Ent 573841 Bk 1557 Pg 395-474
Date: 11-MAY-2026 4:26:34PM
Fee: $89.00 Check Filed By: CO
MARCY M MURRAY, Recorder
WASATCH COUNTY CORPORATION
For: DEER CREST ASSOCIATES I LC

WHEN RECORDED, MAIL TO:

Steven P. Mehr
Ballard Spahr LLP
201 South Main, Suite 800
Salt Lake City, UT 84111

**DECLARATION OF CONDOMINIUM**

**FOR**

**HAVENS AT DEER CREST**

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# DECLARATION OF CONDOMINIUM

# FOR

# HAVENS AT DEER CREST

THIS DECLARATION OF CONDOMINIUM FOR HAVENS AT DEER CREST ("**Declaration**") is made and executed by DEER CREST ASSOCIATES I, L.C., a Utah limited liability company ("**Declarant**"), for itself, its successors and assigns, pursuant to the provisions of Title 57, Chapter 8, Utah Code Annotated, as amended ("**Act**").

## 1. RECITALS.

1.1. Declarant holds both legal and equitable title to the real property located in Wasatch County, State of Utah, hereinafter more particularly described, upon which Declarant desires to develop a condominium project.

1.2. Havens at Deer Crest is part of a master planned community development known as Deer Crest, situated in Summit and Wasatch Counties, State of Utah ("**Deer Crest**"), organized pursuant to that certain First Amendment to and Restatement of the Combined, Amended and Restated Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Deer Crest, a Planned Recreational Development, Wasatch and Summit Counties, Utah, recorded January 10, 2025, as Entry No. 554689, in Book 1501 at Page 1144-1235, in the Office of the Wasatch County Recorder.as amended and/or supplemented from time to time ("**Master Declaration**"). The Association (defined below) is or may be part of the Deer Crest Village Neighborhood Association ("**Village Association**") and the Association shall enter into a management agreement with the other members of the Village Association to memorialize the representation for the Village Association within the Master Association (defined below).

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

1.4. Recorded simultaneously herewith is a Condominium Plat of the Project (defined below) as required by the Act.

1.5. Declarant shall cause the incorporation and organization of the Association, which Association will maintain the Common Areas and Facilities within the Project as hereinafter described, provide for the management and operation of the Common Areas, levy and collect Common Assessments, and administer and enforce the terms of this Declaration.

1.6. All capitalized terms used in this Declaration shall have the definitions as set forth herein.

1.7. The Project shall be known as "**Havens at Deer Crest**" and is intended to be a condominium project pursuant to the Act.

2. **DEFINITIONS**.

2.1. Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Article 2.

2.2. "**Act**" shall mean the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code).

2.3. "**Amendment**" shall mean any amendment to this Declaration made in accordance with this Declaration and the Act.

2.4. "**Articles**" shall mean the Articles of Incorporation of the Havens at Deer Crest Owners Association, Inc.

2.5. "**Association**" shall mean the Havens at Deer Crest Owners Association, Inc., a non-profit corporation, organized for the purposes set forth in this Declaration.

2.6. "**Building**" shall mean the buildings constructed as part of the Project, as described in Section 3.2.

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

2.8. Intentionally omitted.

2.9. "**Common Area Manager**" shall mean the person, firm or company designated by the Association to manage, in whole or in part, the affairs of the Association and the Common Areas and Facilities.

2.10. "**Common Areas and Facilities**" shall mean all portions of the Project other than the Units, as described in Article 6 hereof. The undivided interest in the Common Areas and Facilities appurtenant to each Unit is allocated among each Unit in the Project based on the square footage of such Unit, determined as described in Section 6.2 hereof, and is set forth in Exhibit A hereto.

2.11. "**Common Assessments**" shall mean those assessments described in Article 20 to fund the Common Expenses, and include Regular Common Assessments, Special Common Assessments and any other assessments levied by the Association.

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

2.13. "**Common Expenses**" shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities, all premiums for insurance obtained by the Association for the benefit of the Project, the expenses of utilities that are not separately metered for each Unit, all expenses for meetings or social gatherings organized by the Association, and all other expenses denominated as Common Expenses by this Declaration or by the Act.

2.14. "**Condominium Plat**" shall mean the Havens at Deer Crest Townhomes, a Utah Condominium Project, recorded in the office of the County Recorder for Wasatch County, State of Utah, as it may be amended from time to time pursuant to this Declaration and the Act. The initial Condominium Plat may be amended at such time as the Building is constructed in the event there are material changes in the Building or Unit boundaries or elevations as constructed. Such an amendment to the Condominium Plat is expressly authorized and may be undertaken by Declarant without the joinder or consent of any other Owners.

2.15. "**Cost of Living Index**" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1982-1984 = 100 compiled by the Bureau of Labor Statistics, United States Department of Labor. The Index for December 2024 is the reference base index. Declarant may select any other comparable index which measures changes in the cost of living.

2.16. "**County**" shall mean Wasatch County, Utah.

2.17. "**Declarant**" shall mean Deer Crest Associates I, L.C., a Utah limited liability company, or any successor in interest as provided in the Act and in Article 26 below.

2.18. "**Declaration**" shall mean this Declaration of Condominium, and all amendments, modifications and supplements hereto.

2.19. "**Developmental Rights**" shall mean the right to exercise any of the rights set forth in Article 10 hereof.

2.20. "**Eligible Mortgagee**" shall mean and refer to a First Mortgagee that has requested notice of certain matters from the Association in accordance with Section 18.1 of this Declaration.

2.21. Intentionally omitted.

2.22. Intentionally omitted.

2.23. "**Limited Common Areas and Facilities**" shall mean a portion of the Common Areas and Facilities designated by the Declaration or the Act, and as may be shown on the Condominium Plat, for the exclusive use of one or more, but fewer than all, of the Units.

2.24. Intentionally omitted.

2.25. Intentionally omitted.

2.26. "**Management Committee**" shall mean the Board of Trustees of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

2.27. "**Master Association**" shall mean the Deer Crest Master Association, Inc., a Utah not for profit corporation, and its successors and assigns.

2.28. "**Master Declaration**" shall mean and refer to that certain First Amendment to and Restatement of the Combined, Amended and Restated Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Deer Crest, a Planned Recreational Development, Wasatch and Summit Counties, Utah, and all amendments, modifications and supplements thereto as more particularly described in Recital 1.2 above.

2.29. "**MIDA**" means the Military Installation Development Authority, a body politic of the State of Utah, as governed by Utah Code (Title 63H, Chapter 1).

2.30. "**Mortgage**" shall mean any mortgage, deed of trust or other security instrument (including the seller's rights under a contract for deed) by which a Unit or any part thereof or interest therein is encumbered. "**First Mortgage**" shall mean a Mortgage having priority as to all other Mortgages encumbering a Unit or any part thereof or interest therein.

2.31. "**Mortgagee**" shall mean any person or entity named as the mortgagee, beneficiary or holder of the seller's interest (so long as a copy of the contract for deed is given to the Association) under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. "**First Mortgagee**" shall mean any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage. Any and all Mortgagee protections contained in the Declaration shall also protect the Declarant as the holder of a First Mortgage of a Unit or any interest therein.

2.32. "**Owner**" shall mean any person or entity, including Declarant, at any time owning a Unit within the Project (including, to the extent permitted by law, those purchasing an interest pursuant to a contract for deed who have given written notice of their purchase and a copy of their contract to the Association). The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

2.33. Intentionally omitted.

2.34. "**Period of Declarant Control**" shall mean the period of time that Declarant has sole authority to appoint and remove the members of the Management Committee of the Association, as set forth in Section 10.4.

2.35. "**Project**" shall mean the Property, the Units, the Common Areas and Facilities and all improvements submitted by this Declaration to the provisions of the Act.

2.36. "**Property**" shall mean that certain real property situated in Wasatch County, State of Utah, more particularly described in Section 3.1 hereinafter, on which the Units and other improvements are located.

2.37. "**Public Infrastructure District**" means a public infrastructure district created pursuant to the provisions of the Public Infrastructure District Act, Title 17D, Chapter 4, Part 2, Utah Code Annotated, as amended, or pursuant to other applicable Utah laws in effect from time to time governing the creation of special districts.

2.38. "**Public Infrastructure District Assessment Area**" means all or any portion of the Project, and additional properties outside the Project's boundaries that may benefit from the

Public Infrastructure District improvements which Declarant agrees to include in the Public Infrastructure District Assessment Area.

2.39. "**Regular Common Assessments**" shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses.

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

2.41. "**Square Footage**" shall mean the number of square feet of ground or floor space within each Unit, computed as provided in Section 6.2, as set forth in the Condominium Plat and Exhibit A hereto. The calculation of square footage as contained in this Declaration and as shown on the Condominium Plat is final and binding upon all Owners irrespective of any later measurement of such square footages. In the event of an inconsistency between the measurements and depiction of each Unit as shown on the Condominium Plat and the description of the Unit boundaries as provided in this paragraph, the description of the Unit boundaries in this paragraph and the physical boundaries of each Unit, as constructed, shall control.

2.42. "**Supplemental Condominium Plat**" shall mean any amendment to the Condominium Plat made in accordance with this Declaration and the Act.

2.43. "**Total Votes of the Association**" shall mean the total number of votes appertaining to all Units, as described in Article 21 hereof.

2.44. "**Unit**" shall mean and refer to an individual portion of the Project designated as a Unit on the Condominium Plat and designed for separate ownership and occupancy as described in Section 4 hereof.

2.45. "**Unit Number**" shall mean the number, letter or combination of numbers and letters that identifies only one Unit in the Project.

## 3. DESCRIPTION OF THE PROPERTY AND THE IMPROVEMENTS AND SUBMISSION TO THE ACT.

3.1. The Property on which the Units and improvements are located is situated in Wasatch County, Utah and more particularly described as follows:

> ALL OF PARCEL 2 AND PARCEL 3, OF THE AMENDED PLAT OF DEER CREST VILLAGE 3 AT THE DEER CREST RESORT, ACCORDING TO THE OFFICIAL PLAT RECORDED FEBRUARY 17, 2026, AS ENTRY NO. 570517, IN BOOK 1547, AT PAGE 479 IN THE WASATCH COUNTY RECORDER'S OFFICE
>
> CONTAINS ± 160,937 SF OR 3.695 ACRES

3.2. The initial improvements will consist of freestanding multi-story residential Buildings containing thirty-two (32) Units. The Buildings will be of wood-framed construction. The roofs will be flat and sloped, with asphalt or other type of fire-resistant materials. Exteriors

will be of natural stone and wood siding. The Buildings will be supplied with fiber optic connections, electricity, water, and sewer service. No natural gas fireplaces or cooking appliances will be provided in the Units.

3.3. Declarant hereby submits the Property, the Buildings and all other improvements thereon to the provisions of the Act. All of the Project is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved as a single-family residential condominium project. All of the Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of the Project and division thereof into Units; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of the Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors. In addition to the foregoing, each and all of the provisions of the Master Declaration, including any assessment provisions thereof, shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of the Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

## 4. DESCRIPTION OF UNITS.

The boundary lines of each Unit are as set forth on the Condominium Plat and consist of enclosed rooms bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof. The Units shall include any drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, interior window frames, shutters, interior doors and interior door frames. The Units shall not include any windows, exterior window frames, entry doors, or exterior door frames, which shall be included in the Common Areas and Facilities. A Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. A Unit shall further include fixtures and hardware and all improvements attached to or contained within the unfinished perimeter walls, ceilings, and floors. A Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, audio-visual services, internet or other utility services to the Unit and located within the unfinished perimeter walls, ceilings, and floors; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines located within the Unit but serving more than one Unit. It is anticipated that the electricity and water/sewer shall be separately metered to each Unit, but that the cost of other utilities may be included in the Common Expenses; provided, however, that Declarant or the Association may install sub-meters or separately measure utility usage in the future, in which case each Owner shall pay the actual cost of his, her or its utility usage. For purposes of this Declaration, the term "unfinished perimeter wall" means the interior surfaces of the studs, supports, and other wooden, metal, or similar structural materials which constitute the interior face of a wall of a Unit. The Condominium Plat and/or Exhibit A hereto contain the Unit Number of each Unit in the Project.

5. **INTENTIONALLY OMITTED**.

6. **DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES**.

6.1. The Common Areas and Facilities shall mean and include the Property on which all Units are located and all portions of the Project not included as part of any Unit that Declarant designates as Common Area on the Plat or other recorded instrument and other real property owned by the Association or which the Owners now or hereafter own in common for the benefit of all Owners, which may include without obligation or limitation parking areas (including those located within a public right of way, but only if they are not designated as Limited Common Area for particular Units), picnic area(s), trash enclosures, mailbox areas, walkways, trails and open space, landscaped areas, Project and street signage, lighting, sidewalks, and other similar Improvements; and (a) any real property or Improvements within the Project that the Association has the obligation to maintain, repair or replace for the common benefit of the Owners, as the Board shall determine in its sole and exclusive discretion by recordation of a written instrument. In the event of a conflict between this Declaration and the Condominium Plat, the provisions of this Declaration shall control.

6.2. The undivided interest in the Common Areas and Facilities appurtenant to each Unit in the Project is based upon the square footage of each Residential Unit. The percentage of undivided interest in the Common Areas and Facilities appurtenant to each Unit shall be determined by dividing the square footage of a Unit by the total square footage of all Units in the Project, as set forth in attached Exhibit A. Except as otherwise provided in this Declaration or the Act, the undivided interest appurtenant to each Unit shall have a permanent character and shall not be altered. The sum of the undivided interests in the Common Areas and Facilities allocated to all Units shall at all times equal one hundred percent (100%). Declarant is authorized to round the undivided interest of one or more Units in order to cause the total to equal one hundred percent (100%).

7. **DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES**.

7.1. Limited Common Areas and Facilities means those parts of the Common Areas and Facilities which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Areas and Facilities shall include any space designated as Limited Common Areas and Facilities on the Condominium Plat, including, but not limited to, any balcony, deck, patio, entryway, or porch adjacent to a Unit, any individual water and sewer service lines, and any plumbing or other installation servicing a Unit, including, but not limited to, all such items designated as Limited Common Areas and Facilities on the Condominium Plat or as provided for by the Act. The deck, balcony or patio which are accessible from, associated with, and which adjoin a particular Unit, without further reference thereto, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners, except by invitation. All furniture and other personal property of Owners placed on such deck, balcony or patio shall present a uniform appearance from the outside of the Units. All such furniture and personal property shall be installed only with the prior written approval of the Management Committee. The Management Committee shall have the right to establish rules limiting the style and type of furniture and other personal property that may be placed on decks, balconies or patios. No reference thereto need be made in

any instrument of conveyance, encumbrance, or other instrument. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to the Units as shown on the Condominium Plat or as specified in this Declaration. Owners may not reassign Limited Common Areas and Facilities between or among Units in which they have an interest. Notwithstanding, Declarant hereby reserves the right and grants to the Association the right to reassign Limited Common Areas and Facilities to the fullest extent permitted under the Act.

## 8. NATURE AND INCIDENTS OF UNIT OWNERSHIP.

8.1. Each Unit is and shall hereafter be a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration.

8.2. Subject to the limitations contained in this Declaration, and subject to any rules and regulations adopted by the Declarant or the Association, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and Facilities and the exclusive right to occupy and use their Unit and any Limited Common Areas and Facilities designated for exclusive use by such Owner or all Owners.

8.3. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet or otherwise decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of their Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries. Each Owner shall keep the interior of their Unit, including without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a sanitary condition and in a good state of repair. In the event that any such Unit should develop an unsanitary condition or fall into a state of disrepair and in the event that the Owner of such Unit should fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary condition or state of disrepair. Owners of adjoining Units may not reassign or change the boundaries of such Units. No Owner may subdivide their Unit.

8.4. The Management Committee shall have the right, but not the obligation, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter into any Unit for the purpose of (i) maintenance, including, but not limited to, snow removal from any deck, balcony or patio and window washing; (ii) repairs, including emergency repairs; and (iii) abating a nuisance, or a known or suspected dangerous or unlawful activity.

8.5. Owners may operate the Unit(s) owned by such Owner for transient rental purposes subject to and in accordance with any applicable zoning ordinances and other applicable laws and in accordance with the governing instruments for the Project. The Management Committee may require that the leasing of Units or portions thereof be subject to certain limitations, including without limitation, the payment of a rental fee to the Association, in an amount determined by the Management Committee in the Management Committee's sole and absolute discretion.

8.6. Declarant, for itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves a perpetual, non-exclusive easement in, over and through the Units at any reasonably necessary time, whether or not in the presence of the Owner thereof, to enter upon any Unit (1) for the purpose of making emergency repairs therein, (2) for the purpose of abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Unit, (3) for the purpose of protecting property rights and welfare of any Owner, (4) for the purpose of maintaining or repairing the topside and underside of the horizontal surfaces and the interior of the vertical surfaces of the balconies and patios contiguous and related to each Unit and any fixtures located thereon, or (5) for any other purpose reasonably related to the exercise of the rights and obligations of Declarant. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and enjoyment of the rightful occupant of such Unit and shall be preceded by reasonable notice to such occupant in the event of entry into a Unit, whenever the circumstances permit.

8.7. The Association shall have the power to establish specific rules and regulations governing use of Limited Common Areas and Facilities.

## 9. TITLE TO UNITS.

9.1. Title to a Unit within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

9.2. Title to no part of a Unit within the Project may be separated from any other part thereof, and each Unit and the undivided interest in the Common Areas and Facilities appurtenant to each Unit shall always be conveyed, devised, encumbered and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law and by this Declaration, including appurtenant membership in the Association as herein set forth.

9.3. The Common Areas and Facilities shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

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

9.5. No labor performed or services or materials furnished with the consent of or at the request of an Owner may be the basis for the filing of a lien against the Unit of any other Owner, or against any part thereof, or against any other property of any other Owner (including interest

in any portion of the Common Areas and Facilities) unless the other Owner has expressly consented to or requested the performance of such labor or furnishing of such services. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if authorized by the Association and provided for in this Declaration, shall be deemed to be performed or furnished with the express consent of each Owner. In such event, the Owner may remove such Owner's Unit from a lien against two or more Units or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to such Owner's Unit.

9.6. Every contract for the sale of a Unit, and every other instrument affecting title to a Unit within the Project, may describe a Unit by the name of the Project, the recording date for this Declaration, the County wherein the Project is located and its Unit Number as indicated in this Declaration or as shown on the Condominium Plat. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate all the rights incident to ownership of a Unit within the Project and all of the limitations on such ownership as described in this Declaration.

9.7. Any person, on becoming an Owner, will furnish the Secretary of the Association with a photocopy of the recorded deed or other instrument or such other evidence as may be specified by the Management Committee under the Bylaws or the Association rules, vesting the person or entity with the interest required to make such person or entity an Owner. At the same time, the Owner will provide the Association with the single name and address to which the Association will send any notices given pursuant to the governing documents of the Project. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Owner will give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association will keep and preserve the most recent written notice received by the Association with respect to each Owner.

9.8. The Owners shall have the right to physically combine one or more Units with an adjoining Unit. In order to accomplish such combination, an Owner may remove or create additional interior walls subject to the terms of this Section and any other applicable provisions of this Declaration. Upon the combination of any Units, the Unit resulting from such combination shall be allocated the undivided interest of the predecessor Unit(s) in and to the Common Areas and Facilities. Such allocation shall be reflected by an amendment to Exhibit A hereto. An Owner must first obtain the consent of the Management Committee and all necessary approvals from any governmental authority having jurisdiction over the Project before exercising its rights herein. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association shall be borne by the Owner requesting such a change.

In order to combine any Units as provided above, the Owner(s) of such Units shall submit an application to the Management Committee, which application shall be executed by such Owner(s) and shall include (a) evidence that the proposed combination of Units complies with all building codes, fire codes and other applicable ordinances or resolutions adopted and enforced by the Master Association, MIDA, Wasatch County, or the State of Utah, and that the proposed action does not violate the terms of any Mortgage encumbering the Units,

(b) the proposed reallocations, (c) the proposed form of amendments to this Declaration, including the Condominium Plat, as may be necessary to show the Unit which is created by the combination of Units and its dimensions and identifying numbers, (d) a deposit against attorneys' fees and costs which the Owners and/or the Association may incur in reviewing and effectuating the transaction, in an amount reasonably estimated by the Management Committee, (e) evidence satisfactory to the Management Committee that the Owner(s) has obtained or caused to be obtained all requisite insurance in connection with any construction required to effect the proposed action, (f) indemnification of the Association by the Owner(s) for any and all matters relating to the proposed action, and (g) such other information as may be reasonably requested by the Management Committee. To the extent possible, the Management Committee shall be permitted to execute and record any amendment effectuating the combination of Units. Notwithstanding the foregoing, no combination of Units shall be allowed which increases the number of "Unit Equivalents" (as defined by applicable ordinances and approvals) in the Project without the prior written consent of the Declarant and all necessary MIDA, Wasatch County, or other governmental approvals.

## 10. CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS.

The following additional Developmental Rights are hereby granted or reserved by Declarant:

10.1. Declarant hereby reserves an easement throughout the Project for a period of seven (7) years from the recording of this Declaration. The purpose of this easement is to allow Declarant to complete all improvements contemplated by this Declaration and the Condominium Plat.

10.2. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Project and models in any of the Units which it owns or leases, or on the Common Areas and Facilities of the Project, for a period of seven (7) years from the recording of this Declaration. Declarant may relocate sales offices, management offices and models to other Units or Common Areas and Facilities at any time during such period.

10.3. Intentionally omitted.

10.4. There is hereby established a Period of Declarant Control of the Association, during which period Declarant or persons designated by it shall have the authority to appoint and remove the Association officers and members of the Management Committee. The Period of Declarant Control shall terminate no later than the earlier of:

(a) seven (7) years after the first Unit is conveyed to an Owner (other than Declarant); or

(b) after Units to which three-fourths (3/4) of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners (other than the Declarant).

The Declarant may, at its option, terminate the Period of Declarant Control at any earlier date.

10.5 Intentionally omitted.

10.6 Declarant hereby reserves, pursuant to Section 57-8-13.6 of the Act, the unilateral and exclusive option to expand the Project subject to this Declaration (the "**Option to Expand**") upon the terms and provisions set forth in this Section 10.6 without the prior consent of the Owners, the Mortgagees, the Association or any other person or entity. The Option to Expand must be exercised within seven (7) years after recordation of this Declaration. The terms and conditions of the Option to Expand shall be as follows:

The real property subject to the Option to Expand consists of parcels of land located in the Havens at Deer Crest Subdivision, being described as follows:

> ALL OF PARCEL 4 OF THE AMENDED PLAT OF DEER CREST VILLAGE 3 AT THE DEER CREST RESORT, ACCORDING TO THE OFFICIAL PLAT RECORDED FEBRUARY 17, 2026, AS ENTRY NO. 570517, IN BOOK 1547, AT PAGE 479 IN THE WASATCH COUNTY RECORDER'S OFFICE

("**Expandable Parcel**").

Subject to the provisions of this Section 10.6, the Option to Expand may be exercised at different times and in any order or any portion thereof elected by the Declarant. No assurance is made with regard to if the Expandable Parcel, or any portion thereof, will be subjected to this Declaration.

Each Owner, by acceptance of a deed to a Unit, shall be deemed to have consented to all provisions of this Section 10.6.

Subjecting any portion of the Expandable Parcel to this Declaration pursuant to this Section 10.6 shall be deemed to have occurred at the time of the recordation of an amendment to this Declaration and the Condominium Plat, if necessary, executed by the Declarant, containing the legal description of the portion of the Expandable Parcel being added. After the filing for record of such amendment to this Declaration reflecting Declarant's exercise of the Option to Expand as to a particular portion of the Expandable Parcel, title to such portion of the Expandable Parcel shall be vested in the Owners as Common Area and Facilities and, thereafter, such portion of the Expandable Parcel shall be referred to as Common Area and Facilities. Upon any such addition and at all times thereafter, this Declaration shall govern the ownership, use, enjoyment, repair, maintenance, restoration, improvement and transfer of such added Expandable Parcel or portion thereof. No additional Units shall be constructed on the Expandable Parcel.

No provision of this Section 10.6 shall be amended without the prior written consent of Declarant, so long as Declarant owns any Unit in the Project.

## 11. RESTRICTIONS ON USE.

Subject to the Developmental Rights, the Units, and Common Areas and Facilities, including but not limited to the Limited Common Areas and Facilities, except as otherwise permitted in writing by the Management Committee, shall be used in accordance with the following restrictions:

11.1. No Unit shall be used for commercial purposes; provided, however, that nothing in this Subsection shall prevent (a) Declarant or an affiliated entity or a duly authorized agent from using any Unit owned or leased by Declarant as sales offices and model Units or a property management office as provided in Section 10.2 hereof, or (b) any Owner or such Owner's duly authorized agent from renting or assigning the use of such Owner's Unit from time to time.

11.2. No noxious, offensive or illegal activity shall be carried on in or upon any part of the Project nor shall anything be done on or placed in or upon any part of the Project which is or may become a nuisance or may cause unreasonable embarrassment, disturbance or annoyance to Owners.

11.3. No activities shall be conducted, or improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

11.4. No signs, flags or advertising devices of any nature, including, without limitation, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project, except as may be (a) necessary temporarily to caution or warn of danger; or (b) used by Declarant as part of its sales program.

11.5. The Master Declaration includes provisions governing the kind and number of pets that may be kept by an Owner. All such provisions shall be binding upon the Project and all Owners, occupants and guests. In addition, the rules and regulations of the Association may further regulate the kind and number of such pets from time to time.

11.6. The draperies, shades and other interior window coverings in Units shall present a uniform appearance from the outside of the Units. All draperies, shades or other interior window coverings shall be installed only with the prior written approval of the Management Committee. The Management Committee shall have the right to establish rules requiring window coverings to present a uniform appearance from the exterior of Buildings.

11.7. Except as otherwise provided in this Declaration, no Unit, or portions thereof, may be further divided or subdivided (either physically or legally) or a fractional portion thereof sold or conveyed so as to be held in divided ownership (as opposed to community property, tenancy in common, or other form of joint undivided ownership).

11.8. No Owner shall, without the prior written consent of the Management Committee, make or permit to be made any exterior alteration, improvement or addition in or to any Unit or the Project. No Owner shall, without the prior written consent of the Management Committee, do any act that would impair the structural soundness or integrity of the Building or the safety of property, impair any easement or hereditament appurtenant to the Project, or make or permit to be made any alteration, improvement or addition to the Common Areas and Facilities (including Limited Common Areas and Facilities). No Owner shall, without the prior written consent of the Declarant so long as the Declarant or an affiliate of Declarant owns any land or improvements in Havens at Deer Crest, improve or modify a Unit, any Limited Common Areas and Facilities or other Common Areas and Facilities in a manner that would increase the square footage of any Unit.

11.9. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, other than Limited Common Areas and Facilities appurtenant to their Unit, except with the prior consent of the Management Committee.

11.10. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over what the Association but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or such Owner's guests, lessees, licensees or invitees.

11.11. No Owner shall violate the rules and regulations for the use of Units and Common Areas and Facilities as adopted from time to time by Declarant or the Association.

11.12. No Unit, whether leased or owned, shall be used:

(a) for the operation of a timesharing, fractional ownership, interval ownership, private residence club, destination club or similar program whereby the right to exclusive use of the Unit rotates among participants in the program, regardless of whether such program utilizes a fixed or floating schedule, a first come-first served reservation system or any other arrangement; or

(b) for the operation of a reservation or time-use system among co-Owners of a Unit, regardless of whether or not any co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, if one or more of the following conditions exist:

(i) the ownership interest in such Unit is marketed for sale to the public subject to such system, or

(ii) the co-Owners are or were required as a condition of purchase of the ownership interest in such Unit to subject the interest to a pre-determined reservation or time-use system among co-Owners.

(c) in the marketing, offering or selling of any club membership interest, limited liability company interest, limited partnership interest, program interest or other interest whereby the interest-holder acquires a right to participate in a reservation or time-use system among the interest-holders, or among the interest-holders and others, involving the Unit, or involving the Unit and other alternate or substitute properties, regardless of whether such interest is equity or non-equity, regardless of whether or not any interest-holder may later opt out of such system and regardless of whether the

reservation or time-use system is recorded or unrecorded, fixed or floating (such interest referred to herein as an "**Interest**"), if one or more of the following conditions exist:

(i) the Interest is marketed for sale to members of the public, or

(ii) the Interest-holders are or were required as a condition of purchase of the Interest to be subject to a pre-established reservation or time-use system among Interest-holders, or among Interest-holders and others.

(All of the foregoing uses, systems or programs described in this Section 11.12 are hereinafter called a "**Timeshare Program**").

(d) Mere co-ownership of a Unit, ownership of a Unit by an entity, or short-term leasing of a Unit shall not create a Timeshare Program unless it meets any of the conditions described above in this Section 11.12. The inclusion of a Unit in a nightly or other short term rental program shall not be considered to create a Timeshare Program. All use and occupancy arrangements falling within the definition of "timeshare interests" under the Utah Timeshare and Camp Resort Act (Utah Code Annotated §§ 57-19-1, *et seq.*) shall be considered Timeshare Programs, but a determination that any use and occupancy arrangements do not constitute a "timeshare interest" under such Act shall not be determinative of whether such arrangements constitute a Timeshare Program hereunder. It is intended that the definition of "Timeshare Program" hereunder shall be broader than, and not limited by, the definition of "timeshare interest" in the Timeshare and Camp Resort Act.

Notwithstanding anything to the contrary in this Section 11.12, Inspirato LLC, its subsidiaries and affiliates ("**Inspirato**"), Exclusive Resorts and/or similar projects, and all Inspirato, Exclusive Resorts, and similar program uses, systems and programs are not considered to be a Timeshare Program for purposes of this Declaration.

11.13. Any lease agreement between an Owner and a lessee respecting a Unit shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease agreements shall be in writing. Other than the foregoing, there is no restriction on the right of any Owner to lease such Owner's Unit. An Owner shall be responsible and liable for any damage to the Project caused by its tenants.

11.14. All of the Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth in the Master Declaration, each and all of which are declared and agreed to be for the benefit of the Project; further, each and all of the provisions of the Master Declaration, shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of said Declarant, and any person acquiring, leasing, subleasing or owning an interest in the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors. Each Owner, by accepting a deed to a Unit, recognizes that (a) the Project is subject to the Master Declaration, and (b) by virtue of ownership, such Owner has become a member of the Master Association. Each Owner, by accepting a deed to a Unit, acknowledges that such Owner has received a copy of the Master Declaration. The Owner

agrees to perform all of the Owner's obligations as a member of the Master Association as they may from time to time exist, including, but not limited to, the obligation to pay assessments as required under the Master Declaration and other governing documents of the Master Association.

11.15. The Owners acknowledge that, as more particularly defined in the Master Declaration, the Master Association has the right to assess a Transfer fee ("**Transfer Assessment**") upon an Owner selling, transferring, leasing (for a term greater than fifteen (15) years) or conveying a Unit (collectively, a "**Transfer**") to a third party ("**Transferee**"). As more particularly described in the Master Declaration: (i) there are certain Transfers which are exempt from the Transfer Assessment; (ii) the Transfer Assessment shall be payable to the Master Association by the Transferee; and (iii) the Transfer Assessment equals the Purchase Price of a Unit multiplied by the Transfer Assessment Rate.

As more particularly described in the Master Declaration, the "**Purchase Price**" means the total consideration given by the Transferee for a Unit less actual customary expenses of sale (or the equivalent thereof which would have been received by the Owner had the Transfer been an arms-length, third-party cash transaction, in the event the Transfer is not an arms-length, third-party cash transaction).

The Master Association provides for a fee payable upon the transfer of a Unit within the Master Association, including those in Havens at Deer Crest, as more particularly provided for in the Master Declaration.

11.16. The Owners acknowledge that a Community Benefit Covenant ("**Benefit Covenant**") has been recorded against the Project, which requires that upon each Transfer of any Unit, a fee based on the "purchase price" (defined within the Benefit Covenant) of such Unit shall be paid to the Foundation, which funds shall be use by the Foundation in accordance with its governing directives, including without limitation, for the benefit of communities, common planning, facilities and infrastructure, affordable housing, community programming, resort facilities, open space, recreation amenities, and other charitable purposes. The fee in the Benefit Covenant (the "**Community Benefit Fee**") shall be equal to one-half of one percent (0.5%) of the purchase price of the subject Unit. This Benefit Covenant shall run with the land and improvements consisting of the Units for the benefit of the Foundation. Payment of the Benefit Covenant Fee shall be secured by the lien for unpaid Assessments and the Association shall have the right, and the duty upon notice from Havens at Deer Crest Benefit Foundation to collect and enforce the payment of the Community Benefit Fee, interest, and expenses in the same manner as enforcement and collection of unpaid Assessments. The burden of the Benefit Covenant is intended perpetually to run with the land and to bind the Unit Owner's successors-in-interest and assigns.

11.17. The Association may contract or cooperate with the Master Association or with other homeowners' associations or entities within Deer Crest as convenient or necessary to provide services and privileges, such as access to recreational and transportation facilities in Deer Crest, and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners and their family members, guests, tenants and invitees. The costs associated with such

efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense, Special Common Assessment, or as otherwise determined by the Association.

11.18. The Association shall have the power, subject to the primary power of the Board of Directors of the Master Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Master Association.

11.19. The Project is located adjacent to a privately owned and operated skiing facility and recreation area (the "**Ski Facility**"), which is open to the public and may generate an unpredictable amount of visible, audible and odorous impacts and disturbances at all times of the day and night from activities relating to the construction, operation, use and maintenance thereof. The activities associated with the Ski Facility include, without limitation: (a) vehicular and residential traffic, including, without limitation (i) buses, vans, snowcats, snowmobiles and other vehicles which transport residents and guests of the Ski Facility over, around and through the Ski Facility, and (ii) construction vehicles and equipment; (b) activities relating to the construction, maintenance and grooming of all pedestrian trails, bridges and tunnels located in or around the Project; (c) activities relating to the construction, operation and maintenance of ski trails, biking and hiking trails, skyways, and skier bridges and tunnels relating to the Ski Facility, including, without limitation, (i) tree cutting and clearing, grading and earth moving, and other construction activities, (ii) construction, operation and maintenance of access roads, snowmaking equipment and chair lifts, gondolas and other skier transportation systems, (iii) operation of snow making equipment and facilities, and (iv) operation of snow-grooming vehicles, snowmobiles, trail grooming machinery, snow plows and other snow removal machinery and equipment, and safety and supervision vehicles; and (d) activities relating to the use of the Ski Facility, including, without limitation, skiing, snow-boarding, hiking, horseback riding, bicycling and other recreational activities and organized events and competitions relating to such activities.

11.20. Declarant is not the operator of the Ski Facility, and accordingly, Declarant cannot make any representations relating thereto. Neither Declarant nor any of its employees or agents have made any representations regarding the opening or closing dates of the Ski Facility in any given year. The operator of the Ski Facility may decide, in its sole discretion, whether any or all of the chairlifts (including those that serve the Project) should be operated.

11.21. No interest in or right to use any amenity located on or near the Project, such as spas, club facilities, ski facilities or the like, shall be conveyed to an Owner pursuant to this Declaration. The owners of nearby facilities shall have the right, in their sole discretion, to remove, relocate, discontinue operation, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole discretion without regard to any prior use of or benefit to any residents of the Project.

11.22. Ownership of real property in mountain areas involves certain inherent inconveniences and risks. These include, but are not limited to, (a) sliding snow and ice, (b) dripping water onto decks, porches and walkways from snow melt, (c) snow and ice build-up on decks and porches during winter months, (d) the need to remove snow from roofs and decks to prevent damage to these structures, (e) adverse travel conditions, (f) the effects of harsh weather and high altitude upon construction procedures and costs, building materials and finishes, (g)

health risks from high altitude and severe weather, and (h) other inconveniences and risks arising from the high altitude and sometimes severe weather conditions in the mountain areas.

11.23. Owner acknowledges that other properties located in the vicinity of the Project may be developed pursuant to the land uses and restrictions set forth in the applicable zoning for Park City, Deer Crest, MIDA, or Wasatch County, with no representation being made herein concerning the planned uses of such other properties. Owner acknowledges that the zoning for the property on which the Project is located and for other properties in the vicinity of the Project is established and governed by MIDA and/or Wasatch County and certain agreements between MIDA, Wasatch County and/or the master developer of Deer Crest, as the same may be amended or replaced from time to time.

11.24. All Owners are given notice that use of their Units and the Common Areas and Facilities is limited by the rules and regulations of the Association as modified from time to time. By acceptance of a deed, each Owner acknowledges and agrees that the use and enjoyment and marketability of the Owner's Unit can be affected by this provision and that the rules and regulations may change from time to time.

## 12. ASSOCIATION AND MANAGEMENT COMMITTEE.

12.1. The persons or entities who are at the time of reference Owners shall, together with all other Owners, be members of the Association, the characteristics and nature of which are determined by the Act, the Declaration, the Bylaws, the Articles and other applicable Utah law. The Association shall be governed by the following provisions:

12.1.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of not less than three (3) nor more than seven (7) natural persons as provided in the Bylaws. The Management Committee shall be elected as provided in this Declaration and in the Bylaws.

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

12.1.2.1. To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units.

12.1.2.2. To engage the services of the Common Area Manager, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefore.

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

12.1.2.4. To determine and pay the Common Expenses.

12.1.2.5. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in Article 20 hereinafter.

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

12.1.2.7. To open bank accounts on behalf of the Association and to designate the signatories therefore.

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

12.1.2.9. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall not bring, prosecute or make settlement for any litigation which results in a liability against the Management Committee, the Association or the Project (including without limitation the architectural firm, Zehren and Associates, ("**Architect**") without the prior approval of the lessor of (i) seventy-five percent (75%) of Total Votes of the Association at a meeting or by written ballot distributed to Owners by mail or (ii) fifty-one (51%) of the Total Votes of the Association; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Association's insurance carrier and which in either case results in no actual liability of funds of the Association in excess of One Hundred Thousand and NO/100 Dollars ($100,000.00) shall not require Association approval. Notwithstanding anything to the contrary in this Declaration, prior to making any claim against the Architect or its consultants, related to a defect in the design or construction of the Project, the Management Committee shall provide written notice to the Declarant and the Architect of such defect and allow a minimum of thirty (30) days for an inspection of the Property to confirm such defects.

12.1.2.10. To obtain insurance for the Association with respect to the Units and the Common Areas and Facilities, as well as workers' compensation insurance.

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

12.1.2.12. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Management Committee and to the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

12.1.2.13. To pledge, hypothecate or otherwise encumber current or future Assessments for any purpose permitted under this Declaration.

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

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

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

12.1.2.17. To grant easements and rights-of-way over the Common Areas and Facilities and to approve signage for the Project.

12.1.2.18. Subject to the limitations of Section 12.1.4 hereof, the Act and any other applicable law, the Management Committee may delegate to a Common Area Manager by written agreement all of the foregoing powers, duties and responsibilities referred to in this Section 12.1.

12.1.2.19. Intentionally omitted.

12.1.2.20. The Management Committee may convey or subject to a Mortgage all or portions of the Common Areas and Facilities of the Project if Owners entitled to cast a majority of the Total Votes of the Association agree to that action at a meeting or by written ballot distributed to Owners by mail. Any such agreement shall comply with all other applicable provisions of the Act.

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

any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

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

12.1.3. Neither the Management Committee nor the Common Area Manager shall sell any property of the Association except as permitted by the Act and this Declaration.

12.1.4. The Association acting through the Management Committee may enter into a contract with a Common Area Manager for the management of the Project which complies with the requirements of Section 12.1.2 hereof as applicable to the Project. The Common Area Manager so engaged 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 to be performed by the Association itself.

12.2. The Association may contract or cooperate with the Master Association or with other homeowners' associations or entities within Deer Crest as convenient or necessary to provide services and privileges, and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners and their family members, guests, tenants and invitees. The costs associated with such efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense.

12.3. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROJECT, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 14, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROJECT TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

13. **MAINTENANCE, ALTERATION AND IMPROVEMENT**.

13.1. The maintenance, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Association, and the cost thereof shall be a Common Expense. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged to the Association as a Common Expense.

13.2. Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association, its agents and contractors, shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas and Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas and Facilities or to any Unit. The Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Association is responsible or for the purpose of abating a nuisance or a known or suspected dangerous or unlawful condition. Such entry shall be made with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Association.

13.3. Notwithstanding anything in this Declaration to the contrary, each Owner, at such Owner's expense, shall maintain and keep in repair the interior of such Owner's Unit, including the fixtures and utilities located in the Unit to the extent current repair shall be necessary in order to avoid damaging other Units or the Common Areas and Facilities. All fixtures, equipment, and utilities installed and included in a Unit serving only that Unit, commencing at a point where the fixtures, equipment and utilities enter the Unit, shall be maintained and kept in repair by the Owner of that Unit. An Owner shall not allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of any Building, or impair any easement or hereditament. Except as otherwise provided in this Declaration, an Owner shall also have the obligation to maintain and keep in repair all appurtenant Limited Common Areas and Facilities at such Owner's expense. Except as otherwise set forth in Section 14.2, no Owner shall alter any Common Areas and Facilities without the prior written consent of the Association.

13.4. Intentionally omitted.

13.5. In the event that portions of a Unit or other improvements are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained improvement lies with the Owner of the Unit, or in the event that such improvements are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after written notice to the Owner and the expiration of a thirty (30) day cure period, and with the approval of the Management Committee, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements to a condition of good order and repair; provided, however, if such repair and

reconstruction due to an event of casualty cannot be reasonably performed within such thirty (30) day cure period, the Owner shall have such time as reasonably required to perform such repair and reconstruction so long as the work has been commenced within such cure period and is diligently pursued to completion. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Article 20 of this Declaration.

13.6. Subsequent to the filing of the Condominium Plat and recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Areas and Facilities except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner or against the Common Areas and Facilities, or any part thereof.

13.7. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper), the Association shall enforce the indemnity provided by the provisions of Section 13.6 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association in accordance with Article 20 below.

13.8. Pursuant to the terms and provisions of the Master Declaration, including any amendments, modifications or replacements thereto, the Master Association has covenanted with MIDA and Wasatch County that it will, at all times, provide or cause the Association, if appropriate, to provide, all necessary maintenance and repairs to certain roadways, walkways, tunnels, bridges, culinary water system components and other public infrastructure within Deer Crest (collectively referred to herein as the "**Community Areas**"). In the event the Master Association defaults in the performance of its covenants to maintain and repair the Community Areas, then MIDA or Wasatch County, as applicable, shall have the right (but not the obligation) to cause such maintenance and repair work to be performed on behalf of the Master Association or the Association, if appropriate. In the event that MIDA or Wasatch County, as applicable, exercises such right, MIDA or Wasatch County, as applicable, shall have the right to assess the members of the Master Association or the Association, if appropriate, for the amount necessary to pay the costs of such maintenance and repair work to the Community Areas, together with

reasonable administrative/overhead costs not to exceed ten percent (10%). The Master Association also has the responsibility to maintain and repair certain sewer laterals serving the Project. The Master Association shall have the right to charge the Association, and the Association shall reimburse the Master Association for, all costs and expenses incurred by the Master Association in the maintenance, repair and replacement of sewer laterals serving one or more Units in the Project. All such costs shall be part of the Common Expenses.

13.9. The Waterwise-dedicated landscaped portions of the Common Areas and Facilities, as noted on the Plat, shall comply with the Jordanelle Special Service District's Water Dedication Policy Outdoor Water Supplement for "Waterwise Landscaping", a copy of which is attached hereto as Exhibit C (the "**Water Policy Supplement**"), including, without limitation, (a) all irrigation must be drip technology; (b) no turf is permitted and plant species are restricted to the plants detailed in the Water Policy Supplement; and (c) canopy coverage cannot exceed sixty-five percent (65%) of the Waterwise landscaped area.

14. **INSURANCE**.

14.1. The Association shall at all times maintain in force insurance meeting the following requirements:

14.1.1. A "master" or "blanket" type policy of property insurance covering the entire Project, including: Common Areas and Facilities; Limited Common Areas and Facilities; all Buildings; all Units, including any fixtures, improvements, or betterments installed at any time in a Unit or the Limited Common Areas and Facilities appurtenant thereto; fixtures, machinery, building service equipment, personal property and supplies comprising a part of the Common Areas and Facilities maintained for the service of the Project or owned by the Association, but excluding 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. At a minimum, such "master" or "blanket" policy shall afford protection against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, which are customarily covered with respect to projects similar to the Project in construction, location, and use. 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 Project covered by such policy, excluding items normally excluded from coverage. Each Owner is an insured person under a property insurance policy. If the Management Committee deems such advisable, 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 (100%) of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The deductible amount for such a policy covering the Common Areas and Facilities shall be determined by the Management Committee, subject to applicable law. The Association shall set aside an amount equal to the amount

of the property insurance policy deductible or, if the policy deductible exceeds Ten Thousand and NO/100 Dollars ($10,000.00), an amount not less than Ten Thousand and NO/100 Dollars ($10,000.00).

14.1.2. The Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, Building exteriors, public ways in the Project, all other areas of the Project that are under the Association's supervision, and any commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least Three Million and NO/100 Dollars ($3,000,000.00) 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 Facilities, Building exteriors, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), bailee's liability, elevator collision liability, garage keeper's liability, host liquor liability, contractual and all-written contract insurance, workers' compensation and employer's liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Association and to each First Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

14.1.3. The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association whether or not that individual receives compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to the Common Area Manager, the Common Area Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the Association, for the Common Area Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. In addition, the Common Area Manager shall, within a reasonable time period, submit evidence to the Association that Common Area Manager has secured such fidelity insurance. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association, or the Common Area Manager, as the case may be, at any given time during the term of each bond.

14.1.4. The name of the insured under each policy required to be maintained by this Section 14.1 shall be the Association for the use and benefit of the individual Owners (said Owners shall be designated by name if required by law). 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 trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such trustee (each of whom shall be referred to herein as the "**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 Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

14.1.5. Each policy required to be maintained by this Section 14.1 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. In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

14.1.6. Each policy required to be maintained by this Section 14.1 shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively or the Association; and the policy is primary in the event the Owner has other insurance covering the same loss.

14.1.7. In contracting for the policies of insurance required to be maintained by this Section 14.1, the Management Committee shall make reasonable efforts to secure (where economically feasible and reasonably available) coverage commonly required by private mortgage investors for projects similar in construction, location and use.

14.1.8. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any Insurance Trustee, who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as such Owner's attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

14.1.9. Each insurance policy maintained pursuant to the foregoing Sections 14.1.1, 14.1.2, and 14.1.3 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which is written by Lloyd's of London. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Management Committee, or the Association; (2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Management Committee, the Association, or Owner) from collecting insurance proceeds. The provisions of this Article 14 shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

14.1.10. All insurance policies shall be reviewed at least annually by the Management Committee in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration.

14.2. Unless insured by the Association pursuant to Section 14.1 above, it shall be the responsibility of each Owner, at such Owner's expense, to maintain physical damage property insurance on such Owner's furnishings and any other personal property in the Owner's Unit. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable. However, none of such insurance coverages obtained by such Owner shall affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Association and the Owner. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association as a result of insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners. Each Owner shall be responsible to provide insurance coverage for the amount of any additional value to any Unit caused by any improvement to the Unit made by such Owner and not initially made by Declarant, including, but not limited to, the value of structural upgrades or fixtures supplied by the Owner, or if the applicable insurance is to be provided by the Association, for any additional insurance costs associated with such increased value due to the improvements.

14.3. An Owner who owns a Unit that has suffered Unit Damage (defined below) as part of a Covered Loss (defined below) is responsible for an amount calculated by applying the Unit Damage Percentage (defined below) for that Unit to the amount of the deductible under the

property insurance policy of the Association. If an Owner does not pay such amount within thirty (30) days after substantial completion of the repairs to the Unit, the Association may levy an assessment against the Owner for that amount. As used in this paragraph, "**Covered Loss**" means a loss, resulting from a single event or occurrence, that is covered by a property insurance policy of the Association, "**Unit Damage**" means damage to a Unit or to Limited Common Areas and Facilities applicable to that Unit, or both, and "**Unit Damage Percentage**" means the percentage of total damage resulting in a Covered Loss that is attributable to Unit Damage. If, in the exercise of the business judgment rule, the Management Committee determines that a Covered Loss is likely not to exceed the property insurance policy deductible of the Association and until it becomes apparent the covered loss exceeds the deductible of the property insurance of the Association and a claim is submitted to the property insurance insurer of the Association: (i) the Owner's policy is considered the policy for primary coverage to the amount of the policy deductible of the Association for Unit Damage; (ii) the Association is responsible for any Covered Loss to any Common Areas and Facilities; (iii) an Owner who does not have a policy to cover Unit Damage is responsible for that damage and the Association may recover any payments the Association makes to remediate the Unit Damage; and (iv) the Association need not tender the claim to the Association's insurer. The Association shall provide notice to an Owner of such Owner's payment obligations described in this Subsection.

15. **DESTRUCTION OR DAMAGE**.

15.1. Each of the Owners irrevocably constitute and appoint the Association their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as such grantee's 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, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. All insurance proceeds shall be payable to the Association except as otherwise provided in this Declaration.

15.2. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having substantially the same vertical and horizontal boundaries as before.

15.3. In the event all or any part of the Project is damaged or destroyed, the Association shall proceed as follows:

15.3.1. The Association shall give timely written notice to any Eligible Mortgagee on a Unit who requests such notice in writing in the event of substantial damage to or destruction of any part of the Common Areas or Facilities or a Unit subject to such First Mortgage.

15.3.2. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct the part of the Project damaged or destroyed.

15.3.3. If the proceeds of the insurance maintained by the Association equal or exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out.

15.3.4. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Project is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Common Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Common Assessment shall be allocated and collected as provided in Section 20.1.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

15.3.5. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Project is damaged or destroyed, such damage or destruction shall be repaired and reconstructed, but only if within one hundred (100) days following the damage or destruction, Owners entitled to vote at least seventy-five percent (75%) of the votes of the Total Votes of the Association vote to carry out such repair and reconstruction. If, however, the Owners do not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the votes of the Total Votes of the Association to carry out such repair and reconstruction and if, to the extent permitted by the Act, Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees do not approve such repair and reconstruction, the Association shall record in the office of the County Recorder of Wasatch County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

15.3.5.1. the Project shall be deemed to be owned in common by the Owners;

15.3.5.2. Each Owner shall own an undivided interest in the Project equal to such Owner's ownership interest in the Common Areas and Facilities;

15.3.5.3. Any liens affecting any of the Units shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

15.3.5.4. The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance of the Project, if any, shall be considered as one fund and shall be divided among all Owners in an amount equal to the percentage of undivided interest owned by each Owner in the

Project after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

15.3.6. In no event shall an Owner of a Unit or any other party have priority over the holder of any First Mortgage on such Unit with respect to the distribution to such Unit of any insurance proceeds.

15.4. If the damage or destruction is to be repaired or reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration and the original architectural plans and specifications.

15.5. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Common Assessments made pursuant to Section 20.1.3 hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. The first money disbursed in payment for costs of repair and reconstruction shall be made from insurance proceeds; if there are surplus funds remaining after payment of all costs of such repair and reconstruction, such fund shall be distributed to the Owners in accordance with their undivided percentage interest in the Common Areas and Facilities.

## 16. **TERMINATION**.

16.1. Except as otherwise provided in Article 14 and Article 15, the Project may be terminated only by agreement of Owners entitled to vote all of the votes of all Units.

16.2. All of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens are transferred to the fractional ownership interest of the Owners in the Project. Provided further, as long as Declarant has ownership rights in the Project, its consent shall also be required to remove the Project from the provisions of the Act.

16.3. A termination agreement may provide that the entire Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

16.4. The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 16.1 and 16.2. If any real estate in the Project is to be sold following termination, title to that

real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may appear, based on the Owners respective undivided interest in the Common Areas and Facilities. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all Common Assessments and other obligations imposed on Owners by this Declaration.

16.5. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

## 17. EMINENT DOMAIN.

17.1. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and each Owner shall be entitled to notice thereof and the Management Committee shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

17.2. With respect to the Common or Limited Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as such Owner's ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Declaration and the Condominium Plat are duly amended.

17.3. With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deposited with the Management Committee as trustee. Even though the damage or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Management Committee as trustee. In the event an Owner refuses to so deposit such Owner's award with the Management Committee, then at the option of the Management Committee, either a Special Common Assessment shall be made against the defaulting Owner and such Owner's Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

17.4. In the event the Project is removed from the provisions of the Act pursuant to Article 16 above, the proceeds of the damages or awards shall be distributed or used in accordance with the Owners respective undivided interest in the Common Areas and Facilities.

17.5. If one or more Units are taken, in whole or in part, and the Project is not removed from the provisions of the Act, the taking shall have the following effects:

17.5.1. If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit. The balance of the award, if any, shall be distributed to the Mortgagee to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner.

17.5.2. If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the Mortgagee of the Unit to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner thereof. The remaining portion of such Unit, if any, shall become a part of the Common Areas and Facilities and shall be placed in condition for use by all Owners in the manner approved by the Management Committee. The ownership interest in the Common Areas and Facilities appurtenant to the Units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

17.6. Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Article 17 shall be evidenced by an amendment to this Declaration and the Condominium Plat, which need not be approved by the Owners.

## 18. MORTGAGEE PROTECTION.

18.1. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit Number, any such First Mortgagee, insurer or governmental guarantor shall then be considered an "Eligible Mortgagee" and shall be entitled to timely written notice of:

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

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

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

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

18.1.5. Any judgment rendered against the Association.

18.2. Except as provided elsewhere in this Declaration, or except as provided by the Act, the vote or prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the Total Votes of 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 Eligible Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:

18.2.1. Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

18.2.2. Amend any material provision of this Declaration, the Articles, Bylaws or Condominium Plat. "**Material provisions**" include any provision affecting the following (an amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, to comply with applicable law, or for clarification only):

18.2.2.1. Changes in the method of calculating the Common Assessments, obligations, maintenance fees, or other charges which may be levied against an Owner;

18.2.2.2. Reductions in reserves for maintenance, repair, and replacement of Common Areas and Facilities;

18.2.2.3. Responsibility for maintenance and repairs;

18.2.2.4. Reallocation of interests in the Common Areas and Facilities, except where otherwise specifically permitted by this Declaration, or rights to their use;

18.2.2.5. Convertibility of Units into Common Areas and Facilities or vice versa, except as otherwise permitted by this Declaration;

18.2.2.6. Substantial reduction in hazard or fidelity insurance requirements;

18.2.2.7. Imposition of any restrictions on the leasing of Units;

18.2.2.8. Imposition of any restrictions on Owner's right to sell or transfer such Owner's Unit;

18.2.2.9. Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration; or

18.2.2.10. The benefits of Eligible Mortgagees.

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

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

18.4. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due; and the First Mortgagee thereunder that comes into possession of or that obtains title to such Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned. All taxes, Common Assessments and charges that may become liens prior to the First Mortgage under Utah law relate only to the individual Units and not to the Project as a whole.

18.5. In the event any taxes or other charges which may or have become a lien on the Common Areas and Facilities are not timely paid, or in the event the required hazard insurance described in Section 14.1.1 lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefore from the Association.

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

## 19. AMENDMENT.

19.1. Except as provided elsewhere in this Declaration, any amendment to this Declaration or the Condominium Plat shall require the affirmative vote of at least sixty-seven percent (67%) of the Total Votes of the Association cast in person or by proxy at a meeting duly

called for such purpose or otherwise approved in writing by such Owners without a meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Wasatch County Recorder of an instrument executed by the Association. In such instrument an officer or member of the Management Committee of the Association shall certify that the vote required by this Section for amendment has occurred.

19.2. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Unit. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may also be amended unilaterally at any time and from time to time by Declarant: (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, ordinance, rule, regulation or judicial determination which shall be in conflict therewith; (b) to make technical corrections, to fix mistakes, or remove/clarify ambiguities; or (c) if such amendment is reasonably necessary to enable a title insurance company to issue title insurance coverage with respect to the Project or any Unit.

19.3. Anything in this Article 19 or elsewhere in this Declaration to the contrary notwithstanding, Declarant also reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA, or as requested by any other federal, state or local governmental agency that requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of Units, or by any lending institution as a condition precedent to lending funds upon the security of any Unit(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the nature of the qualifying reason for such amendment pursuant to this Section 19.3. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Units and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Article 19 deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control.

19.4. Notwithstanding anything contained in this Declaration to the contrary, because the Condominium Plat has been recorded prior to the construction of the Units, Declarant reserves the right to unilaterally amend the Condominium Plat at any time, and from time to time, if such amendment is necessary to make technical corrections, to satisfy the requirements of MIDA, Wasatch County, or any other governmental authority, to correct mistakes, remove/clarify ambiguities or to accurately reflect the "as-built" Units on the Condominium Plat.

## 20. ASSESSMENT OF UNITS BY THE ASSOCIATION.

20.1. The making and collection of Common Assessments by the Association from Owners of Units for their share of Common Expenses shall be subject to the following provisions and any other provisions, if any, set forth in the Bylaws:

20.1.1. Each Owner, for each Unit which it owns, shall be liable for a proportionate share of the Common Expenses, such share being the same as the

ownership interest in the Common Areas and Facilities appurtenant to the Unit owned by such Owner. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this Article 20 shall be the Common Expense Fund. Common Assessments shall include Regular Common Assessments, Special Common Assessments and any other assessments levied by the Association. After an assessment has been made by the Association, Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Unit, and shall commence as to all Units in the Project on the first day of the month in which the closing of the first sale of a Unit occurs. Notwithstanding anything to the contrary, Declarant may enter into a contribution, subsidy, or other agreement, with the Association, to satisfy any obligations Declarant may have for Common Expenses related to Units owned by Declarant or its affiliates.

20.1.2. The Association may not impose a Regular Common Assessment per Unit which is more than twenty-five percent (25%) greater than the previous year's Regular Common Assessment, without first obtaining the affirmative vote of Owners, cast at a meeting of the Association at which a quorum is present or by written ballot. The Association shall provide notice, by first class mail, email, or through an Owners portal, if used, to all Owners, of any change in the Regular Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

20.1.3. In addition to the Regular Common Assessments, the Association may levy in any calendar year, Special Common Assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any Common Areas and Facilities, including the necessary fixtures and personal property related thereto, and other costs, expenses of operation or shortfalls in the collection of Common Assessments from the Owners. However, in any fiscal year, except as otherwise provided in this Declaration, the Management Committee shall not, without the affirmative vote of Owners, cast at a meeting at which a quorum is present or by written ballot, levy Special Common Assessments which in the aggregate exceed twenty percent (20%) of the budgeted gross expenses of the Association for that fiscal year. The portion of any Special Common Assessment levied against a particular Unit shall be equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit. These provisions with respect to the imposition or allocation of Special Common Assessments shall not apply when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Unit into compliance with the provisions of this Declaration, the Bylaws, rules and regulations of the Association, or any other governing instrument for the Project. The Management Committee shall provide notice by first class mail to all Owners of any Special Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date such Assessment is due.

20.1.4. All Common Assessments shall be due as determined pursuant to the Bylaws. Common Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Management Committee, from the date when due until paid. Furthermore, Owners who do not pay their Common Assessments when due shall be subject to a reasonable late fee, established by the Management Committee from time to time. All payments of Common Assessments shall be first applied to accrued interest and late fees, costs of collection, and then to the Common Assessment payment first due. All Common Assessments to pay a judgment against the Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Unit(s). If the Owners' percentage interests in the Common Areas and Facilities are reassigned, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

20.1.5. There shall be a lien upon the applicable Unit for all unpaid Common Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to this Declaration and the Act. The recordation of this Declaration in the Office of the Wasatch County Recorder constitutes record notice and perfection of such assessment lien. To establish the priority of the lien pursuant to Section 20.1.7 below, a written notice of lien shall be recorded setting forth the amount of the Common Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. No notice of lien shall be recorded until there is a delinquency in payment of the Common Assessment. Such lien may be enforced by sale or foreclosure by the Management Committee or Common Area Manager conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the State of Utah for the enforcement of a mechanics lien.

20.1.6. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Common Assessments against the Unit which shall become due during the period of foreclosure, together with interest and late fees as set forth herein, and all such Common Assessments shall be secured by the lien being foreclosed. In furtherance of such foreclosure rights, the Association may bring an action at law against the Owner personally obligated to pay the same or the Association may foreclose the lien in accordance with the provisions of the Act. The Declarant, Association and each Owner hereby convey and warrant pursuant to Utah Code Annotated Sections 57-1-20 and 57-8-45 to Metro National Title, with power of sale, the Units and all improvements to the Units for the purpose of securing payment of Common Assessments under the terms of this Declaration. Provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1, Utah Code Annotated. Each Owner hereby conveys all of its right, title and

interest in its Unit to such trustee, in trust, with a power of sale, for the sole purpose of securing each Owner's obligations under this Declaration, including but not limited to the obligation to pay all Common Assessments. The Association may, through the Common Area Manager or other duly authorized agent, bid on the Unit at any foreclosure sale and acquire, hold, lease, mortgage and convey the same.

20.1.7. The lien of the Association has priority over each lien and encumbrance on a Unit except: (a) a lien or encumbrance recorded before recordation of this Declaration, (b) a first or second Mortgage on a Unit that is recorded before a recorded notice of lien by or on behalf of the Association, or (c) a lien of real estate taxes or other governmental assessments or charges against the Unit. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

20.1.8. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice ("**Foreclosure Notice**") to the Owner that is the intended subject of the nonjudicial foreclosure. The Foreclosure Notice shall: (i) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Unit to enforce the Association's lien for unpaid assessments; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested and be included with other Association correspondence to the Owner; and (iv) be in substantially the following form:

**NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE**

The Havens at Deer Crest Owners Association, Inc., a Utah corporation (the "**Association**"), the association for the project in which your unit is located, intends to foreclose upon your unit and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your unit and to collect the amount of an unpaid assessment against your unit, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not

required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that 'I demand a judicial foreclosure proceeding upon my unit,' or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within fifteen (15) days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is Havens at Deer Crest Owners Association, Inc., ____ _____, _____ (insert the address of the Association for receipt of a demand).

20.1.9. The Association may not use a nonjudicial foreclosure to enforce a lien if an Owner mails the Association a written demand for judicial foreclosure: (i) by U.S. mail, certified with a return receipt requested; (ii) to the address stated in the Foreclosure Notice; and (iii) within fifteen (15) days after the date of the postmark on the envelope of the Foreclosure Notice.

20.1.10. In a voluntary conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for such grantor's Common Assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. The Management Committee, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid assessments against the Unit. This statement shall be furnished within ten (10) business days after receipt of the request and upon payment of a reasonable fee and is binding on the Association, the Management Committee, the Common Area Manager and every Owner, in favor of all who rely on such statement in good faith. The grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth in the statement furnished under this Section.

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

20.1.12. The lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a First Mortgagee is involved in which case any First Mortgagee who obtains title to a Unit pursuant to the remedies in the Mortgage

or through foreclosure will not be liable for Common Assessments or charges accrued before the acquisition of the title to the Unit by the First Mortgagee, but such acquisition shall not relieve any Owner from paying further assessments. If the Association's lien priority includes costs of collecting unpaid Common Assessments, the Unit Owner will be liable for any fees or costs related to the collection of such unpaid Common Assessments.

20.2. The Association through the Management Committee shall include in the Common Assessments amounts representing sums to be used for the replacement of or additions to capital items or improvements in the Project. Said amounts shall be dedicated for the uses provided in this Section. Upon the transfer of a Unit, the capital reserves previously paid by the transferring Owner shall remain the property of the Association, for the use and benefit of the Association in making future repairs, replacements, improvements and capital additions to the Project. In utilizing such reserves, there shall be no single improvement exceeding the sum of One Hundred Thousand and NO/100 Dollars ($100,000.00) (as measured in year 2028 dollars and thereafter adjusted by the Cost of Living Index) made by the Management Committee without the same having been first voted on and approved by the majority of the votes of those present in person or by proxy at a meeting of the Association duly called for that purpose or otherwise so approved without a meeting. The foregoing shall not apply in connection with damage or destruction referred to in Article 15 hereof or to such structural alterations or capital additions or capital improvements to the Common Areas and Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities.

20.3. The Management Committee shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas and Facilities for which the Association is responsible and for which the reserve fund was established, or for litigation involving such matters. Nevertheless, the Management Committee may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Management Committee may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and Association, delay such restoration until the time it reasonably determines to be necessary. The Management Committee shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Common Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Common Assessment shall not be subject to the limitations set forth in Section 20.1.3 hereof. At least once every three (3) years the Management Committee shall cause a study to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements. The Management Committee shall, thereafter, annually review the reserve account study and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve account study shall include, at a minimum:

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

20.3.2. Identification of the probable remaining useful life the components identified in Section 20.3.1 above, as of the date of the study.

20.3.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in Section 20.3.1 above, during and at the end of its useful life.

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

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

20.4. A working capital fund equal to at least three (3) monthly installments of the annual assessment for each Unit shall be established and maintained for the Project. Each Unit's share of the working capital fund shall be collected from the first purchaser of each Unit from Declarant and transferred to the Association at the time of the closing of sale of that Unit. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any Regular Common Assessment. The Declarant shall not use the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

20.5. If an Owner shall at any time lease such Owner's Unit and fails to pay Common Assessments within sixty (60) days after the Common Assessments are due, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid. This Section 20.5 shall be incorporated by reference into every lease agreement entered into by and between an Owner and such Owner's tenant, whether or not this Section is expressly referenced therein.

## 21. **VOTING**.

21.1. At any meeting of the Association, each Owner of a Unit, including Declarant, either in person or by proxy, shall be entitled to vote the number of votes appurtenant to each respective Unit as set forth in Exhibit A attached hereto. The number of votes for each Unit shall be equal to one (1) vote per one thousand (1,000) square feet of the Unit's area, rounded to the

nearest whole vote. The voting rights appurtenant to each Unit shall vest upon execution and recording of this Declaration.

21.2. The number of votes appurtenant to each Unit shall have a permanent character, and, except as otherwise permitted and provided for in this Declaration, shall not be altered without the unanimous consent of all Owners expressed in a duly recorded Amendment.

21.3. Every Owner shall be a Member of the Master Association. The voting rights of each Owner in the Master Association is governed by the Master Declaration, including but not limited to, the election of one "Voting Member" for each 20 "Class A Memberships" within the "Neighborhood" (rounded to the nearest integral multiple of 20). The terms of this Section 21.3 not defined herein are defined in the Master Declaration. The Association shall enter into a management agreement with the other members of the Village Association to memorialize the representation for the Village Association within the Master Association.

## 22. EASEMENTS.

22.1. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such easements shall extend for whatever period the encroachment exists. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, by error in the Condominium Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

22.2. Improvements, including Units, Common Areas and Facilities and Limited Common Areas and Facilities, constructed as subsequent phases of the Project, if any, may encroach upon portions of the Common Areas and Facilities of earlier phases of the Project. A perpetual easement for such encroachment and the activities necessary to repair, maintain and operate such improvements is hereby granted.

22.3. It is acknowledged that Declarant and its affiliates have developed other residential and recreational facilities within Deer Crest, and that such facilities are intended to create a community of luxury resort accommodations and amenities. In furtherance of such objective, Declarant shall have the right to grant easements, licenses, leases, and other use rights in and to portions of the Common Areas and Facilities of the Project, at Declarant's sole discretion, without the vote or concurrence of Owners, Mortgagees or the Association, which may benefit owners of interests in other projects within Deer Crest.

22.4. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to the Unit such Owner is occupying and to any Limited Common Areas and Facilities appurtenant to such Owner's Unit, and shall have the right to the horizontal, vertical and lateral support of such Owner's Unit.

22.5. The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that each is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities for use by the Owners and the Association.

22.6. The Declarant shall have a temporary construction easement over the Common Areas and Facilities for the purpose of doing all things that are reasonably necessary as a part of constructing all Units and Common Areas and Facilities as well as other physical improvements. The Owners of Units which have already been constructed do hereby acknowledge and agree that there will be construction activities, traffic, noises, dust, odors and vibrations which may temporarily disrupt their quiet enjoyment of their Units and the Common Areas and Facilities appurtenant thereto, and such Owners do hereby waive any right to object to such construction activity. Declarant's construction activities pursuant to the easement granted hereunder shall not be deemed to be a violation of the restrictions set forth in Article 11 hereof.

22.7. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Building for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Areas and Facilities in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Areas and Facilities as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of the Management Committee shall be final.

22.8. All conveyances of Units within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

22.9. Declarant reserves a non-exclusive easement for itself and its assignees to construct, operate, maintain, repair and replace all types of satellite and telecommunication facilities within the Project. Declarant further reserves a right of access to such facilities over, across, and through all other Common Areas and Facilities of the Project in order to access the telecommunications facilities to exercise the rights established herein. Declarant may transfer by easement, license agreement or other conveyance the rights reserved hereunder to one or more telecommunication facilities providers. Declarant may exercise all of the rights under this Section 22.9 without the consent of any Owner, Mortgagee or the Association. The Association, on behalf of all Owners, agrees to execute such further and additional instruments as may be requested by Declarant documenting the rights hereunder, in form satisfactory to the Declarant, and any assignee of its rights hereunder.

22.10. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, fiber optics, cable television and communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone, data transmission, and other communication services to erect and maintain the necessary equipment on or beneath the

Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement shall (a) use its best efforts to install and maintain the utilities provided without unduly disturbing the uses of the Owners, the Association, and Declarant; (b) prosecute its installation and maintenance activities as promptly as reasonably possible; and (c) restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, Declarant or the Management Committee shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section 22.10 shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

22.11. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

22.12. Declarant reserves (a) the right to dedicate any access roads and streets serving the Property to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair maintenance or regulation of parking or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners, or the Association.

22.13. There are private trail easements shown on the Condominium Plat, identifying certain portions of the Common Areas and Facilities that may be used for summer and winter access to trails, ski runs and other adjacent recreational areas (the "**Private Trail Access Area**"). All Owners and their guests shall have easement rights over the Private Trail Access Area. Declarant reserves the right to grant additional access easement rights over the Private Trail Access Area, and other trails or walkways within the Project, to other third parties as Declarant deems appropriate in Declarant's sole discretion. Declarant reserves the right to grant the easement rights described in this Section 22.13 by specific conveyance, and to create additional trail easements not shown on the Condominium Plat.

## 23. NOTICES.

Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, by express mail or overnight courier service providing proof of delivery, by electronic (e-mail) transmission, or through an Owners portal, if used. Consent to electronic notice is deemed granted in the event an Owner provides an e-mail address to the Association. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Management Committee. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; if e-mailed, when the e-mail is sent, except that if the fax or e-mail is received at a time other than the normal business hours of the office at which it is received, on the next regular business day; and if by mail, the earlier of the day actually received or the third business day after the notice is

deposited in the United States Mail, properly addressed and postage prepaid. Such address may be changed from time to time by notice in writing to the Management Committee addressed to:

Management Committee
Havens at Deer Crest Owners Association, Inc.
PO Box 681027
Park City, UT 84068
(or via Fedex, UPS or other courier service to:
1700 Park Ave, Suite 2020, Park City, Utah 84060)

24. **NO WAIVER**.

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

25. **ENFORCEMENT**.

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

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

25.2.1. The judgment of a court; or

25.2.2. A foreclosure for the failure of an Owner to pay assessments duly levied by the Association.

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

25.4. The Association shall have the power, subject to the primary power of the Board of Directors of the Master Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Master Association.

## 26. DECLARANT.

The term "Declarant" as used herein shall mean and include Declarant and any person or persons who might acquire title from it to all or some of the unsold Units (other than sales of Units in the ordinary course of Declarant's business) through purchase, assignment or other transfer including foreclosure or deed in lieu of foreclosure; or, in the situation where, any person purchases all, or some of the remaining Units in a sale in the nature of a bulk sale. The person acquiring any of such property from the Declarant shall be considered a Declarant with respect to that portion of the property so acquired and shall have the right to develop the property and/or sell such property in accordance with the terms and provisions of this Declaration and the Act. Any right or any interest reserved or contained in this Declaration for the benefit of Declarant, may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of Wasatch County, Utah. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

## 27. DISPUTE RESOLUTION.

27.1. The Bound Parties (defined below) agree that it is in the best interests of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to first submit such Claim to the mediation procedures set forth in Section 27.2 in a good faith effort to resolve such Claim. If mediation fails, the Arbitration Provision (defined below) below shall apply.

27.2. Mediation Procedures.

27.2.1. The Bound Party asserting a Claim ("**Claimant**") against another Bound Party ("**Respondent**") shall give written notice ("**Notice**") to each Respondent and to the Management Committee stating plainly and concisely: (i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim; (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises); (iii) the

Claimant's proposed resolution or remedy; and (iv) the Claimant's desire to meet with the Respondent to discuss in good faith, ways to resolve the Claim.

27.2.2. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Management Committee may appoint a representative to assist the parties in negotiating a resolution of the Claim.

27.2.3. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Management Committee (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Wasatch or Salt Lake Counties. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

27.2.4. If the parties do not settle the Claim within sixty (60) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to commence arbitration proceedings.

27.2.5. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorney's fees and court costs.

27.3. IF AN OWNER DOES NOT WANT THE FOLLOWING ARBITRATION PROVISION TO APPLY, THE OWNER MUST SEND A LETTER TO DECLARANT, SIGNED BY THE OWNER (AND ANY CO-OWNER OF THE SAME UNIT) AND ADDRESSED TO HAVENS AT DEER CREST DEVELOPMENT, LLC, PO BOX 681027 Park City, UT 84068 (or via Fedex, UPS or other courier service to: 1700 PARK AVENUE, SUITE 2020, PARK CITY, UTAH 84060), ATTN: ARBITRATION OPT-OUT. THE LETTER MUST BE SENT WITHIN THIRTY (30) DAYS AFTER THE CONVEYANCE OF AN OWNER'S UNIT TO SUCH OWNER, AND MUST STATE THAT THE OWNER DOES NOT WANT ARBITRATION TO APPLY TO THE MATTERS DESCRIBED IN THIS ARTICLE

27. ANY OPT OUT WILL RENDER THIS ARBITRATION PROVISION NULL AND VOID BUT WILL HAVE NO OTHER EFFECT ON THE OWNER'S RIGHTS.

27.4. In the arbitration provision described in this Article 27 ("**Arbitration Provision**"), the following capitalized words, phrases or terms have the meanings set forth below:

27.4.1. "**Institutional Party**" means each Declarant and its affiliates; the Association during the Period of Declarant Control; any third party that provides any product or service to a Consumer Party in connection with this Declaration, if and only if such third party is named as a co-party with another Institutional Party in a Claim asserted by a Consumer Party; their successors and assigns; and the agents, representatives, members, employees, officers and/or directors of the foregoing entities.

27.4.2. "**Consumer Party**" means the Owners; their heirs, successors and assigns; and the Association after the Period of Declarant Control.

27.4.3. "**Bound Party**" means any Institutional Party or Consumer Party who asserts a Claim or has a Claim asserted against such party.

27.4.4. "**Claim**" means any claim, dispute or controversy between an Institutional Party and a Consumer Party, other than an Exempt Claim, arising out of or relating in any way to this Declaration or any other documents governing the Project, the Property, or the Units, including any such claim, dispute or controversy regarding or arising over the marketing and sale of Units; the terms of this Declaration or any other documents governing the Project; the design, specifications, surveying, planning, supervision, testing, observation of construction or construction of an improvement to, or survey of, the Property; or the maintenance or use of the Property. This includes, without limitation, disputes concerning the validity, enforceability, arbitrability or scope of this Arbitration Provision or this Declaration; disputes involving alleged fraud or misrepresentation, breach of contract, negligence or violation of statute, regulation or common law; and disputes involving requests for declaratory relief, injunctions or other equitable relief.

27.4.5. "**Exempt Claim**" means any of the following Claims, which will not be subject to this Arbitration Provision: (i) any individual action brought by a Consumer Party in small claims court or a relevant state's equivalent court, unless such action is transferred, removed, or appealed to a different court; (ii) any action to effect a judicial or non-judicial foreclosure; (iii) any eviction or other summary proceeding to secure possession of real property or an interest therein; (iv) any action in any bankruptcy proceeding to assert, collect, protect, realize upon or obtain possession of the collateral for any amount owed; (v) any action to quiet title; (vi) any action insofar as it seeks provisional or ancillary remedies in connection with any of the foregoing; (vii) any self-help remedy, such as the refusal of an Institutional Party to allow a Consumer Party to use a Unit, or any individual action in court by one party that is limited to preventing the other party from using a self-help remedy and that does not involve a request for damages or monetary relief of any kind; and (viii) any dispute concerning the validity and effect of

Section 27.10 below, the ban on class actions and certain other proceedings (the "**Class Action Ban**"). Notwithstanding the prior sentence, at the request of a Consumer Party, the Institutional Parties will agree to arbitrate under this Arbitration Provision any matter covered by items (ii)–(vi) above if arbitration will afford the parties substantially the same rights and remedies as a court action. Any dispute regarding the question of whether arbitration will afford the parties substantially the same rights and remedies as a court action is also an Exempt Claim and shall be determined exclusively by the court and not by an arbitrator. If one or more Institutional Parties are allowed to proceed outside arbitration with respect to any of the matters covered by items (ii)–(vi) above, the Consumer Party may assert in court on an individual basis any related defenses or Claims such Consumer Party may have.

27.4.6. "**Administrator**" means either of the following companies to be selected by the Bound Party initiating the arbitration: National Arbitration Forum ("**NAF**"), P.O. Box 50191, Minneapolis, MN 55405, http://www.arb-forum.com, or the American Arbitration Association ("**AAA**"), 1633 Broadway, 10th Floor, New York, NY 10019, http://www.adr.org. However, neither NAF nor AAA may serve as Administrator, without the consent of all Bound Parties asserting or defending a Claim, if it adopts or has in place any formal or informal policy that is inconsistent with and purports to override the terms of the Class Action Ban.

27.5. Unless a Consumer Party has opted out of this Arbitration Provision, upon the election of any Consumer Party or Institutional Party asserting or defending a Claim, such Claim shall be resolved by binding individual (and not class) arbitration. Notice of an election to arbitrate a Claim may be given after a lawsuit begins and may be given in papers filed in the lawsuit. Any arbitration will be conducted in accordance with this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the rules of the Administrator in effect at the time the Claim is filed.

27.6. If a Consumer Party cannot obtain a waiver of any fees of the Administrator or arbitrator, the Institutional Parties will consider in good faith any request for them to pay such fees for the Consumer Party. Each Bound Party shall bear the fees and expenses of that Bound Party's attorneys, experts, and witnesses, provided that the Institutional Parties will bear the reasonable fees and expenses incurred by a Consumer Party if the Consumer Party prevails on a Claim the Consumer Party has asserted against the Institutional Parties. Also, the Institutional Parties will pay any arbitration, attorneys' and/or other fees and expenses they are required to pay by applicable law or they are required to pay in order to enforce this Arbitration Provision. If a participatory arbitration hearing is requested, it will take place in Wasatch or Salt Lake County, Utah or, if the Administrator determines that such location would be unfair to a Consumer Party, at a location reasonably convenient to such Consumer Party and the Institutional Parties.

27.7. This Arbitration Provision shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1–16 (the "**FAA**") and not state arbitration laws, provided that Utah law shall govern to the extent that state law is relevant under the FAA in determining the enforceability of this Arbitration Provision. The arbitrator shall be obligated to follow applicable substantive laws, statutes of limitations and privilege rules related to any Claim. The arbitrator shall award the

remedies, if any, that would be available in an individual court proceeding if arbitration had not been elected. This includes, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings); declaratory, injunctive and other equitable relief; and attorneys' fees and costs. Upon the timely request of any Bound Party, the arbitrator shall write a brief explanation of the grounds for such arbitrator's decision. In addition to the Bound Parties' rights under the Administrator's rules to obtain information prior to the hearing, any Bound Party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in such arbitrator's sole discretion, after allowing the other Bound Party the opportunity to object.

27.8. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA. However, for Claims involving more than Fifty Thousand and NO/100 Dollars ($50,000.00), any Bound Party may appeal the award to a three (3)-arbitrator panel appointed by the Administrator, which will reconsider from the start any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Fees and costs associated with an appeal shall be governed by Section 27.4 above.

27.9. IF A BOUND PARTY ELECTS TO ARBITRATE A CLAIM, NO BOUND PARTY WILL HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM.

27.10. NO BOUND PARTY MAY PARTICIPATE IN A CLASS ACTION IN COURT OR IN CLASS-WIDE ARBITRATION, EITHER AS A REPRESENTATIVE, CLASS MEMBER OR OTHERWISE. NO BOUND PARTY MAY PARTICIPATE IN A PRIVATE ATTORNEY GENERAL PROCEEDING IN COURT OR IN ARBITRATION. NO CLAIMS BY OR AGAINST A BOUND PARTY MAY BE JOINED OR CONSOLIDATED WITH CLAIMS BY OR AGAINST ANY OTHER PERSON (EXCEPT FOR CLAIMS INVOLVING THE HEIRS AND SUCCESSORS OF SUCH CONSUMER PARTIES). THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTI-PARTY ARBITRATION INCONSISTENT WITH THIS SECTION. Notwithstanding any language in this Arbitration Provision to the contrary, any dispute about the validity or effect of the above Class Action Ban shall be resolved by a court and not an arbitrator or the Administrator.

27.11. If a determination is made that any part of this Arbitration Provision is unenforceable (other than the Class Action Ban) or that this Arbitration Provision is unenforceable as to any party or parties, this provision shall nonetheless remain enforceable in all other respects and as to all other parties. If the Class Action Ban is held to be unenforceable in connection with any Claim subject to the Class Action Ban, this Arbitration Provision (other than this sentence) shall be null and void in such proceeding, provided that the Institutional Party seeking to enforce the Class Action Ban shall have the right to appeal at the earliest possible time any holding that the Class Action Ban is unenforceable.

27.12. Prior to asserting a Claim, the Bound Party with the Claim (the "**Claimant**") shall give the Bound Party that is the subject of the Claim written notice of the Claim and a reasonable opportunity, not less than thirty (30) days, to resolve the Claim. The Claimant's claim notice

must include the Claimant's name, address and telephone number. Any claim notice must explain the nature of the Claim and the relief that is demanded. A Consumer Party may only submit a claim notice on such Consumer Party's own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other Bound Party reasonably requests. If: (i) a Consumer Party submits a claim notice in accordance with this Section on such Consumer Party's own behalf (and not on behalf of any other party); (ii) the Institutional Party refuses to provide the requested relief; and (iii) an arbitrator subsequently determines that the Consumer Party was entitled to such relief (or greater relief), the arbitrator shall award the Consumer Party at least Seven Thousand Five Hundred and NO/100 Dollars ($7,500.00) (not including any arbitration fees and attorneys' fees and costs to which the Consumer Party may be entitled under this Arbitration Provision or applicable law).

28. **DRONES**.

The operation of a drone in the Project, if allowed by the Association, must comply with all Federal Aviation Administration rules and the Association's rules and regulations. No Owner or any other person may operate, cause, allow or authorize the operation of a drone in the airspace above any portion of the Project in such a way as to invade the privacy of any Owner, guests, residents or vendors, whether equipped with a camera or otherwise. Prior written approval of the Management Committee must be given for the operation of a drone in a manner inconsistent with the Association's rules and regulations. For purposes of this Section 28, a "drone" is defined as an unmanned aircraft and all of the associated support equipment, control station, data links, telemetry, communications and navigation equipment, etc., necessary to operate the unmanned aircraft.

29. **AGENT FOR SERVICE OF PROCESS**.

The agent for service of process under the Act until the expiration of the Period of Declarant Control under Section 10.3 shall be Bill Fiveash whose address is c/o East West Partners, PO Box 682023, Park City, Utah 84068. Thereafter, the agent for service of process shall be the Common Area Manager, or such other persons as the Management Committee may designate.

30. **SEVERABILITY**.

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

31. **CONFLICT**.

In case of any conflict between this Declaration and the Master Declaration, the Master Declaration shall control. In case of any conflict between this Declaration and the Articles or the Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles and the Bylaws, the Articles shall control. The foregoing to the contrary notwithstanding, in the event of any inconsistency between this Declaration or the Articles or the Bylaws, on the one hand, and or any applicable law, including the Act or the Federal Fair Housing Administration Act, on the other, then in all events the applicable law shall control.

32. **CAPTIONS**.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

33. **LAW CONTROLLING**.

This Declaration and the Condominium Plat and all issues and disputes arising out of either, shall be construed and controlled by and under the laws of the State of Utah.

34. **EFFECTIVE DATE**.

This Declaration shall take effect when recorded in the office of the County Recorder for Wasatch County, State of Utah.

35. **PUBLIC INFRASTRUCTURE DISTRICT**.

Declarant anticipates that one or more Public Infrastructure Districts may be created in connection with the Project, subject to the following terms and conditions:

35.1. The Public Infrastructure District may include, among other things, landscaping, public streets, public street lighting, storm drains, water distribution systems, water treatment facilities, sanitary treatment facilities, trails, restroom facilities, fencing, public parking for citizen use, public traffic signal lights, acceleration and deceleration lanes, retention ponds, land for parks and open space, and/or any other improvements reasonably designated for inclusion by Declarant.

35.2. The Owners acknowledge and agree that the amount of Project costs to be financed through a Public Infrastructure District will vary based on the designation of the Public Infrastructure District Assessment Area, the actual cost of the proposed improvements and land interests to be included therein, the further discussions and agreements between Declarant and applicable governmental or quasi-governmental authority having jurisdiction over the Project, and the applicability of any limitations imposed by statutory provisions.

[*Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this instrument this 11 day of MAY, 2026.

**DECLARANT:**

DEER CREST ASSOCIATES I, L.C.,
a Utah limited liability company

By: _____

Name: BILL FIVEASH

Title: AUTHORIZED SIGNER

STATE OF Utah )
: ss.
COUNTY OF Summit )

The foregoing instrument was acknowledged before me this 11 day of May, 2026, by Bill Fiveash, the authorized signor for Deer Crest associates I, LLC..

_____
NOTARY PUBLIC
Residing at: Salt Lake, UT

My Commission Expires: 9-16-29

NOTARY PUBLIC
ALFRED LUCAS NEWMAN
744077
MY COMMISSION EXPIRES
SEPTEMBER 16, 2029
STATE OF UTAH

# EXHIBIT A

## Schedule of Units, Square Footage, Votes and Undivided Interests in Common Areas

| Unit Identifying Number | Approx Sq. Footage of Unit | No. of Votes per Unit | Undivided Interest per Unit |
|---|---|---|---|
| 1 | 2,159 | 2 | 2.953% |
| 2 | 2,130 | 2 | 2.913% |
| 3 | 2,159 | 2 | 2.953% |
| 4 | 2,159 | 2 | 2.953% |
| 5 | 2,130 | 2 | 2.913% |
| 6 | 2,159 | 2 | 2.953% |
| 7 | 2,159 | 2 | 2.953% |
| 8 | 2,130 | 2 | 2.913% |
| 9 | 2,159 | 2 | 2.953% |
| 10 | 2,159 | 2 | 2.953% |
| 11 | 2,130 | 2 | 2.913% |
| 12 | 2,159 | 2 | 2.953% |
| 13 | 1,632 | 2 | 2.232% |
| 14 | 1,644 | 2 | 2.248% |
| 15 | 1,644 | 2 | 2.248% |
| 16 | 1,648 | 2 | 2.254% |
| 17 | 1,632 | 2 | 2.232% |
| 18 | 1,644 | 2 | 2.248% |
| 19 | 1,644 | 2 | 2.248% |
| 20 | 1,648 | 2 | 2.254% |
| 21 | 2,877 | 3 | 3.933% |
| 22 | 2,944 | 3 | 4.026% |
| 23 | 2,427 | 2 | 3.319% |
| 24 | 2,427 | 2 | 3.319% |
| 25 | 2,427 | 2 | 3.319% |
| 26 | 2,944 | 3 | 4.026% |
| 27 | 2,427 | 2 | 3.319% |
| 28 | 2,944 | 3 | 4.026% |
| 29 | 2,944 | 3 | 4.026% |
| 30 | 2,875 | 3 | 3.931% |
| 31 | 3,349 | 3 | 4.580% |
| 32 | 3,610 | 4 | 4.936% |
| **Total** | **73,123 SF** | **73** | **100.00000%** |

# EXHIBIT B

## Association Bylaws

## BYLAWS

## HAVENS AT DEER CREST OWNERS ASSOCIATION, INC.

The administration of Havens at Deer Crest Owners Association, Inc. (the "**Association**") shall be governed by the Utah Revised Nonprofit Corporation Act (Title 16, Chapter 6a, Utah Code Annotated) (the "**Act**"), the Declaration of Condominium for Havens at Deer Crest recorded in the Office of the Wasatch County Recorder, State of Utah ("**Declaration**"), the Articles of Incorporation for Havens at Deer Crest Owners Association, Inc. ("**Articles**") and these Bylaws (as the Declaration, Articles and these Bylaws may from time to time be amended). Terms which are capitalized in these Bylaws and which are not otherwise defined herein shall have the meaning set forth in the Declaration.

1. BYLAWS APPLICATION.

All present and future Owners, Mortgagees, lessees and occupants of Units and their employees and guests, and any other persons who may use the facilities of the Project in any manner are subject to the Declaration, these Bylaws and all rules and regulations made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance of a Unit, or the occupancy of any Unit, shall constitute an agreement that the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with.

2. MANAGEMENT COMMITTEE.

2.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by the Management Committee consisting of not less than three (3) nor more than seven (7) members ("**Trustees**"). The initial Management Committee shall be appointed by the Declarant.

2.2. The Declaration establishes a Period of Declarant Control of the Association, during which period the Declarant or persons designated by it have authority to appoint and remove the officers and members of the Management Committee. The Period of Declarant Control shall terminate no later than the earlier of: (i) seven (7) years after the first Unit is conveyed to an Owner (other than Declarant); or (ii) after Units to which three-fourths (3/4) of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners (other than Declarant).

2.3. Within one hundred eighty (180) days following the termination of the Period of Declarant Control, the Owners shall elect a Management Committee of three (3) but not more than seven (7) members. The members and officers of the Management Committee shall take office upon election. Thereafter, at every annual meeting, the Association shall elect the

members of the Management Committee to fill those positions becoming vacant at such meeting, pursuant to the terms of this Section 2.

2.4. At least thirty (30) days prior to each annual meeting of the Association, the Management Committee shall elect from the Owners a nominating committee of not less than three (3) members. The Management Committee may, but shall not be obligated to, inquire of the Owners to identify those having an interest in serving on the Management Committee. The nominating committee shall recommend to the Association at least one (1) nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by one (1) or more Owners and the nominee named therein indicating such nominee's willingness to serve as a member of the Management Committee, if elected.

2.5. Voting for the Management Committee shall be by secret ballot (which may be delivered electronically as directed by the Management Committee). At any meeting of the Association, each Owner, either in person or by proxy, shall be entitled to the number of votes set forth in the Declaration for each Unit owned. The positions on the Management Committee shall be as follows: President, Vice President, and Secretary-Treasurer. The initial members of the Management Committee shall be the following persons and each shall hold the office indicated:

| | |
|---|---|
| Bill Fiveash | President |
| Jay Lambiotte | Vice President |
| Steve Issowits | Secretary-Treasurer |

2.6. Members of the Management Committee shall serve as follows:

2.6.1. Trustees shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that the Trustees elected at the first annual meeting following the termination of the Period of Declarant Control to the positions of Vice President and Secretary-Treasurer shall serve for initial terms of one (1) year, and the Trustee elected to the office of President shall serve for an initial term of two (2) years. If there are more than three (3) Trustees elected at the first annual meeting following the termination of Declarant control, one-half (1/2) of the additional Trustees elected shall serve for one (1) year terms and the other half shall be elected to two (2) year terms. Thereafter, all Trustees elected shall serve for two (2)-year terms. The members of the Management Committee shall serve until their respective successors are elected, or until death, resignation, or removal, whichever occurs first.

2.6.2. Any member of the Management Committee who fails to attend three (3) consecutive Management Committee meetings or fails to attend at least twenty-five percent (25%) of the Management Committee meetings held during any fiscal year shall

be deemed to have tendered such member's resignation, and upon acceptance by the Management Committee such member's position shall be vacant.

2.7. Any member of the Management Committee may resign at any time by giving written notice to the President of the Association or to the remaining Management Committee members. The Owners, by a two-thirds (2/3) vote, either at a meeting of such Owners, or by written consent, may remove any Trustee with or without cause, other than a member appointed by Declarant during the Period of Declarant Control.

2.8. If vacancies shall occur in the Management Committee by reason of the death or resignation of a Management Committee member, the Management Committee members then in office shall continue to act, and such vacancies shall be filled by a vote of the Management Committee members then in office, though less than a quorum; provided, however, that the Management Committee acting to fill such vacancy. Any vacancy in the Management Committee occurring by reason of removal of a Management Committee member by the Association may be filled by election at the meeting at which such Management Committee member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written consent of a majority of the votes of the Association entitled to vote for that Trustee.

2.9. The members of the Management Committee shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the Total Votes of the Association; provided, however, that members of the Management Committee shall be reimbursed by the Association for transportation expenses actually incurred and a reasonable per diem payment for attendance at regular and special meetings of the Management Committee. Any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all members of the Management Committee not including the member to be employed.

2.10. The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Management Committee is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective then (10) days after adoption by the Management Committee. The Management Committee shall have the powers, duties and responsibilities with respect to the Project as contained in the Declaration, the Articles and these Bylaws.

2.11. The meetings of the Management Committee shall be held annually at such times and places within the Project, or some other reasonable and suitable location in Wasatch County or Summit County, unless a meeting at another location would significantly reduce the cost to the Association and/or the inconvenience to Management Committee members, as the Management Committee shall determine. A majority of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all

of the officers of the Association. The election of officers shall be conducted at the first meeting of the Management Committee held subsequent to the annual meeting of the Association.

2.12. Written notice of the time and place of Management Committee meetings shall be posted at a prominent place or places within the Project not less than ten (10) days prior to the meeting.

2.13. Special meetings of the Management Committee may be called by written notice signed by any two (2) members of the Management Committee. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Wasatch County or Summit County unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Management Committee. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings of the Management Committee and shall be sent to all members of the Management Committee not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.14. Notices of all regular Management Committee meetings shall be given in writing or electronically to each member of the Management Committee not less than thirty (30) days nor more than sixty (60) days prior to the meeting, provided that this requirement shall not apply to any member of the Management Committee who has signed a waiver of notice or a written consent to the holding of a meeting.

2.15. The Management Committee members shall act only as a Management Committee, and individual Management Committee members shall have no powers as such. Regular and special meetings of the Management Committee shall be open to all members of the Association; provided, however, that the Association members who are not on the Management Committee may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Management Committee. The Management Committee may, with the approval of a majority of a quorum of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.16. Any or all of the members of the Management Committee may participate in an annual, regular, or special meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting.

2.17. Any action that is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Management Committee members, and an explanation of the action so taken is either circulated electronically or posted at a prominent place or places within the Project within three (3) days after the written consent of all Management Committee members has been obtained.

2.18. After the election of the members of the first Management Committee following termination of the Period of Declarant Control, Declarant may execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee, whether or not they shall still be members, may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded evidence or copy of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.19. The fiscal year shall be determined by the Management Committee.

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

2.21. An officer, employee, agent or director of a corporate Owner of a Unit, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member of a limited liability company that owns a Unit, and a fiduciary of an estate that owns a Unit may be considered an Owner for the purpose of determining eligibility for membership of the Management Committee. In all events where the person serving or offering to serve as an officer or member of the Management Committee is not the record Owner, they shall file proof of authority in the records of the Association.

2.22. The Management Committee or the officers appointed thereby may delegate to the Common Area Manager, or such other persons as it so determines, all of the duties and obligations of the Management Committee set forth herein and in the Declaration to the extent such duties and obligations are properly delegable.

2.23. The Management Committee or the officers appointed thereby reserve the right to make whatever tax and other elections which they deem necessary, including but not limited to, filing as a tax exempt entity under Section 528 of the Internal Revenue Code.

2.24. During the Period of Declarant Control, Declarant shall have a right to disapprove any action, policy or program of the Association, the Management Committee and any committee which, in the sole and exclusive judgment of the Declarant, would tend to impair rights of the Declarant or any affiliate of Declarant under the Declaration or these Bylaws, or interfere with development, construction of any portion of the Project, or diminish the level of services being provided by the Association. During the Period of Declarant Control, such action, policy or program shall become effective or be implemented until and unless:

2.24.1. The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Association, the Management Committee or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

2.24.2. The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents shall make their concerns, thoughts, and suggestions known to the Management Committee and/or the members of the subject committee. The Declarant shall have and is hereby granted an exclusive right to disapprove any such action, policy, or program authorized by the Association, the Management Committee or any committee thereof, if the approval of the Management Committee, any committee, or the Association is necessary for such action. This right may be exercised by the Declarant, its successors, assigns, representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provision thereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of the Management Committee, any committee, or the Association. The 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.

3. MEETINGS OF THE ASSOCIATION.

3.1. The first meeting of the Association shall be held within one (1) year after the closing of the sale of the first Unit sold in the Project. Thereafter, there shall be an annual meeting of the Association held at the Project or at a meeting place reasonably close thereto, at the date and time selected by the Management Committee.

3.2. Special meetings of the Association may be called by the Declarant, the President, a majority of the Management Committee, or Owners representing at least twenty-five percent (25%) or more of the Total Votes of the Association and may be held at the Project or at a meeting place reasonably close thereto, to consider matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable

purpose. Special meetings shall be called by written notice signed by the Declarant, a majority of the Management Committee or by Owners representing at least twenty-five percent (25%) or more of the Total Votes of the Association, which shall be delivered not less than fifteen (15) days prior to the date fixed for said meeting, to each Owner in the manner described in Section 3.3 below.

3.3. Notice of the annual meeting of the Association and of any special meetings of the Association shall be hand delivered, electronic (e-mail) transmission, or sent by first-class or certified mail, no fewer than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting to each Owner of record at such Owner's address as shown in the records of the Association or to any other mailing address designated in writing by the Owner. Consent to electronic notice is deemed granted in the event an Owner provides an e-mail address to the Association. Such notice shall specify the place, date and hour of the meeting and a description of any matters that must be approved by the Owners for which the Owners' approval is sought at such meeting. The notice of a special meeting shall also include a description of the purposes for which the meeting is called. If any annual or special meeting of the Owners is adjourned to a different date, time or place, notice need not be given of the new date, time and place if the new date, time and place are announced at the meeting before adjournment. Notwithstanding the foregoing sentence, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for the adjourned meeting is or must be fixed pursuant to these Bylaws or applicable law, notice of the adjourned meeting must be given pursuant to the requirements of this Section 3.3 to Owners entitled to vote at the meeting.

3.4. The presence in person or by proxy of Owners holding twenty-five percent (25%) or more of the Total Votes of the Association at any meeting of the Association held in response to notice to all Owners of record properly given shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be ten percent (10%) of the Total Votes of the Association. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings of the Association. At any special meeting of the Association, only those matters of business, the general nature of which was given in the notice of the special meeting, may be voted upon by the Owners. Unless otherwise expressly provided in the Act, the Declaration and these Bylaws, any action may be taken at any meeting of the Owners upon a majority vote of the Owners who are present in person or by proxy.

3.5. Any or all of the Owners may participate in an annual, regular, or special meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting.

3.6. In the event of a procedural dispute, Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Declaration or these Bylaws.

3.7. Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

3.7.1. A written or electronic ballot is distributed to every Owner entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Owner to return the ballot to the Association.

3.7.2. The number of votes cast by ballot within the specified time under Section 3.7.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.7.3. The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

3.7.4. The written ballot distributed to Owners affords an opportunity for the Owner to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Owners shall be cast in accordance with the choice specified.

3.8. At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy. For any Unit owned by more than one Owner, all of the Owners of such Unit may sign a certificate designating one of the co-Owners as the Owner authorized to cast the votes appurtenant to such Unit. In such event, the Management Committee may rely on such certificate as being sufficient evidence of the authority of the Owner casting the votes appurtenant to such Unit. In the absence of such a certificate, if only one of several Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Unit. If more than one of the Owners of a Unit is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. Absent a certificate of authorization, there shall be deemed to be majority agreement if any one of the Owners casts the votes allocated to the Unit owned without protest made promptly to the person presiding over the meeting by any of the other Owners of such Unit. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner (or all of the Owners of a Unit if there is more than one Owner) or by its attorney (or all of the Owner's attorneys if there is more than one Owner) thereunto duly authorized in writing. The instrument authorizing the proxy to act shall be delivered, at the beginning of the meeting, to the Secretary of the Association, or such other officer or person who may be acting as the Secretary at the meeting. The Secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. An Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the Association. A proxy is void if it is not dated or purports to be revocable without notice.

3.9. Minutes of the annual and special meetings of the Association shall be distributed to each member within a reasonable time after the meeting.

3.10. The rights and obligations of any Owner shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Unit, and then only to the transferee of ownership of the Unit. A transfer of ownership of a Unit may be effected by deed, intestate succession, testamentary disposition, foreclosure or such other legal process as is now in effect or as may hereafter be established under or pursuant to applicable law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Unit shall operate to transfer the membership in the Association appurtenant to said Unit to the new Owner thereof. Each transferee shall notify the Association of such transferee's purchase of a Unit. A change in the ownership of a Unit shall be effective for voting purposes from the time the deed or other instrument effecting such change is recorded; the Management Committee shall thereafter be given written notice of such change and provided satisfactory evidence thereof.

4. OFFICERS.

4.1. All officers and employees of the Association shall serve at the will of the Management Committee. So long as there are three (3) members of the Management Committee, the officers shall be a President, a Vice Presidents, and a Secretary-Treasurer. The Management Committee may appoint additional Vice Presidents and such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. The Management Committee shall require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2. The President shall be the chief executive of the Management Committee and shall preside at all meetings of the Association and of the Management Committee and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. The President shall sign, and the Secretary shall witness, on behalf of the Association, all conveyances, mortgages and contracts of material importance to its business. The President shall do and perform all acts which the Management Committee may require.

4.3. The Vice President, if any, shall perform the functions of the President in the President's absence or inability to serve.

4.4. The Secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Owners and the Management Committee.

4.5. The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to the Common Area Manager.

4.6. Any officer may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

5. COMMON EXPENSES; ASSESSMENTS.

5.1. All Common Expenses shall be assessed in accordance with the Declaration.

5.2. No Owner shall be exempt from liability for Common Expenses by waiver of the use or enjoyment of any of the Project or by abandonment of such Owner's Unit.

5.3. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Management Committee in assessing Common Expenses against the Units, the Treasurer shall keep an accurate record of such Common Assessments and of the payments thereof by each Owner.

5.4. All Common Assessments shall be a separate, distinct and personal liability of the Owners at the time each Common Assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of Common Assessments.

5.5. Any person who shall have entered into a written agreement to purchase a Unit, by written request directed to the Management Committee, shall be entitled to obtain a written statement from the Treasurer setting forth the amount of the monthly, quarterly, annual or other periodic Common Assessments and the amount of unpaid Common Assessments charged against such Unit and its Owner(s), and if such statement does not reveal the full amount of the unpaid Common Assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid Common Assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Management Committee as a Common Expense to be collected from all Owners, including without limitation the purchaser of such Unit, or such purchaser's successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any Common Assessments made after the date of transfer of title, even though the expenses incurred or the advances made by the Management Committee for which the Common Assessment is made relate in whole or in part to any period prior to that date. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

5.6. In addition to the statements issuable to purchasers, the Management Committee shall, upon ten (10) days' prior written request therefore, provide to any Owner, to any person who shall have entered into a binding agreement to purchase a Unit and to any Mortgagee, on request at reasonable intervals a current statement of unpaid Common Assessments for Common Expenses with respect to a Unit. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

5.7. In all cases where all or part of any Common Assessments for Common Expenses and capital contributions and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefore under the Declaration or these Bylaws, the Management Committee shall reassess the same as a Common Expense without prejudice to its right of collection against such persons or entities, or without prejudice to its lien for such Common Assessments.

6. LITIGATION.

6.1. If any action is brought by a member of the Management Committee on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Common Expense. Except as otherwise provided, if any action is brought against the Owners or against the Management Committee or the officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the expenses of suit, including attorneys' fees, shall be a Common Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

6.2. Except as otherwise provided by the Act, any action brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Management Committee, and shall be defended by the Management Committee; and the Owners and Mortgagees shall have no right to participate in such defense other than through the Management Committee. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Management Committee, and shall be defended by such Owners.

7. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS.

7.1. The violation of any rules or regulations adopted by the Management Committee, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws:

7.1.1. To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass provided that items of construction may not be altered or demolished without proper judicial proceedings; and/or

7.1.2. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

7.2. These remedies are cumulative to other remedies provided in the Declaration and these Bylaws, any rules or regulations adopted by the Management Committee, or in any other applicable laws.

8. ACCOUNTING.

8.1. The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer.

8.2. A budget for each fiscal year shall be adopted by the Management Committee and distributed to all members of the Association prior to the beginning of the fiscal year to which the budget applies.

8.3. The Management Committee shall distribute to the Owners an unaudited financial statement, prepared by an independent public accountant approved by the Association, within one hundred twenty (120) days after the close of each fiscal year.

8.4. The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the Association, of the Management Committee and of committees of the Management Committee and all other records of the Project maintained by the Association, Common Area Manager or managing company shall be made available for inspection and copying by any member of the Association or such member's duly appointed representative at any reasonable time and for a purpose reasonably related to such member's interest as an Owner, at the office where the records are maintained. Upon receipt of an authenticated written request from an Owner along with the fee prescribed by the Management Committee to defray the costs of reproduction, the Common Area Manager or other custodian of records of the Association shall prepare and transmit to the Owner a copy of any and all records requested. The Association may, as a condition to permitting an Owner to inspect the membership register or to its furnishing information from the register, require that the Owner agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the Owner's interest in the Association. The Management Committee shall establish reasonable rules with respect to:

8.4.1. Notice to be given to the custodian of the records by the Owner desiring to make the inspection or obtain copies;

8.4.2. Hours and days of the week when such an inspection may be made; and

8.4.3. Payment of the cost of reproducing copies of documents requested by an Owner.

Every member of the Management Committee shall have the absolute right at any time to inspect all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records, subject only to the right of the Association to require that the Management

Committee member agree in writing not to use, or allow the use of, the information from the membership register for commercial or other purposes not reasonably related to the business of the Association and the Management Committee member's interest in such Association.

9. SPECIAL COMMITTEES.

The Management Committee by resolution may designate one or more special committees, each committee to consist of three (3) or more Owners, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. All special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee or the President. The Management Committee or the President may appoint Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. RENTAL OR LEASE OF UNITS BY OWNERS.

10.1. Any Owner who rents or leases such Owner's Unit for thirty (30) days or more in duration shall advise the Management Committee or Common Area Manager in writing that the Unit has been leased or rented. The provisions of Section 7 of these Bylaws shall apply with equal force to renters or lessees of Units.

10.2. Any Owner who rents or leases or otherwise permits any other person to utilize such Owner's Unit shall be responsible for the conduct of such Owner's tenants or occupants, and upon written notice from the Management Committee or the Common Area Manager, said Owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants or occupants.

10.3. If an Owner fails to correct violations by tenants within seventy-two (72) hours of such notice, the Management Committee or Common Area Manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the reasonable costs of such action, including but not limited to fees and costs paid to third parties, to be assessed to the Owner and payable within thirty (30) days of Common Assessment. Such costs shall be collected and enforced in the same manner as Common Expenses under the Declaration.

10.4. The power of the Management Committee or Common Area Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting, leasing or otherwise permitting any other person to utilize such Owner's Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the Common Area Manager from and against any and all liability therefor. It is expressly understood that the remedies available to

the Management Committee or Common Area Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Owner.

10.5. As provided for in Section 20.5 of the Declaration, if an Owner shall at any time lease such Owner's Unit and shall default in the payment of Common Assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid. This Section 10 shall be incorporated by reference into every lease agreement entered into by and between an Owner and such Owner's tenant, whether or not this Section is expressly referenced therein.

11. AMENDMENT OF BYLAWS.

Except as otherwise provided in the Act, the Declaration or these Bylaws, these Bylaws may be amended by the vote of Owners holding a majority of the Total Votes of the Association present in person or by proxy at a meeting duly called for such purpose, or by written ballot without a meeting. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws and notify the Owners, writing, of such amendment, setting forth the fact of the required affirmative vote of the Owners and the amendment shall be effective upon recording in the Office of the Wasatch County Recorder. Notwithstanding anything to the contrary contained or implied herein, Declarant reserves the right, without the consent of any other Owners, to amend any provisions of these Bylaws to comply with the then existing statutes, regulations or other requirements of any federal, state or local regulatory authority affecting the Project.

12. SEVERABILITY.

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

13. WAIVER.

The failure of the Management Committee to insist upon strict performance of any provisions hereof shall not be construed as a waiver for future purposes with respect to any such provision or option. No provision of these Bylaws shall be deemed to have been waived unless such waiver is in writing and signed by the Management Committee.

14. CAPTIONS.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

15. EFFECTIVE DATE.

These Bylaws shall take effect as of the date of the Declaration, having been duly adopted by the Management Committee.

16. COUNTERPARTS.

These Bylaws may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. SEAL.

The Management Committee may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."

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EXECUTED this 11 day of May, 2026.

**MANAGEMENT COMMITTEE**

Signed by:
By: Bill Fiveash
0C46E0E7DB9A450...
Name: Bill Fiveash
Title: President

DocuSigned by:
By: Jay Lambiotte
53A578652B75415...
Name: Jay Lambiotte
Title: Vice President & Secretary

Signed by:
By: Steve Issowits
770230B204754BA...
Name: Steve Issowits
Title: Secretary-Treasurer

# EXHIBIT C

**Water Policy Supplement**
**Jordanelle Special Service District's Water Dedication Policy**
**Outdoor Water Supplement for "Waterwise Landscaping"**

(See Attached)

**JORDANELLE SPECIAL SERVICE DISTRICT**

**RESOLUTION NO. 2023-04 -- Adoption of an Outdoor Water Supplement to Water Dedication Policy**

**RECITALS**

WHEREAS, the Jordanelle Special Service District (the "**District**") is a special service district established by the County Legislative Body of Wasatch County, Utah, pursuant to the provisions of Utah law, for the purposes of providing culinary water, sewer services, and other services within the boundaries of the District;

WHEREAS, the District is authorized to require the dedication of water rights to the District in an amount sufficient to serve new developments;

WHEREAS, the District has a Water Right Dedication Policy that governs the procedures for dedicating water rights and water shares to the District, and which has historically required Developers to dedicate 3.0 acre-feet of water for every outdoor irrigable acre in the proposed development;

WHEREAS, the District recently engaged Bowen Collins & Associates to study different types of landscaping, the appropriate dedication requirements for those different types of landscaping, and to propose a supplement to the Water Dedication Policy allowing for appropriate reductions to the standard outdoor water dedication requirements (the "**Outdoor Water Supplement**", attached as Exhibit A);

WHEREAS, the Wasatch County Council, acting as the governing board of the District (the "**Board**") has reviewed and considered the Outdoor Water Supplement, including the analysis and findings presented by Bowen Collins & Associates at the October 10, 2023 meeting of the Board; and

WHEREAS, the Board has determined that adopting the Outdoor Water Supplement, as a supplement to the District's Water Right Dedication Policy, is in the best interests of the District and its customers.

NOW, THEREFORE, the Board adopts this resolution:

1. The Board hereby adopts the Outdoor Water Supplement, as set forth as Exhibit A. The Outdoor Water Supplement will be treated as a supplement to the District's existing Water Right Dedication Policy. The General Manager is responsible for interpreting and applying the Outdoor Water Supplement.

Resolution 2023-04 Approved and adopted this 10th day of October, 2023

By: _____
District Board Chairman

Attest:

By: Teresa Robins
District Treasurer

# Exhibit A

## Water Right Dedication Policy – Outdoor Water Supplement

Overview

There are three tiers of outdoor water dedication available for developers: (i) Standard, (ii) Waterwise, and (iii) Temporary.

The method of calculating the outdoor dedication requirement will be as follows.

- Calculate the quantities of Irrigable Area (IA) applicable to the respective tiers of outdoor water dedication.
- Apply the corresponding dedication values to these areas (ac-ft per IA)

Areas which are not likely to be irrigated now or in the future do not contribute to water dedication requirements.

Standard Dedication = 3 ac-ft per IA

This is the typical dedication requirement and is applied to all irrigable acres which do not qualify for any of the subsequent tiers of dedication. It is appropriate for the irrigation of turf and areas sprinkler irrigated in Wasatch County.

As determined by the District, plat notations may be required if the amount of area planned for irrigated landscaping is less than typical for the type of development or is less than the practical maximum amount of landscapable area. While plat notations vary due to the situation, the typical plat notation is as follows:

- *The areas within single-family residential lots may only irrigate up to ____ square feet per lot.*

The standard calculation for historically irrigated areas is that all non-hardscaped ground is irrigable.

Waterwise Dedication = 1.6 ac-ft per IA

This dedication tier is intended to account for water savings in areas which will be landscaped and irrigated in a waterwise way. It accounts for water savings associated with the increased efficiency of drip irrigation, the lower water requirement of waterwise plants, and the lesser typical coverage of waterwise landscaping styles (i.e. more rock mulch in-between plants, etc.). The waterwise dedication requirement is appropriate for this type of landscaping in Wasatch County[1]. To qualify for the Waterwise Dedication Tier, an applicant must provide and receive approval for a landscaping plan which clearly indicates that the following requirements are or will be met:

1. All irrigation must be done using drip irrigation technology. Sprinkler irrigation is not allowed.
2. Turf areas cannot qualify.
3. Plantings are limited to waterwise / native plants from the following published lists which also adhere to the other policy requirements herein:

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[1] The data which supports the selection of 1.6 acre feet per IA is based on accepted values of irrigation efficiency, waterwise/native planting water use, and the effects of reduced canopy coverage from data based on: *Crop and Wetland Consumptive Use and Open Water Surface Evaporation for Utah* by Utah State University (2011 – Hill, Barker, and Lewis), *Literature Review of Current & Upcoming Irrigation Technologies and Practices Applicable to Utah* by Utah State University (2020 – Barber, Khanal, and Peters), *Utah's Regional M&I Water Conservation Goals* by the State of Utah Division of Water Resources (2019 – Jones, Larson, et al), and *Water-efficient Urban Landscapes: Integrating Different Water Use Categorizations and Plant Types* by Utah State University (Kopp and Kjelgren).

a. USU Water-Wise Plants for Utah Landscapes List (Cerny, Hefelblower, Sagers, and Bitner)
https://digitalcommons.usu.edu/cgi/viewcontent.cgi?article=1020&context=cwel_extension
b. CUWCD Conservation Plant List
https://cuwcd.gov/assets/documents/conservation/2020PlantList.pdf
c. USU Utah Botanical Center Utah House Water-Wise Landscape Plant List (Very Low Water, Low Water, and Moderate Water designations only)
https://extension.usu.edu/cwel/files/Utah_House_Plant_List_v2_4p.pdf

4. The canopy coverage ratio[2] for irrigable areas must be 65% or less.
5. Areas which have been historically irrigated[3] (as determined by the Water Board) are not eligible for the Waterwise Dedication Tier.
6. Landscaped areas within the boundary of single family lots[4] are not eligible for the Waterwise Dedication Tier.
7. The development must be able to meet these requirements and simultaneously meet the landscaping requirements set forth by the land use authority.
8. The developer must include the following plat notation and apply it to areas which have been deemed to qualify for the waterwise dedication tier.
   a. *The areas outside of single-family residential lots may only irrigate up to ____ acres. Of that total, a minimum of ____ acres must comply with the _____ Special Service District's Water Dedication Policy for "Waterwise Landscaping", which is to meet the following conditions: 1) All Irrigation must be drip technology, 2) No turf is allowed. Plant species will be restricted to the native plants outlined in Water Dedication Policy. 3) Canopy coverage cannot exceed 65% of the waterwise landscaped area.*
9. Homeowner's Association (HOA) covenants should be established to ensure long-term compliance with approved landscaping plan.
10. A requirement to follow through with planned and approved water wise landscaping is to be included in the Development Agreement.
11. A certification that the submitted irrigation plan complies with the minimum requirements of the waterwise dedication tier must be signed by the Landscape Architect or Engineer and submitted along with the landscaping plan and irrigation plan for District review. The certification is a form included in the dedication policy.

Temporary Dedication = 0 ac-ft per IA

This is the dedication tier associated with disturbed areas which are to be reseeded with native vegetation and irrigated only temporarily after construction to establish the native vegetation. To qualify for the Temporary Dedication Tier an applicant must provide a landscaping plan which clearly indicates that the following requirements will be met:

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[2] Canopy Coverage Ratio measures the portion of an area covered by foliage at the mature plan stage when viewed from above. Expressed as a percentage, 0% indicates no vegetation cover and 100% means complete vegetation coverage once plants are fully grown.

[3] It is a community standard that historically irrigated areas not be dewatered and de-vegetated. The Waterboard and the various irrigation companies have required this policy requirement for the purpose of protecting the nature and character of the community by protecting the green spaces of Wasatch County.

[4] The irrigated area within a single-family lot cannot be easily monitored/enforced and there isn't a reasonable assurance that initial landscaping schemes will remain in place long term.

1. The irrigation systems for these areas utilize no below ground infrastructure (i.e. it must be above ground irrigation systems such as pulling hoses, above ground temporary sprinklers, etc.).
2. The irrigation systems for these areas will not require temporary meter cans (i.e. these temporary systems must be served through metered connections associated with permanent usage such as a nearby permanently irrigated area.).
3. No plantings which are likely to require permanent irrigation—even if intermittent—are included (i.e. coverage calling for "occasional" irrigation is not allowed.).
4. Temporarily irrigated areas may only be irrigated for up to 2 irrigation seasons to establish vegetation. After this, irrigation systems for these areas must be decommissioned and removed.
5. The developer must include the following plat notation and apply it to areas which have been deemed to qualify for the Temporary Dedication Tier.
    - *The area denoted as Temporarily Irrigated shall be irrigated only through the irrigation season ending October _____. After this time, the temporary irrigation systems for these areas shall be decommissioned and removed.*

Approval Process

Water dedication is evaluated at all three stages of the review process (feasibility review, draft will serve review, and final will serve review). The developer is required to submit information regarding planned outdoor water use / landscaping concept at each stage of review. The level of detail presented at each stage of review is usually conceptual/basic at feasibility review and more detailed for the other two phases. The following describes the basics of each stage of review as it relates to outdoor water dedication.

1. Feasibility Review:
    a. Conceptual information regarding the type, extents, size, location, and landscaping of the development must be submitted to the District for review and approval. This may include information supporting a development's plan regarding which of the water dedication tiers are planned to be utilized.
    b. The District will calculate approximate water dedication requirements.
    c. Information regarding the Development's available water rights/shares/reservations must be provided to the District for a comparison with dedication requirements.
    d. The District will prepare a Feasibility Letter which contains information to the development's dedication requirements.
    e. The Development must appear before the Water Board for approval of the water dedication concept.
2. Draft Will Serve Review:
    a. A detailed landscaping plan must be submitted to the District for review.
    b. The District will calculate the approximate water dedication requirement and review it for conformance with the previously District-Approved and Water Board-Approved concept and the Development's available water rights.
    c. If the Development concept meets the minimum dedication requirements previously approved, the District will issue a Draft Will serve Letter. If not, the Development will need to appear again before the Waterboard for a new approval due to non-compliance with the previously approved concept.
3. Final Will Serve Review:
    a. The following must be submitted to the District for review:
        i. A detailed landscaping plan
        ii. (If utilizing dedication tiers other than standard) A detailed irrigation plan

iii. (If utilizing the Waterwise Dedication Tier) The signed and completed Waterwise Landscaping Certification
iv. (If utilizing the Waterwise Dedication Tier) Proof the necessary HOA covenants
v. The Plat showing all required plat notations (if any)

b. The District will calculate the approximate water dedication requirement and review it for conformance with the previously approved concepts and the Development's dedicated water rights.
c. If the development plans meet the requirements of this Dedication Policy and prior approvals, a Final Will serve Letter will be issued. If it doesn't, it will be rejected until it meets the requirements or obtains different approvals by returning to previous steps in the process.