the Governing Documents or any amendment

thereto shall be understood or construed to prevent Declarant, its successors or assigns, or its or their contractors or subcontractors and their representatives from:

19.7.1. doing on any Property owned by them whatever they determine to be necessary or advisable in connection with the completion of said work, including without limitation, the alteration of its construction plans and designs as Declarant or any Builder deems advisable in the course of development (all models or sketches showing plans for future development may be modified by Declarant at any time and from time to time, without notice); or

19.7.2. erecting, constructing and maintaining on any Property owned or controlled by Declarant, or its successors or assigns or its or their contractors or subcontractors, such Buildings as may be reasonably necessary for the conduct of its or their business of completing said work and establishing SkyRidge as a Community and disposing of the same by sale, lease or otherwise; or

19.7.3. conducting on any Property owned or controlled by Declarant or its successors or assigns, its or their business of developing, subdividing, grading and constructing Improvements on such Property and of disposing of Homesites therein by sale, resale, lease or otherwise, including, but not limited to, placing signs and directional posts of any kind, shape or size, on any portion of the Property in Declarant's sole discretion.

19.7.4. Declarant hereby retains an easement over, under and through the Property, including without limitation each and every Homesite, for development of the Community and to accomplish the purposes set forth herein, provided no such easement shall materially interfere with the Use of a Homesite by the Owner of such Homesite. Declarant expressly reserves the right to grant easements and rights-of-way over, under and through the Common Areas, so long as Declarant owns any portion of the Property or the Additional Property primarily for development and/or resale, provided no such easement shall materially interfere with the Use of Common Areas by the Members.

19.7.5. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents, of Buildings, Improvements or signs necessary or convenient to the development or sale of the Property.

19.8 Future Easements and Modifications

Declarant reserves the right to grant, modify or enter into easements, dedications, agreements, licenses, restrictions, reservations, Covenants and rights of way, to modify the boundary lines and to Plat or Re-Plat portions of the Property and the Additional Property, for development of the Community. The Association and each Owner and Mortgagee of a portion of the Property agree to execute and deliver any

and all agreements, documents, Plats and instruments that are necessary or desirable to accomplish the same.

19.9 Construction and Marketing

19.9.1. In recognition of the fact that Declarant will have a continuing and substantial interest in the development and administration of the Property and the Additional Property, Declarant hereby reserves for itself, its successors, designees and assigns, the right to grant easements over, under and through and Use the Common Areas and Use all other portions of the Property owned by Declarant or the Association in conjunction with and as part of its program of selling, leasing, constructing, marketing and developing any Property owned or controlled by Declarant or its successors, designees or assignees including, but not limited to, the right to enter and transact business, maintain management offices, maintain models and sales, resales and rental offices, place signs, employ sales and rental personnel, carry on construction, store construction materials and construct and assemble construction components, show Homesites owned by Declarant, and Use any portion of the Property, Homesites, Common Areas, and other Improvements owned by Declarant or the Association for purposes set forth above without any cost to Declarant and its successors, designees and assigns for such rights and privileges.

19.9.2 Construction, Sales and Management Offices. In addition, Declarant, its successors, designees and assigns, shall have the right to construct, maintain and use sales, resales, rental, management and construction offices within the Community. Any models, sales areas, sales, resales or rental centers, management offices, parking areas, construction offices, signs and any other designated areas or other Property pertaining to the sale, construction and marketing efforts of Declarant shall not be part of the Common Areas and shall remain the Property of Declarant or its designees, as the case may be.

19.9.3 Declarant shall have the right to construct, maintain and repair Buildings and landscaping and other Improvements to be located on any portion of the Property owned by Declarant or the Association as Declarant deems necessary or appropriate for the development of any portion of the Property or the Additional Property. Declarant's Use of any portion of the Property or the Additional Property as provided in this *Section* shall not be a violation of the Association Documents. Notwithstanding anything to the contrary herein, the right of Declarant to maintain a resale office on any portion of the Property or the Additional Property owned by Declarant or the Association and to Use the Common Areas in connection therewith shall be for a term coterminous with the term of the Declaration and shall not terminate at the expiration of the time described in *Section 18.1* above.

19.10 Independent Builders

The Property is a master planned Community being developed by the Declarant. The individual Buildings constructed within the Property may be constructed by Declarant, Builders or others who are independent contractors who purchase unimproved Homesites from Declarant. If a Building is constructed by a Person or entity other than Declarant, Declarant shall have no liability whatsoever for such Person's activities, whether direct or indirect, including, without limitation, marketing or construction of the Building or actions of any principal, officer, trustee, partner, agent or subcontractor.

19.11 Sales Material

So long as Declarant continues to have rights under this *Article XLX*, all sales, promotional, and advertising materials, and all forms for Deeds, contracts for sale, and other closing documents for the Platting, development and sale of Property in the Project by any Builder shall be subject to the prior approval of Declarant, which approval may be withheld at Declarant's sole and exclusive discretion. Declarant shall deliver notice to any Builder of Declarant's approval or disapproval of all such materials and documents within thirty (30) days of receipt of such materials and documents and, if disapproved, the specific changes requested. If Declarant fails to so notify any Builder within such thirty (30)-day period, Declarant shall be deemed to have disapproved such materials and documents. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

19.12 Modifications

Declarant reserves for itself and its assigns the right to vary the timing, mix, type, Use, style, and numbers of Homesites within any portion of the Project. Notwithstanding any other provision of this Declaration to the contrary, Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to its development plan with respect to any Property owned by Declarant in any way which Declarant desires including, but not limited to, changing the density of all or any portion of the Property owned by Declarant or changing the nature or extent of the Uses to which such Property may be devoted.

19.13 Assignment of Rights

Declarant reserves the right, in its sole and absolute discretion, to assign all or part of its rights under this Declaration.

19.14 Amendment

This *Article XIX* may not be amended without the express written consent of Declarant.

ARTICLE XX - MISCELLANEOUS

20.1 Interpretation of the Covenants

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

20.2 Severability

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

20.3 Change of Circumstances

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

20.4 Declarant's Disclaimer of Representations

Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a Plat or other Recorded instrument, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Project can or will be carried out, or that any land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) Use, or if that land is once Used for a particular use, such Use will continue in effect. Not as a limitation of the generality of the foregoing, the Declarant expressly reserves the right at any time and from time to time to amend the Governing Documents.

20.5 References to the Covenants in Deeds

Deeds or any instruments affecting any Homesite or any part of the Project may contain the Covenants herein set forth by reference to this Declaration; but regardless of whether any such reference

is made in any Deed or instrument, each and all of the Covenants shall be binding upon the grantee-Owner of all Homesites and Parcels within the Project and upon all other Persons claiming an interest in any Homesite through any instrument and upon such Persons' executors, administrators, successors and assigns.

20.6 List of Owners and Eligible Members

The Board shall maintain up-to-date Records showing: (1) the name of each Person who is an Owner, the Lot number and street address of the Homesite which is owned by the Owner, an alternate preferred address of such Person, if any has been registered with the Association, and the number of votes the Owner is entitled to cast; and (2) the name of each Person who is an Eligible Mortgagee, and the address of such Person and the Homesite which is encumbered by the Mortgage held by such Eligible Mortgagee. In the event of any transfer of a fee or undivided fee interest in a Homesite, the transferee shall furnish the Board with evidence establishing that the transfer has occurred in the form of a Deed or other instrument accomplishing the transfer which has been Recorded. The Board may for all purposes act and rely on the information concerning Owners and Homesite ownership which is acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Homesite obtained from the Office of the County Recorder of Wasatch County, Utah. The address of an Owner shall be deemed to be the address of the Homesite owned by such Person, unless the Board is otherwise advised. The list of Owners shall be made available by the Board to any Owner for purposes deemed appropriate by the Board upon such Owner's written request and upon such Owner's payment of any copying charges and such Owner's execution of a privacy and nondisclosure statement prepared by the Board. In order for the Board to determine whether an Owner's written request for a list of the Owners or for other documents and Records maintained by the Board will be granted, the Owner's written request must be specific as to the types of Records being requested, and the Owner shall identify in the written request the purpose for which the Records are being requested. The Board shall then determine whether the purpose is proper and whether the Owner's request is made in good faith. The Board shall also determine whether the Records requested by the Owner are directly connected to the purpose deemed proper by the Board. In all cases, the Board shall comply with the requirements of Utah Code *Ann.* § 57-8a-227 or any successor statutes, in responding to an Owner's request to examine or copy any of the Records of the Association.

20.7 General Obligations

Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Declaration. With respect to unsold Homesites and Parcels, the Declarant shall enjoy the same rights and

assumes the same duties with respect to each unsold Homesite and Parcel, unless otherwise expressly provided herein.

20.8 Rights of Action

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

20.9 Successors and Assigns of Declarant

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

20.10 Gender and Number

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

20.11 Captions and Titles

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

20.12 Notices

Any notice permitted or required to be delivered as provided herein shall be delivered consistent with the processes described in the Bylaws.

20.13 Number of Days

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

20.14 Use of SkyRidge Term

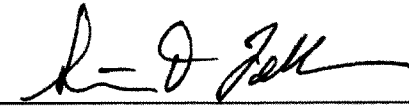
No Person shall use the term "SkyRidge" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term "SkyRidge" in printed or promotional materials where such term is used solely to specify that a particular Homesite or Parcel is located within the Property.

20.15 Power of Attorney

Each Owner hereby unconditionally and irrevocably appoints the Association and the Declarant as its true and lawful attorney-in-fact, coupled with an interest, to execute any and all documents and take any and all actions necessary or desirable to fulfill the purposes and intentions of this Declaration.

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

SKYRIDGE DEVELOPMENT, LLC,
a Utah limited liability company

By: 
Name: Steven D. Fellows
Title: Manager

STATE OF _____)

: ss.

COUNTY OF _____)

The foregoing instrument was acknowledged to me this ____ day of May, 2019, by Steven D. Fellows, in his capacity as the Manager of SkyRidge Development, LLC, a Utah limited liability company.

NOTARY PUBLIC

Residing at: _____

My commission expires:

CALIFORNIA NOTARIAL
CERTIFICATE ATTACHED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

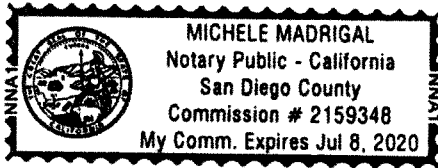
State of California)
County of SAN DIEGO)

On 05/15/19 before me, MICHELE MADRIGAL - NOTARY,
Date Here Insert Name and Title of the Officer
personally appeared STEVEN D. FELLOWS
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature *[Handwritten Signature]*
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: IN WITNESS WHEREOF
Document Date: NONE Number of Pages: 1
Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

EXHIBIT A

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SKYRIDGE MOUNTAIN COMMUNITY**

LEGAL DESCRIPTION OF THE PROPERTY

1. URSA SUBDIVISION - PLAT 2

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. THE BASIS OF BEARING FOR THIS DESCRIPTION IS NORTH 89° 52' 22" WEST BETWEEN THE FOUND MONUMENTS FOR THE EAST QUARTER CORNER AND THE CENTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT WHICH IS NORTH 89° 52' 22" WEST 1312.37 FEET FROM THE EAST QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, SAID POINT BEING THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 13;

THENCE ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER TO THE NORTHEAST CORNER OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 13, NORTH 0°05'22" WEST, 659.55 FEET;

THENCE NORTH 89°45'44" EAST, 581.87 FEET;

THENCE SOUTH 57°38'40" EAST, 175.10 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY;

THENCE ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTH 32°21'24" WEST, 152.06 FEET TO THE BEGINNING OF A TANGENTIAL CURVE CONCAVE SOUTHEASTERLY, SAID CURVE HAS A RADIUS OF 1,037.50 FEET;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°59'17" AN ARC DISTANCE OF 307.62 FEET TO A POINT OF TANGENCY (CHORD BEARS SOUTH 23° 51' 45" WEST 306.49 FEET);

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTH 15°22'06" WEST, 167.14 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE FOR URSA COURT;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTH 15°22'06" WEST, 45.00 FEET TO A POINT AT THE INTERSECTION OF THE

CENTERLINE OF URSA COURT AND THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTH 15°22'06" WEST, 45.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE FOR URSA COURT;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTH 15°21'56" WEST, 267.18 FEET TO THE BEGINNING OF A TANGENTIAL CURVE CONCAVE NORTHWESTERLY, SAID CURVE HAS A RADIUS OF 532.50 FEET;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°36'29" AN ARC DISTANCE OF 619.05 FEET (CHORD BEARS SOUTH 48° 40' 19" WEST 584.77 FEET) TO A POINT ON THE EASTERLY RIGHT OF WAY FOR URSA MINOR DRIVE.

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY ON A TANGENTIAL CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 532.50 FEET, A CENTRAL ANGLE OF 05°21'09" AND AN ARC DISTANCE OF 49.75 FEET (CHORD BEARS SOUTH 84° 39' 08" WEST 49.73 FEET) TO A POINT AT THE INTERSECTION OF THE CENTERLINE OF URSA MINOR DRIVE AND THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY ON A TANGENTIAL CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 532.50 FEET, A CENTRAL ANGLE OF 05°21'13" AND AN ARC DISTANCE OF 49.76 FEET (CHORD BEARS NORTH 89° 59' 41" WEST 49.74 FEET) TO A POINT ON THE WESTERLY RIGHT OF WAY FOR URSA MINOR DRIVE;

THENCE CONTINUING ALONG THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY ON A TANGENTIAL CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 532.50 FEET, A CENTRAL ANGLE OF 14°14'07" AND AN ARC DISTANCE OF 132.30 FEET (CHORD BEARS NORTH 80° 12' 01" WEST 131.96 FEET);

THENCE LEAVING THE WEST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, NORTH 16°55'03" EAST, 86.74 FEET;

THENCE NORTH 30°20'30" EAST, 182.74 FEET;

THENCE NORTH 14°20'52" WEST, 83.93 FEET;

THENCE NORTH 22°33'50" WEST, 70.06 FEET;

THENCE NORTH 42°16'45" WEST, 74.86 FEET;

THENCE NORTH 19°31'20" WEST, 94.50 FEET;

THENCE NORTH 11°31'09" EAST, 84.76 FEET;

THENCE NORTH 0°00'00" EAST, 100.80 FEET TO A POINT ON THE EAST/WEST CENTER SECTION LINE OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN;

THENCE ALONG THE EAST/WEST CENTER SECTION LINE OF SECTION 13, SOUTH 89°52'22" EAST, 279.13 FEET TO A POINT OF BEGINNING OF THIS DESCRIPTION. CONTAINING 18.77 ACRES, MORE OR LESS.

DETENTION BASIN PARCEL

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. THE BASIS OF BEARING FOR THIS DESCRIPTION IS NORTH 89° 52' 22" WEST BETWEEN THE FOUND MONUMENTS FOR THE EAST QUARTER CORNER AND THE CENTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT WHICH IS

NORTH 89° 52' 22" WEST 1312.37 FEET, NORTH 0°05'22" WEST, 659.55 FEET, NORTH 89°45'44" EAST, 581.87 FEET, SOUTH 57°38'40" EAST, 175.10 FEET, AND SOUTH 57°38'36" EAST, 74.99 FEET, FROM THE EAST QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. SAID POINT BEING ON THE EAST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY;

THENCE SOUTH 57°38'36" EAST, 46.96 FEET;

THENCE SOUTH 32°25'50" WEST, 180.89 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, SAID CURVE HAS A RADIUS OF 905.37 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°46'33" AN ARC DISTANCE OF 280.89 FEET TO A POINT OF TANGENCY (CHORD BEARS SOUTH 23° 32' 34" WEST 279.76 FEET); THENCE SOUTH 14°39'17" WEST, 247.40 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, SAID CURVE HAS A RADIUS OF 905.37 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°26'18" AN ARC DISTANCE OF 196.55 FEET (CHORD BEARS SOUTH 08° 26' 08" WEST 196.16 FEET);

THENCE NORTH 80°18'23" WEST, 65.57 FEET ON THE EAST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY;

THENCE ALONG THE EAST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY NORTH 15°22'06" EAST, 485.52 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, SAID CURVE HAS A RADIUS OF 962.50;

THENCE CONTINUING ALONG THE EAST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY NORTHEASTERLY ALONG SAID CURVE

THROUGH A CENTRAL ANGLE OF 16°59'17" AN ARC DISTANCE OF 285.38 FEET (CHORD BEARS NORTH 23° 51' 45" EAST 284.34 FEET);

THENCE CONTINUING ALONG THE EAST RIGHT OF WAY LINE FOR JORDANELLE PARKWAY NORTH 32°21'24" EAST, 152.06 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.93 ACRES, MORE OR LESS.

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2. ORION SUBDIVISION - PLAT 1

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. THE BASIS OF BEARING FOR THIS DESCRIPTION IS NORTH 89° 52' 22" WEST BETWEEN THE FOUND MONUMENTS FOR THE EAST QUARTER CORNER AND THE CENTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON A CURVE THAT IS CONCAVE TO THE NORTH, ON THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY WHICH IS NORTH 89°52'22" WEST ALONG THE CENTER SECTION LINE 1556.67 FEET AND SOUTH 00° 07' 38" WEST 801.95 FEET FROM THE EAST QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, SAID CURVE HAS A RADIUS OF 607.50FEET;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°48'27" AN ARC DISTANCE OF 114.59 FEET (CHORD BEARS SOUTH 84° 27' 54" EAST 114.42 FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2°49'52" AN ARC DISTANCE OF 30.02 FEET (CHORD BEARS NORTH 88° 42' 57" EAST 30.01 FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2°49'49" AN ARC DISTANCE OF 30.01 FEET (CHORD BEARS NORTH 85° 53' 06" EAST 30.01 FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°44'57" AN ARC DISTANCE OF 283.62 FEET (CHORD BEARS NORTH 71° 05' 44" EAST 281.05 FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHWESTERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2°49'52" AN ARC DISTANCE OF 30.02 FEET (CHORD BEARS NORTH 56° 18' 19" EAST 30.01 FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHWESTERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2°50'20" AN ARC DISTANCE OF 30.10 FEET (CHORD BEARS NORTH 53° 28' 14" EAST 30.10

FEET) TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHWESTERLY AND HAS A RADIUS OF 607.50 FEET;

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°13'48" AN ARC DISTANCE OF 246.31 FEET (CHORD BEARS NORTH 40° 26' 10" EAST 244.62 FEET);

THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR JORDANELLE PARKWAY, NORTH 28°32'27" EAST, 5.94 FEET;

THENCE SOUTH 64°34'11" EAST, 1.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAS A RADIUS OF 70.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°12'34" AN ARC DISTANCE OF 71.12 FEET (CHORD BEARS SOUTH 35° 27' 54" EAST 68.10 FEET);

THENCE SOUTH 06°21'37" EAST, 21.62 FEET; TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAS A RADIUS OF 441.50 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°03'44" AN ARC DISTANCE OF 23.60 FEET (CHORD BEARS SOUTH 07° 53' 29" EAST 23.59 FEET) TO A POINT OF TANGENCY;

THENCE SOUTH 09°25'21" EAST, 278.57 FEET; TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAS A RADIUS OF 470.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 64°57'06" AN ARC DISTANCE OF 532.80 FEET (CHORD BEARS SOUTH 22° 50' 48" WEST 504.73 FEET) TO A POINT OF TANGENCY;

THENCE SOUTH 55°18'49" WEST, 357.70 FEET; TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAS A RADIUS OF 584.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°17'07" AN ARC DISTANCE OF 145.61 FEET (CHORD BEARS SOUTH 48° 10' 15" WEST 145.23 FEET) TO A POINT OF REVERSE CURVE CONCAVE NORTHWESTERLY AND HAS A RADIUS OF 150.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°31'58" AN ARC DISTANCE OF 82.55 FEET (CHORD BEARS SOUTH 56° 47' 41" WEST 81.51 FEET) TO A POINT OF TANGENCY;

THENCE SOUTH 72°33'40" WEST, 48.78 FEET;

THENCE SOUTH 20°06'25" EAST, 18.94 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAS A RADIUS OF 238.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°05'31" AN ARC DISTANCE OF 129.15 FEET (CHORD BEARS SOUTH 04° 33' 39" EAST 127.57 FEET) TO A POINT OF TANGENCY;

THENCE SOUTH 10°59'06" WEST, 109.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAS A RADIUS OF 345.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°12'47" AN ARC DISTANCE OF 157.84 FEET (CHORD BEARS SOUTH 02° 07' 17" EAST 156.47 FEET) TO A POINT OF TANGENCY;

THENCE SOUTH 15°13'41" EAST, 60.32 FEET;

THENCE SOUTH 74°46'19" WEST, 60.00 FEET;

THENCE NORTH 15°13'41" WEST, 60.32 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY AND HAS A RADIUS OF 405.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°12'47" AN ARC DISTANCE OF 185.29 FEET (CHORD BEARS NORTH 02° 07' 17" WEST 183.68 FEET);

THENCE NORTH 10°59'06" EAST, 109.24 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY AND HAS A RADIUS OF 178.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°05'31" AN ARC DISTANCE OF 96.59 FEET (CHORD BEARS NORTH 04° 33' 39" WEST 95.41 FEET);

THENCE NORTH 20°06'25" WEST, 78.51 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY AND HAS A RADIUS OF 205.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°40'41" AN ARC DISTANCE OF 88.30 FEET (CHORD BEARS NORTH 07° 46' 05" WEST 87.62 FEET);

THENCE NORTH 04°34'16" EAST, 15.48 FEET;

THENCE NORTH 85°25'44" WEST, 21.50 FEET;

THENCE NORTH 53°11'02" WEST, 103.51 FEET;

THENCE NORTH 64°05'26" WEST, 81.63 FEET;

THENCE NORTH 47°02'07" WEST, 109.08 FEET;

THENCE NORTH 24°35'16" WEST, 109.13 FEET;

THENCE NORTH 6°58'12" WEST, 70.56 FEET;

THENCE NORTH 60°48'21" WEST, 10.00 FEET;

THENCE NORTH 29°11'39" EAST, 163.20 FEET;

THENCE NORTH 20°00'31" EAST, 97.60 FEET;

THENCE NORTH 76°15'35" EAST, 90.63 FEET;

THENCE NORTH 76°22'02" EAST, 51.77 FEET;

THENCE NORTH 86°49'57" EAST, 51.95 FEET;

THENCE NORTH 74°23'31" EAST, 64.69 FEET;

THENCE NORTH 45°13'16" EAST, 16.69 FEET;

THENCE NORTH 14°36'56" EAST, 64.38 FEET;

THENCE NORTH 19°23'56" WEST, 46.82 FEET TO THE POINT OF BEGINNING;

CONTAINING 17.29 ACRES, MORE OR LESS.

EXHIBIT B

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SKYRIDGE MOUNTAIN COMMUNITY**

**ARTICLE OF INCORPORATION
OF
SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.,
A Utah non-profit corporation**

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EXPEDITE

**ARTICLES OF INCORPORATION
OF
SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.,
a Utah non-profit corporation**

The undersigned, acting as the incorporator of a nonprofit corporation (the "Association") organized under and pursuant to the Utah Nonprofit Corporation Act (the "Act"), adopts the following Articles of Incorporation ("Articles").

**ARTICLE I
NAME**

The name of the Association is SkyRidge Mountain Community Association, Inc.

**ARTICLE II
NONPROFIT STATUS**

The Association is a nonprofit corporation.

**ARTICLE III
PERIOD OF DURATION**

The duration of the Association shall be perpetual.

**ARTICLE IV
REGISTERED OFFICE AND AGENT**

The mailing and street address of the registered office of the Association, its initial registered agent and Organizer, as such are:

Matthew B. Hutchinson
1225 Deer Valley Drive, Suite 201
Park City, Utah 84060
Commercial Registered Agent No. 7821423-0251

I hereby acknowledge and accept my appointment as the Company's registered agent.



Matthew B. Hutchinson

**ARTICLE V
PURPOSES**

The purposes for which the Association is organized and will be operated are as follows:

- A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Association as set forth in the Master Declaration of Covenants, Conditions and Restriction and Architectural Design Guidelines and Rules and Regulations for SkyRidge Development Master Planned Community recorded in the office of the Wasatch County Recorder

11184837-0140

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certify that the foregoing has been filed
and approved on this 22 day of Feb 2018
in the office of this Division and hereby issued
This Certificate thereof.
 Date 2/22/18
John Starzer
Division Director

(the "Declaration"), as the same may be amended from time to time.

B. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business or the Association, including all licenses, taxes or governmental charges levied or imposed against the Association;

C. The transaction of any or all lawful business for which corporations may be incorporated under the Utah Nonprofit Corporation Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

D. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at any time lawfully carry on or do.

ARTICLE VI **LIMITATIONS**

No part of the net earnings or the assets of the Association shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE VII **MEMBERS**

Each person or entity holding fee simple interest of record to a Lot (as defined in the Declaration) which is a part of SkyRidge master planned development (the "Property"), and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Association. Neither the issuance, nor the holding, of shares of stock shall be necessary to evidence membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot located in the Property. There shall be one (1) membership in the Association for each Lot located in the Property. Members of the Association must be owners of Lots within the Property.

ARTICLE VIII **VOTING RIGHTS**

The Association shall have two (2) classes of voting membership:

A. **Class A Members.** The class A Members shall be owners of Lots within the Property, except for Member SkyRidge Development, LLC. The Class A Members shall be entitled to one (1) vote for each Lot owned by such Class A Members on the day of the vote.

B. **Class B Members.** SkyRidge Development, LLC, shall be the sole initial Class B Member of the Association. The Class B Member shall be entitled to ten (10) votes for each lot owned by the Class B Member within the Property. The Class B Member shall cease to be a voting Member in the Association either: (i) when the Class B Member, in its sole discretion, elects to relinquish control of the Association to the Board, and if the Class B Member still owns lots, Membership would convert to Class A; or (ii) on the last day of the fourth month after all of the Homesites and/or the Parcels owned and developed by the Class B Member within the Project have been sold.

**ARTICLE IX
PRINCIPAL PLACE OF BUSINESS**

The principal place of business of the Association and its initial offices are located at 1960 Sidewinder Drive, Suite 205; Park City, Utah 84060.

**ARTICLE X
THE ASSOCIATION'S BOARD OF DIRECTORS**

The affairs of the Association shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Association's Bylaws. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected in the manner and for the term provided in the Bylaws of the Association. The names and street addresses of the persons constituting the initial Board of Directors are:

<u>Name:</u>	<u>Address:</u>
Steven D. Fellows	1960 Sidewinder Drive, Suite 205; Park City, Utah 84060
Jack J. Johnson	1960 Sidewinder Drive, Suite 205; Park City, Utah 84060
Tyler T. Aldous	1960 Sidewinder Drive, Suite 205; Park City, Utah 84060

**ARTICLE XI
ASSESSMENTS**

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and as otherwise set forth in the Bylaws of the Association and each Member shall be liable for the payment of such Assessments.

**ARTICLE XII
DISTRIBUTION ON DISSOLUTION**

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, distribute all the assets of the

Association consistent with the purposes of the Association to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Association is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

**ARTICLE XIII
INDEMNIFICATION**

The Association shall have the power to indemnify and hold harmless each of its members, managers (if any), employees (if any) and other agents (if any) to the full extent permitted by the Utah Revised Nonprofit Corporation Act (as amended from time to time).

**ARTICLE XIV
BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws. The Board of Directors of the Association shall be authorized to amend the Association's Bylaws at a properly noticed, special or regular meeting of the Board of Directors or interpreted to be inconsistent with the Declaration.

**ARTICLE XV
CONFLICT WITH DECLARATION**

In the event of any conflict or inconsistency between the provisions of these Articles and the provisions of the Bylaws (as the Bylaws may from time to time be amended), the provisions of these Articles shall control and in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

**ARTICLE XVI
AMENDMENTS**

These Articles may be amended from time to time by the unanimous vote of the Membership of the Association at a duly called meeting of the Members. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Utah law.

The undersigned, acting as incorporator of a nonprofit corporation under the Utah Nonprofit Corporation Act ("Act"), adopts the following Articles of Incorporation effective as of the 20th day of February, 2019:


Matthew B. Hutchinson, Organizer

MAY-29-2019 WED 05:27 PM UT DIV. OF CORP.
2019-05-22 4:46 PM (MST) To: +1 801-530-6438 From: +1 435-731-9199

FAX NO. 801 530 6438

P. 01/03
Page 4/4

Date: 05/23/2019
Receipt Number: 7856341
Amount Paid: \$24.00



RECEIVED
MAY 23 2019

AMENDMENT

AMENDMENT TO ARTICLES OF INCORPORATION
OF
SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.,
a Utah non-profit corporation

Utah Div. of Corp. & Comm. Code

This Amendment to Articles of Incorporation for SkyRidge Mountain Community Association, Inc., is made effective this 15th day of May, 2019, by SkyRidge Mountain Community Association, Inc., a Utah Nonprofit Corporation (the "Corporation"), governed by the Utah Revised Nonprofit Corporation Act (the "Act"), which hereby adopts the following Amendments to the Articles of Incorporation ("Articles") for such nonprofit corporation which was incorporated on February 21, 2019.

1104037-0140

1. Article V of the Articles of Incorporation shall be deleted in its entirety and replaced with the following:

ARTICLE V
PURPOSES

The purposes for which the Association is organized and will be operated are as follows:

A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Association, as set forth in the Declaration of Covenants, Conditions and Restrictions for SkyRidge Mountain Community (the "Declaration") and the Bylaws for the Corporation (the "Bylaws"), both of which have or shall be recorded in the office of the Wasatch County Recorder, the SkyRidge Architectural Guidelines and any Rules and Regulations promulgated by the Corporation's Board of Directors (collectively the "Governing Documents" as defined by the Declaration), as the same may be amended from time to time.

B. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Association;

C. The transaction of any or all lawful business for which corporations may be incorporated under the Utah Nonprofit Corporation Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

D. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at any time lawfully carry on or do.

MAY-29-2019 WED 05:28 PM UT DIV. OF CORP.
2019-05-22 4:46 PM (MDT) To: +1 801-530-6438 From: +1 435-731-9199

FAX NO. 801 530 6438

P. 02/03
Page 2/3

2. Subsection (B) of Article VIII of the Articles of Incorporation shall be deleted in its entirety and replaced with the following:

B. Class B Members. SkyRidge Development, LLC, as the Declarant, shall be the sole initial Class B Member of the Association. The Class B Member shall be entitled to ten (10) votes for each lot owned by the Class B Member within the Property. The Class B Member's status under this Section shall cease and shall be converted to Class A Memberships, on the basis of the number of Lots (that include Homesites and Parcels) then owned by the Declarant, on the happening of the first Event (as defined in the Declaration) to occur: (i) four (4) months after 75% of the Homesites and/or the Parcels within the Project owned by Declarant have been sold to Owners other than Declarant; or (ii) seven (7) years after Declarant and any successor in interest to the rights of Declarant as the Declarant has ceased to offer Homesites for sale in the ordinary course of business; or (iii) the day when Declarant, in its sole discretion, records an instrument in the Office of the Recorder in Wasatch County, Utah, that it voluntarily surrenders some or all of its rights to control activities of the Association.

3. Article XIV of the Articles of Incorporation shall be deleted in its entirety and replaced with the following:


**ARTICLE XIV
BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws. The Bylaws may be amended from time to time in a manner consistent with Article 9 of the Bylaws.

4. Article XVI of the Articles of Incorporation shall be deleted in its entirety and replaced with the following:

**ARTICLE XVI
AMENDMENTS**

These Articles may be amended from time to time by a vote of fifty-one percent (51%) vote of the Membership of the Association cast at a duly called meeting of the Members. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Utah law.

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certify that the foregoing has been filed
and approved on this 22nd day of May, 2019
in the office of this Division and hereby issued
This certificate thereof.
Examiner: RDL Date: 5/22/19

Jason Starzer
Division Director

[Signatures to follow on next page]

FIRST AMENDMENT TO SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.

Page 2 of 3


MAY 23 '19 AM7:30

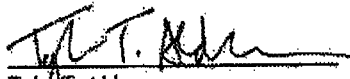
MAY-29-2019 WED 05:29 PM UT DIV. OF CORP. FAX NO. 801 530 6438 P. 03/03
2019-05-22 4:46 PM (MDZ) To: +1 801-530-6438 From: +1 435-721-9199 Page 4/4

IN WITNESS WHEREOF, this Amendment to the Articles of Incorporation of the Association, which was unanimously adopted at a meeting of the Board of Directors at a properly noticed meeting on May 15, 2019, has been examined by the Board of Directors and is true, correct and complete.

**BOARD OF DIRECTORS
SKYRIDGE MOUNTAIN COMMUNITY
ASSOCIATION, INC.**


Steven D. Fellows


Jack J. Johnson


Tyler T. Aldous

MAY 23 '19 AM 7:30

FIRST AMENDMENT TO SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.

Page 3 of 3

EXHIBIT C

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SKYRIDGE MOUNTAIN COMMUNITY**

**BYLAWS OF
SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.**

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BYLAWS OF

SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.

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**BYLAWS OF
SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC.**

ARTICLE 1 – NAME, OFFICE, DEFINITIONS

1.01 Name

SkyRidge Mountain Community Association, Inc. (the “Association”) is a Utah nonprofit corporation.

1.02 Principal Office.

The Association’s principal office shall be initially located at 1960 Sidewinder Drive, Suite #205, Park City, UT 84060. The Association may change its principal office to the office of any professional management company retained by the Association to perform some of the duties of the Association arising under the Declaration.

1.03 Definitions.

The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms herein shall have the same meaning as set forth in Article I of the Declaration of Covenants, Conditions, Easements and Restrictions for SkyRidge (the “Declaration”), as Recorded, and as may be amended and supplemented from time to time unless otherwise defined herein or under the Utah Revised Nonprofit Corporation Act, *Section 16-6a-et seq. of the Utah Code* (the “Act”) for which these Bylaws shall operate.

ARTICLE 2 – MEMBERSHIP, VOTING AND MEETINGS,

2.01 Membership and Voting

Provisions governing Membership in the Association and the voting rights of its Members are set forth in *Article VII* of the Declaration.

2.02 Annual Meeting

The annual meeting of the Owners shall be held at a time designated by the Board during the month of July each year, or at such other date designated by the Board, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the election of Directors shall not be held on the date designated herein for the annual meeting of the Owners, or at any

adjournment thereof, the Board shall cause the election to be held at a special meeting of the Owners to be convened as soon thereafter as may be convenient. The Board may from time to time by resolution change the date and time for the annual meeting of the Owners.

2.03 Special Meetings

Except as otherwise prescribed by statute or the Declaration, special meetings of the Owners, for any purpose, may be called by (1) the president voluntarily, (2) by a majority of the Directors or (3) by the president at the written request of Owners entitled to vote thirty percent (30%) or more of the total votes of the Members of the Association with such written request to state the purpose or purposes of the meeting and to be delivered to the Board.

2.04 Place of Meetings

The Board may designate the Association's principal offices or any place within Wasatch or Summit County, Utah, as the place for any annual meeting or for any special meeting called by the Board.

2.05 Notice of Meeting

The Board shall cause written or printed notice of any meeting of the Owners, stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting to each Owner entitled to vote at such meeting. Notice shall be delivered in accordance with *Section 10.02 herein*. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, the Board may set a Record date for such determination of Owners, in accordance with the laws of the State of Utah. If requested by the Person or Persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

(a) Adjourned or Rescheduled Meetings. If an annual or special meeting of the Members is adjourned to a different date, time or place, notice need not be given if the rescheduled meeting is no earlier than 24 hours and no later than twenty (20) days of the original meeting and is announced at the original meeting before adjournment.

2.06 Quorum

Subject to and except as otherwise required by law, the Declaration, or the Articles, as amended, the presence in person or by proxy of 20% or more Owners entitled to vote shall constitute a quorum. If a quorum is not present at any Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time consistent with *Section 2.05(a)* above. Those Owners present at the

rescheduled meeting and entitled to vote shall constitute a quorum at the rescheduled meeting, regardless of the number of Owners present at the rescheduled meeting. Notwithstanding the foregoing provisions of this *Section*, however, in any case in which the Declaration requires the affirmative vote of a certain percentage of Owners for authorization or approval of a matter, their consent, in person, by proxy or in writing is required for authorization or approval of the item, regardless of the quorum requirements.

2.03 Proxies

Votes may be cast in person or by proxy. Proxies must comply with *Section 16-6a712* of the Utah Code, as such *Section* of the Utah Code may be amended, supplemented or replaced from time to time. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. Timely submitted proxies shall remain effective for adjourned or rescheduled meetings. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

2.04 Majority Vote

At any meeting of the Owners, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the Owners, unless the vote of a greater number is required by law, the Articles, the Declaration, or these Bylaws.

ARTICLE 3 - BOARD OF DIRECTORS

3.01 Number and Election of Directors

The Board of Directors (the "Board") shall consist of three (3) or five (5) Directors. There shall be three (3) initial Directors, appointed by Declarant, identified in the Articles set forth in Exhibit B attached hereto and incorporated herein. The initial Board shall be controlled by Declarant until the expiration of the Period of Declarant Control. At the first meeting after the expiration of the Period of Declarant Control, three Members of the Board shall be elected by the Owners; two Members shall be elected for two-year terms and one Member shall be elected for a one-year term. Thereafter, all Members of the Board shall be elected for staggered two-year terms. If the Board is expanded to five (5) Directors, the election shall happen on the year that only one (1) Director is elected. Despite the expiration of a Director's term, the Director shall continue to serve until the election and qualification of a successor or until there is a decrease in the number of Directors, or until such Director's earlier death, resignation, or removal from office.

3.02 Director Qualifications

After the Period of Declarant Control expires, Directors shall be Class A Members or a Person associated with a Class A Member. No individual who is a Class A Member (as defined in the Declaration) may serve as a Director of the Association if that individual, or if such individual is associated with a Class A Member, the Class A Member associated with that individual, is delinquent in the payment of any dues, fees, Assessments, or the like arising out of the Declaration, these Bylaws, or the Association's Articles of Incorporation, or is otherwise in material default of any of the Covenants within the Declaration, Bylaws, or the Articles of Incorporation. Provided, that nothing in the previous sentence shall require an officer or Director of the Association to also be an Owner.

3.03 Removal, Resignation, and Replacement of Directors

(a) Removal of Directors. During the Period of Declarant Control, Declarant shall appoint and remove any and all Directors. After the expiration of the Period of Declarant Control, each Director may be removed, with or without cause, by a majority vote of all Owners of the Homesites entitled to vote.

(b) Resignations. Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(c) Replacement of Directors. A vacancy on the Board created by the removal, resignation, or death of a Director appointed or elected by the Owners shall be filled by the remaining Directors until the next annual meeting of Owners, at which time the Owners shall elect a Director to fulfill the then-remaining term of the replaced Director. Any Director elected or appointed pursuant to this *Section* shall hold office for the remainder of the unexpired term of the Director who was replaced.

3.04 Regular Meetings

Regular meetings of the Board may be held without call or formal notice at such places within or outside the State of Utah, and at such times as the Board from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Board for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Owners, or any special meeting of Owners at which a Board is elected.

3.05 Special Meetings

Special meetings of the Board may be held at any place within the State of Utah or by telephone, provided that each Director can hear each other Director, at any time when called by the president, or by two or more Directors, upon the giving of at least three (3) days' prior notice of the time and place thereof to each Director by leaving such notice with such Director or at such Director's residence or usual place of business, or by mailing it prepaid and addressed to such Director at such Director's address as it appears on the books of the Association, or by telephone or by electronic means (i.e. e-mail, text messaging or other similar manner). Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

3.06 Quorum

A majority of the number of Directors fixed by these Bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, by the Articles, by the Declaration, or by these Bylaws, decide any question brought before such meeting.

3.07 Waiver of Notice

Before, at, or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such Director, except when such Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

3.08 Informal Action by Directors

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing (which may include consent by email without a signature), setting forth the action so taken, shall be signed (or approved by email without a signature) by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE 4 - OFFICERS AND AGENTS

4.01 General

The officers of the Association shall be a president, vice president, a secretary, and a treasurer. The Board may appoint such other officers, assistant officers, committees, and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One Person may hold any two offices, except that no Person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent, or employee are not prescribed by the Bylaws or by the Board, such officer, agent, or employee shall follow the orders and instructions of the president.

4.02 Officer Qualifications

After the Period of Declarant Control expires, officers shall be Class A Members or a Person associated with a Class A Member. No individual who is a Class A Member (as defined in the Declaration) may serve as an officer of the Association if that individual, or if such individual is associated with a Class A Member, the Class A Member associated with that individual, is delinquent in the payment of any dues, fees, Assessments, or the like arising out of the Declaration, these Bylaws, or the Association's Articles of Incorporation, or is otherwise in material default of any of the Covenants within the Declaration, Bylaws, or the Articles of Incorporation.

4.03 Removal of Officers

The Board may remove any officer, either with or without cause, and elect a successor at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4.04 Vacancies

A vacancy in any office, however occurring, shall be filled by the Board for the unexpired portion of the term.

4.05 President

The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Board. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents, and

employees. The president of the Association is designated as the officer with the power to prepare, execute, certify, and Record amendments to the Declaration on behalf of the Association.

4.06 Vice President

The vice president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the Board or the president shall prescribe. If neither the president nor the vice president is able to act, the Board shall appoint a Member of the Board to do so on an interim basis.

4.07 Secretary

The secretary shall:

- (a) keep the minutes of the proceedings of the Owners meetings and of the Board meetings,
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration, and as required by law;
- (c) be custodian of the corporate Records and of the seal of the Association and affix the seal to all documents when authorized by the Board;
- (d) maintain at the Association's principal offices a Record containing the names and registered addresses of all Owners, the designation of the Homesite owned by each Owner, and, if such Homesite is Mortgaged, the name and address of each Mortgagee; and
- (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to it by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

4.08 Treasurer

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness, and other personal Property of the Association and shall deposit the same in accordance with the instructions of the Board. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association and shall pay out of the funds on hand all bills, payrolls, and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his/her duties and for the

restoration to the Association of all books, papers, vouchers, money, and other Property of whatever kind in his/her possession or under his/her control belonging to the Association. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE 5 - COMMITTEES

5.01 Designation of Committees

The Board may from time to time designate committees as appropriate to help in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall be comprised of Members and shall include at least one (1) Board member. No committee member shall receive compensation from the Association or receive a waiver from the Association for any amount of assessments for services that he or she may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his or her duties as a committee member to the extent that such expenses are approved by the Board and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his or her capacity as a committee member.

5.02 Proceedings of Committees.

Each committee designated by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.

5.03 Quorum and Manner of Acting

At each meeting of any committee, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event less than two members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board shall act only as a committee, and the individual members thereof shall have no powers as such.

5.04 Resignation and Removal

Any member of any committee designated hereunder may resign at any time by delivering a written resignation to the President, the Board, or the presiding officer of the committee of which he or

she is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee.

5.05 Vacancies

If any vacancy shall occur in any committee designated by the Board, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled by the Board at any meeting of the Board.

ARTICLE 6 - INDEMNIFICATION

6.01 Indemnification: Third Party Actions.

The Association shall indemnify any person who was, or is, a party, or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is, or was, a Board member, or is, or was, serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

6.02 Indemnification: Association Actions.

The Association shall indemnify any person who was, or is, a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Board member, or is, or was, serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys'

fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless, and only to the extent, that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

6.03 Determinations.

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in *Sections 6.01 or 6.02* hereof, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under *Sections 6.01 or 6.02* hereof shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct set forth respectively in *Sections 6.01 or 6.02* hereof. Such determination shall be made either (i) by the Board by a majority vote of disinterested Board members or (ii) by independent legal counsel in a written opinion, or (iii) by the Members by the affirmative vote of at least fifty-one percent (51%) of those Members entitled to vote at any meeting duly called for such purpose.

6.04 Advances

Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately is determined that he or she is entitled to be indemnified by the Association as authorized by this Article or otherwise.

6.05 Scope of Indemnification.

The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Declaration, Bylaws, agreements, vote of disinterested members or Board members, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Board members, officers, employees, and agents of the Association and shall continue as to such persons

who cease to be Board members, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

6.06 Insurance

The Association shall purchase and maintain insurance on behalf of any person who was or is a Board member, officer, employee, or agent of the Association, or who was, or is, serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity or enterprise (whether for profit or not for profit), as may be required by the Declaration.

6.07 Payments and Premiums

All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute Common Area Expenses of the Association and shall be paid with funds from the Association.

ARTICLE 7- EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND LIEN HOLDERS

7.01 Proof of Ownership

Upon the transfer of a fee or an acceptance of a Deed to a Lot in the Project, any Person becoming an Owner shall furnish to the Association a photocopy or a certified copy of the Deed or Recorded instrument vesting that Person with an ownership interest in the Homesite. Such copy shall remain in the files of the Association.

7.02 Registration of Mailing Address

If a Homesite is owned by two or more Owners, such Owners shall designate one address as the registered address. The registered address of an Owner or Owners shall be furnished to the secretary of the Association within ten (10) days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Homesite or by such Persons as are authorized to represent the interests of all Owners of the Homesite. If no address is registered or if all of the Owners cannot agree, then the address of the Homesite shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Homesite.

7.03 Liens; Mortgagees

Any Owner who Mortgagees or grants a deed of trust securing such Owner's Homesite shall give the Association written notice of the name and address of the Eligible Mortgagee.

ARTICLE 8 - SECURITY INTEREST IN MEMBERSHIP

Owners shall have the irrevocable right to constitute and appoint a holder of a Mortgage or Deed of trust their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association in which such Owner is entitled to vote and to vest in such holder any and all rights, privileges, and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Unless otherwise expressly provided in such proxy, such proxy shall become effective upon the filing of notice by such holder with the secretary of the Association. A release of the Mortgage or Deed of trust covering the subject Homesite shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors or grantors of a Deed of trust, of their duties and obligations as Owners or to impose upon the holder of a Mortgage or Deed of trust the duties and obligations of an Owner.

ARTICLE 9 - AMENDMENTS

9.01 By Directors.

Except as limited by law, the Articles, the Declaration, or these Bylaws, the Board shall have power to make, amend, and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. If, however, the Owners shall make, amend, or repeal any Bylaw, the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

9.02 Owners

Subject to any rights conferred upon holders of a security interest in the Declaration, the Owners may, by the vote of the holders of at least fifty-one percent (51%) of the votes of the Owners entitled to vote, unless a greater percentage is expressly required by law, the Articles, the Declaration, or these Bylaws, make, alter, amend, or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE 10 - MISCELLANEOUS

10.01 Notice to Association and Board

(a) During Period of Declarant Control. During the Period of Declarant Control, all notices to the Association or the Board shall be sent to (i) the Registered Agent of the Declarant as registered with the Utah Department of Commerce by first class mail, (ii) to the principal office of the Association or to such other address as the Board may hereafter designate from time to time by first class mail and (iii) to the primary contact of the Association identified in the registry required by *Section 57-8a-105* of the Utah Code by email, with a copy sent to the email address of the Association's professional manager if the Association is professionally managed.

(b) After expiration of Period of Declarant Control. All notices to the Association or the Board shall be sent to (i) to the principal office of the Association as registered with the Utah Department of Commerce or to such other address as the Board may hereafter designate from time to time and (ii) to the primary contact of the Association by email, which may be a professional manager if the Association is professionally managed or the individual identified in the registry required by *Section 57-8a-105* of the Utah Code.

10.02 Notices to Owners

(a) Notice by Electronic Means. In any circumstance where notice is required to be given to the members, the Association may provide notice by electronic means, including email, text message, and/or an Association website, if the Board deems the notice to be fair and reasonable, unless a specific method of notice is designated in the Declaration or by Utah Law. Notice shall be deemed delivered within forty-eight (48) hours of electronic notice being sent or upon the receiving party's confirmation of receipt, whichever is sooner. If an electronic notice is returned as undeliverable, the serving party shall send notice via first-class mail, postage prepaid. The Board is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring members to furnish the Association with a current email address.

(b) Notice by Mail. If notice is mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his or her registered address, with first-class postage prepaid. An Owner may require the Association, by written demand, to provide notice to the Owner by mail. Each Owner shall register with the Association such Owner's current mailing address for purposes of notice hereunder. Except as otherwise provided in the Declaration,

these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Board, or if no address has been designated, then to the Owner's Homesite.

(c) Notice to Co-Owners. If a Lot is jointly owned, notice shall be sent to a single address of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Homesite shall be sufficient.

10.03 Affairs, Electronic Means

Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Board does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a member or by the Association.

10.04 Waiver, Precedent and Estoppel

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

10.05 Appeals; Informal Hearing Procedures

An Owner who has been deemed a Non-Conforming Member and has been assessed a fine by the Board or receives a decision from a Board-appointed Committee that the Owner disputes, may request an informal hearing before the Board within thirty (30) days after the day on which the Owner receives notice of the fine or decision. If the Owner fails to timely request a hearing in writing, the Non-Conforming Member shall be deemed to have waived the right to a hearing. The Board shall not be required to conduct a hearing unless the Non-Conforming Member formally and timely requests a hearing in writing. The

following procedures shall apply for any Owner who requests an informal hearing:

(a) At the appeal hearing, the Board shall provide the Owner with a reasonable amount of time to present any and all defenses related to the fine or citation and/or claims related to a Committee decision. Any participant may participate in the hearing by means of electronic communication so long as all participants can hear one another speak. The Owner may have counsel present at the hearing at the Owner's own expense. Under no circumstances shall the Association be responsible for any attorney fees or costs incurred by an Owner relating a hearing conducted pursuant to this *Section*.

(b) Following the hearing, the Board of Trustees shall meet in executive session to discuss whether satisfactory proof was presented to show *extenuating circumstances* to justify the Member's non-confirming behavior or to overturn a decision. If a majority of the Board is required to affirm or overturn the prior assessment of a fine or a decision of a committee and the Board shall issue an opinion consistent thereto. If the Board's decision is unfavorable to the Non-Conforming Member, as the case may be, the Board may affirm the initial fine and impose reasonable continuing fines and other monetary penalties, which shall constitute a lien upon the Homesite until paid, and/or suspend the Non-Conforming Member's right to vote or Use of the Common Areas specifically including the Association Facilities. The Board may also provide the Non-Conforming Member a final deadline to cure the violation if a cure is possible before the initial fine or additional fines become due or an Owner's privileges are suspended. If an Owner timely requests an informal hearing, no interest or late fees may accrue until after the Board conducts the hearing and the Owner receives or is deemed to receive a final decision. All decisions of the Board are final unless an Owner appeals by initiating a civil suit consistent with *Section 57-8a-202* of the Utah Code.

(c) The Board shall deliver notice of its decision to the Owner by Certified Mail (return receipt requested) and via first-class mail to the Owner's registered address or email to the Owner's email address on file within seven (7) days of the date of the hearing. If Non-Conforming Member does not cure the offense within the number of days noted in the decision, the Board or its delegate agents shall have the power to impose additional fines and/or suspend privileges pursuant to the authority granted in the Association's Governing Documents.

(d) The procedures outlined in this Section may be applied to any decision by an agent of the Association and all violations of the Association's Governing Documents and does not preclude the Association from exercising other enforcement procedures authorized by the Governing Documents, including, but not limited to, the initiation of suit or self-help remedies.

10.06. Conflicts

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

10.07 Invalidity: Number: Captions

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

10.08 Fiscal Year

The fiscal year of the Association shall be such as may from time to time be established by the Board. The initial fiscal year of the Association upon formation by Declarant shall be a calendar year.

10.09 Conduct of Meeting

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with these Bylaws.

10.10 Other Provisions

The Declaration contains certain other provisions relating to the administration of SkyRidge, which provisions are hereby incorporated herein by reference.

Continue to Next Page for Signature

IN WITNESS WHEREOF, the Association has caused the Bylaws to be executed by an officer duly authorized to execute the same this 15th day of May, 2019.

SKYRIDGE MOUNTAIN COMMUNITY ASSOCIATION, INC., a Utah non-profit corporation

By: [Signature]
Name: Steven D. Fellows
Title: President

STATE OF UTAH)
) ss.
COUNTY OF Summit)

The foregoing instrument was acknowledged to me this 15th day of May, 2019, by Steven D. Fellows, in his capacity as the President of SkyRidge Mountain Community Association, Inc., a Utah non-profit corporation.

[Signature]
NOTARY PUBLIC

Residing at:
Heber City, UT

My commission expires:
5-14-2021

