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BLUE SAGE RANCH COMMUNITY ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS

Wasatch County, Utah

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BLUE SAGE RANCH COMMUNITY ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 27th day of October, 2021 by Blue Sage Ranch Community Association, a Utah non-profit entity.

ARTICLE ONE The Community

1.1 Purpose and Intent of Declaration

Blue Sage Ranch, L.L.C. (the "Declarant"), as the owner of the property described in Exhibit "A" is recording this Declaration to establish a general plan of development for Blue Sage Ranch Community (the "Community"). This Declaration provides for the Community's overall development, administration, maintenance, and preservation.

1.2 Goals and Intent of the Community

The Community is created to provide residential living to its Owners in a rural atmosphere and environment of quality and cleanliness where open space and Lots are primarily maintained in their natural condition. Structures are intended to reflect the diverse individual Owners without being disruptive to neighbors, while Lot improvements are intended to maintain a more consistent and harmonious design relationship throughout the Community, especially those in close proximity to neighboring lots or those directly visible from public roads or neighboring lots.

The Association and this Declaration exists to secure and preserve the designs, uses, atmosphere and culture of the Community as originally intended by the Declarant and initial property Owners who purchase Lots. The desired atmosphere and culture of the Community is one of high quality, universal maintenance and preservation, while simultaneously not being a burden to the personal property rights or finances of the Owners or disrupting the general civility within the Community.

It is intended that the Owners act to manage themselves according to this Declaration, and the Association not be required to unduly "police" the Community for compliance.

The Association is not intended to act as a "developer" to further the Community beyond its original designs and construction or to add amenities and common improvements, except as specifically provided herein. Any proposed changes to this Declaration or improvements of the Community by the Board should first consider the Lots were purchased within the Community and Association in a condition of "as is" by its Owners, and large, extreme, or costly changes or additions should be avoided.

1.3 Binding Effect

This Declaration governs the property described in Exhibit "A", and any other property submitted to this Declaration in the future by a Recording. This Declaration shall run with the title to such property and shall bind anyone having any right, title, or interest in any portion of such property, their heirs, successors, successors-in-title, and assigns.

1.4 Governing Documents

The Governing Documents create a general development plan for the Community. The plan may be supplemented by additional covenants, conditions and restrictions as applicable. The following table identifies and summarizes the Governing Documents, as they may be amended:

Declaration	Creates obligations which are binding upon the Community and its present and future owners in the Community.
Articles of Incorporation	Establishes the Association as a Utah non-profit corporation under Utah law.
By-Laws	Governs the internal affairs of the Association, such as voting rights, elections, meetings, officers, etc.
Development Agreement	Establishes the terms and conditions of Declarant's right to develop the Community and provides certain obligations of Declarant, the Association and the property owners.
Use Restrictions Board Resolutions and Rules	Govern use of the property and activities within the Community; establish rules and procedures for internal governance of the Association; regulate the operation and use of the Common Areas within the Community.

The Governing Documents apply to all Owners and any occupants of a Lot within the Community. They also apply to tenants, guests, visitors and invitees.

If any court determines that any provisions of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of the provision.

ARTICLE TWO Definitions

The terms used in the Governing Documents are given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms are defined as follow:

2.1 Definitions

- "Articles": The Articles of Incorporation of Blue Sage Ranch Community Association, filed with the Utah Division of Corporations and Commercial Code, as they may be amended.
- "Assessments": The assessments levied against Lots within the Community, including Regular Assessments and Special Assessments.
- "Association": The Blue Sage Ranch Community Association, a Utah nonprofit corporation and its successors and assigns.
- "Board": The Board of Directors of the Association.
- "By-Laws": The By-Laws of the Association, as they may be amended.
- "Common Area": All real and personal property, including easements, which the Association owns for the common use and enjoyment of the Owners.
- "Common Expenses": The actual and estimated expenses the Association incurs or expects to incur, including reserves, for the general benefit of the Association and Owners. Common Expenses include any reserves the Board finds necessary or appropriate.
- "Common Areas": The Common Area, together with any other area for which the Association has or assumes maintenance or other responsibility.
- "Community": The Blue Sage Ranch Community Association.
- "Declarant": Blue Sage Ranch, L.L.C., a Utah limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibit "A" for development and/or sale and who is designated as Declarant in a Recorded instrument.
- "Design Review Committee": The committee established to review plans and specifications for the construction or modification of improvements and to administer and enforce the architectural and design controls described in the Declaration ("DRC").
- "Design Guidelines": The Community's architectural, construction, design, landscaping and site planning guidelines and review procedures adopted and amended pursuant to the Declaration.
- "Developer": Blue Sage Ranch, L.L.C., a Utah limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibit "A" for development and/or sale and who is designated as Declarant in a Recorded instrument.
- "Development Agreement": That certain Development Agreement between Wasatch County and Declarant relating to the Community.

- "Final Design Review": A complete package of final designs, plans, exterior specifications, and required design review fees, with all submittal drawings and plans being drawn to scale and organized with technical details necessary to provide a clear and concise understanding of all intended designs, shall be submitted to the DRC for review and approval.
- "Improvement": (a) any Residence, building, guest house or other accessory building, fence or wall; (b) any swimming pool, tennis court, basketball court, solar panel, road, driveway, parking area or satellite dish; (c) any trees, plants, shrubs, grass or other landscaping improvements of every type and kind; (d) any statuary, fountain, artistic work, craft work, figurine, ornamentation or embellishment of any type or kind (whether or not affixed to a structure or permanently attached to a Lot or Parcel); and (e) any other structure of any kind or nature.
- "Lot": The portion of the Community, whether improved or unimproved, which may be independently owned and conveyed, and upon which a Residence is intended for development, use, and occupancy. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Residence, on the Lot. The boundaries of each Lot shall be shown on a Plat.
- "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.
- "Occupant": Any Person other than an Owner who occupies or is in possession of a Lot or Parcel, or any portion thereof or building or structure thereon, whether as a lessee or otherwise, other than on a merely transient basis (and shall include, without limitation, a Resident).
- "Owner": The Record title holder to any Lot, but excluding in all cases, anyone holding an interest merely as security for the performance of an obligation (e.g., a Mortgagee). If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.
- "Person": An individual, a corporation, a partnership, a trustee, or any other legal entity.
- "Plat": Any Recorded land survey plat for all or any portion of the Community.
- "Primary Residence": The Structure on a Lot which is intended for use and occupancy as the primary residence of an Owner.
- "Preliminary Design Review": A review of plans intended to provide direction and guidance to the Owner and the Owner's design team concerning conformity with this Declaration prior to Owner's engagement of detailed design and engineering.
- "Public Trail System": The system of trails shown on a Plat dedicated for public use.

- "Record," "Recording," or "Recorded": To file, the filing of, or filed of record a legal instrument in the Office of the Wasatch County Recorder, Utah.
- "Regular Assessment": Annual assessments levied to fund Common Expenses for the general benefit of all Lots, as determined in accordance with this Declaration.
- "Secondary Residence": A Structure on a Lot which is intended for use and occupancy as a residence, but not a Primary Residence.
- "Special Assessment": Assessments charged against an Owner in accordance with this Declaration.
- "Structure": Any structure as such term is used generally, including but not limited to a Primary Residence, Secondary Residence and/or Improvement.
- "Structure Sitting": The physical and aesthetic manner in which a Structure sits in regard to the Lot, including but not limited to direction and height.

ARTICLE THREE Use and Conduct

3.1 General

The Association shall sustain the natural look and feel of the open lands within the Community, as well as the surrounding views from the Community, which shall be promoted by limiting or restricting all unsightliness and visually disruptive uses. It is the obligation of the Owner of each Lot to maintain its Lot and the Improvements to the Lot in a state of good repair and in an attractive, safe, and healthy condition in order to preserve and enhance the enjoyment of the Community.

No Structure, Improvement or item shall be placed, erected, or installed upon any Lot, and no Improvement or other work (including staking, clearing, excavation, grading and other site work, exterior alterations, or planting or removal of landscaping) shall take place upon any Lot within the Community, except in compliance with this Article and Design Guidelines, if any, adopted by the Board.

3.2 Land Use

As part of the general plan of development, the Governing Documents establish a framework of covenants, easements, and restrictions which govern the Community. This includes land use restrictions and Design Guidelines contained herein and which may be adopted by the Board. Within that framework, the Board must have the ability to respond to unforeseen problems and changes affecting the Community. The Board may adopt by resolution, or other administrative rule solutions to respond to unforeseen problems and changes affecting the Community.

(a) (Intentionally Blank):

(b) Public Trail System:

The trail system within the Community is a public trail system, which in some instances is located and established by easements on Lots, for the use and enjoyment of Owners and their guests, and members of the general public. The Public Trail System shall be operated and maintained by the Association at its expense, whether trails are on Association property or private Lots. Use of the trails shall be expressly restricted to non-motorized uses that include pedestrian, pedal bike, and equestrian uses, which include but shall not be limited to walking, jogging, hiking, cross country skiing, snowshoeing, horseback riding, mountain biking, etc.; excepting that e-bikes shall be allowed on Public Trail System and motorized equipment may access the trails for purposes of maintenance or improvement of the public right-of-way. The right-of-way for the trail shall not be used as a secondary accessway to Lots, nor as a storage area for personal property of any kind for any duration of time. If an Owner installs a fence between their lot and the public right-of-way, they must meet the requirements herein under Fencing.

(c) Signage:

No signs shall be permitted on any Lot or within the Community, except for (i) driveway entry features as required herein, (ii) traffic control signs placed by Wasatch County; (iii) temporary signs warning of some immediate danger; (iv) a single marketing sign per Lot of not more than six (6) square feet in size to communicate the sale of the Lot or its Residence, (v) a single political sign per Lot of not more than six (6) square feet displayed in proximity to the Lot's driveway entrance for a period of two weeks before an election, being promptly removed within two (2) days following the day of an election; (vi) two subdivision signs marketing the original sale of Lots, being not more than sixty-four (64) square feet in size to be removed after the final Lot in the Subdivision is sold; all in accordance with Wasatch County sign regulations.

(d) Mining:

The property within the Community shall be used for residential purposes only. No mining, drilling, prospecting, mineral exploration or quarrying activity of any scale will be permitted at any time.

(e) Business or Commercial:

No portion of a Lot or Common Area property may be used for commercial business use, provided, however, that nothing in this provision is intended to prevent (a) purposes of a construction office during the actual period of construction of any Residence or Improvement, including Association Improvements, or (b) the use by any Owner of his Lot for a home occupation. No home occupation will be permitted, however, which requires or encourages more than one of the Owner's clients, customers, patients or others to come to the Lot to conduct business at any given time, or which requires any employees outside of the Owner's immediate family or household. No retail product sales of any kind may

be made in the Community, other than sale of Lots and the structures located thereon by the Owner of the Lot.

(f) Lodging:

The Lots are to be used for residential housing purposes only and shall not be rented in whole or in part for transient/overnight/short-term lodging purposes, boarding house, bed and breakfast, or any other uses for providing accommodations to travelers on a short-term basis. No Structure on a Lot shall be subjected to vacation equity ownership or time interval ownership. No lease or use of any Structure or Primary Residence or Secondary Residence on a Lot shall be for a period of less than 180 days. All lease agreements and/or term use agreements shall be in writing and approved by the Board.

(g) Household Animals:

Common household animals or pets are permitted but shall not exceed a total of three on any Lot. Farm Animals, as defined herein, are excluded from this total number restriction. Due to the open and elevated topography of the Community where noise can travel great distances, no house pet shall be permitted to make an unreasonable amount of noise or create a nuisance of any kind in the Community, which expressly includes dogs constantly barking or howling. Owners shall be responsible for preventing dogs from entering other Lots and shall in no case allow dogs to roam unsupervised or uncontrolled by barriers or leashes. All dogs shall be leashed when not on the property owned by the pet's owner or on which the dog's owner is an Owner or guest. No Structure (excluding Equestrian and Poultry facilities) for the care, housing or confinement of any pet shall be visible from a neighboring property. Notwithstanding the foregoing, no pets may be kept on or in any Lot which, in the Simple Majority opinion of the Board, results in an annoyance to other Owners in the vicinity.

(h) Farm Animals:

Farm Animals shall include horses, mules, cattle, pigs, sheep, goats, ducks, and poultry. Each Lot shall be limited to, and in no case exceed, any combination of Farm Animals, other than ducks and poultry, in amount greater than one Farm Animal per two acres. Ducks and poultry shall be limited to, and in no case exceed, any combination of twelve (12) per Lot. Roosters are prohibited in the Community. No Structure or pen for the care, housing or confinement of any duck or poultry animal shall be reasonably visible from a neighboring property. Pastures, trees and shrubs within the Lot shall continue to thrive and be protected from overgrazing or other damage by Farm Animals. Waste and refuse feed shall not be allowed to accumulate or be stockpiled for a period of more than four (4) months. Equipment such as troughs, feeders, fencing, and other associated items shall be kept in a clean, functioning and orderly fashion.

(i) Honey Bees:

Honey bees shall be permitted on Lots and shall be expressly limited to two hives per Lot. All hives shall be located not less than five hundred (500) feet from any neighboring Residence or structure regularly occupied by people.

(j) Other Animals:

All animals not included in Household Animals, Farm Animals, or honey bees shall be expressly prohibited.

(k) Bike Course:

Bike courses may be constructed on Lots, provided that they are approved by Committee according to all design and improvement guidelines. Bike courses may include berms, ramps, and other course features made exclusively of earthen materials, not to exceed eight (8) feet in height. Non-earthen materials are restricted from use in bike courses. Use of bike courses shall be expressly restricted to non-motorized bikes, excepting e-bikes. Motorized off road vehicles of any kind, including but not limited to, motorcycles, ATVs, SSVs, UTVs, ROVs, Snowmobiles, etc. are restricted from use on bike courses. Notwithstanding the above, ATVs, SSVs, UTVs, ROVs, Snowmobiles may be used within Lots for maintenance and utility purposes.

(l) Open and/or Bulk Storage:

No open and bulk storage shall be allowed, including without limitation, the open storage of any building materials (except during the active construction of any Residence or Improvement); the stockpiling of earthen or landscaping materials (except during the active installation of such items), the accumulation of construction debris or waste (except during the active construction of any Structure unit or addition); the accumulation of lawn or tree clippings or trimmings; the accumulation of household refuse or garbage; the accumulation of animal waste or refuse feed; and the storage or accumulation of any other material.

(m) Vehicle Storage and Parking:

There shall be no open storage or open overnight parking for more than two consecutive nights of Personal Vehicles and Equipment that is visible from Primary Residences and Secondary Residences on immediately adjacent Lots or from adjacent public streets, except as specifically defined herein, but shall be stored or parked in a fully enclosed structure, or be fully screened from view by natural topography and foliage or by solid fencing per the Yard Fencing requirements. Personal Vehicles and Equipment is defined as farm, construction, or business equipment of any kind, boats and watercraft of any kind, campers and camp/travel trailers of any kind, motorhomes of any kind, utility and work trailers of any kind, all-terrain or off-road vehicles of any kind, motorcycles and motorbikes of any kind, recreational vehicles or other similar machinery or equipment, whether motorized or not, whether wheeled or not, and whether or not in operating condition. There shall also be no open storage or open overnight parking for more than two consecutive nights of trucks and vans larger than pick-up trucks and small passenger vans or any inoperable motor vehicles and equipment. Notwithstanding

the foregoing: (a) up to two cars, vans or trucks having a capacity of one ton or less may occasionally be parked in open driveways or other improved parking areas on a Lot so long as the same are in operating condition and are regularly used for transportation of passengers; (b) additional cars, vans or trucks having a capacity of one ton or less may be parked from time to time on open driveways or other improved parking areas on a Lot to accommodate visitors or guests of the Owner of that Lot; and (c) service, repair or delivery vehicles may be parked on a Lot for the period reasonably required to effect the needed service, repair or delivery. Except for emergency repairs, no Personal Vehicles and Equipment shall be repaired, constructed or reconstructed on a Lot except within a fully-enclosed structure. No Personal Vehicles and Equipment shall be parked on any street, except for temporary parking of an Owner's guests not to exceed 24 hours. No Personal Vehicles and Equipment shall be parked on any trail right-of-way or Association property.

(n) Snow Removal:

Each Owner shall be responsible for removal of snow from the driveway and pathways on such Owner's Lot. Owner may stockpile snow in areas specifically designated for snow storage on the Plat, or on its own Lot, and shall in no way use neighboring lots or Association property not formally designated for snow storage.

(o) Wildfire Protection:

Due to the mountainous nature with high risk of wildfire across the Community, the substantial investment by each Owner, and possible irreparable damage that could be caused by wildfire, a strict fire prevention policy shall remain in effect. The Board may aggressively impose Lot specific restrictions to revoke allowed uses for an Owner's disregard to these prevention guidelines or may pursue Civil actions for incidents of extreme negligence.

Weed Control: Controlled burning of weeds and natural foliage are strictly prohibited during the months of May, June, July, August, and September, regardless of amount and location. The Board may elect to extend the no-burn restriction to include the months of April and October on an annual basis as needed based on local conditions. Notice shall be given to each Owner should an extension of the no-burn policy be enforced. The burning of all materials such as rubbish and garbage that is not native foliage to the Community is strictly prohibited at all times and shall in all cases be disposed out of the subdivision such as at the Wasatch County solid waste facility. An allowable controlled burn per this Declaration shall be according to all regulations imposed by Wasatch County, and Owner shall have full responsibility to obtain necessary permits. If Wasatch County and Association regulations disagree, then the more stringent shall apply. Owner shall have readily available during an allowable controlled burn, at least two portable fire extinguishers and hose with flowable water source readily available to ensure fire control.

Wood Burning Fire Pit: One outdoor wood burning fire pit shall be allowed per Lot, and shall include fire prevention measures such that each open fire pit: (i) shall be located not less than fifty feet (50') from all constructed structures, including all residential dwellings, garages, barns, or outbuildings of any kind; (ii) shall be contained in a pit of not more than sixteen (16) square feet, being surrounded by a stone or masonry barrier not less than twelve (12) inches in height; (iii) shall be surrounded by a stone or masonry ground covering of not less than twenty (20) feet in all directions from the center point of the fire pit; (iv) shall have a portable fire extinguisher available within twenty (25) feet of the center point of the fire pit; (v) shall have installed a hose with flowable water source within twenty (25) feet of the center point of the fire pit being capable of reaching fifty (50) feet. Owner shall be solely responsible for continued compliance to these guidelines, and shall in no case cause fire or use an open fire pit when these prevention requirements are not satisfied.

Natural Gas Fire Pit: Natural gas fire pits shall be allowed on each lot and shall require a non-flammable barrier of not less than ten (10) feet from all flammable materials such as structures, landscaping, or natural foliage.

Fireworks: Fireworks shall be expressly limited to those items and dates deemed allowed per the State of Utah and all Wasatch County restrictions and ordinances, and in no case shall special permit fireworks of any kind be allowed. Notwithstanding the foregoing, in no case shall any fireworks of any kind emit, launch, or project sparks, flames, or combustive materials more than eight (8) feet into the air. Use of all fireworks shall be restricted to the public streets of the Community, or improved private driveways where flammable landscaping or foliage is at least twenty (20) feet away. A fire extinguisher shall be immediately available when fireworks are being activated.

(p) Storm Drainage and Soil Retention:

No Owner shall take action to alter the direction of natural drainage to and from its Lot, or alter the engineered drainage systems within the Community, including detention and retention facilities, per Wasatch Country approved designs; except in emergency circumstances where imminent property damage may occur. In the event Owner discovers a systemic drainage or landslide issue on its Lot, or outside its Lot, that may threaten Owner's or Association's property, Owner shall contact Committee so that a joint resolution may be reached in coordination with Wasatch County as necessary. Owner shall be responsible for natural and hard surface storm drainage designs on its Lot, including necessary erosion control and soil retention measures. Retaining walls shall not be unsightly in scale, substance, and designed such that they are unsightly from neighboring Lots and public streets.

(q) Noxious or Offensive Activity:

No noxious or offensive activity or nuisance shall be permitted on any Lot, including the creation of loud or offensive noises and music, or odors, or light that detracts from the reasonable enjoyment of nearby Lots.

(r) Hazardous Activity:

No activity may be conducted on any Lot that is or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or which would cause the cancellation of a conventional homeowner's insurance policy.

ARTICLE FOUR Design Review

4.1 General

The Association shall make reasonable efforts to sustain the natural look and feel of the open lands within the Community, as well as the surrounding views from the Community, which shall be promoted by restricting all unsightliness and visually disruptive uses. It is the obligation of the Owner of each Lot to maintain its Lot and the Improvements to the Lot in a state of good repair and in an attractive, safe, and healthy condition in order to preserve and enhance the enjoyment of the Community.

No Structure or item shall be placed, erected, or installed upon any Lot, and no Improvement or other work (including staking, clearing, excavation, grading and other site work, exterior alterations, or planting or removal of landscaping) shall take place upon any Lot within the Community, except in compliance with this Article and Design Guidelines, if any, adopted by the Board.

No design review approval shall be required to repaint the exterior of a Structure in accordance with its most recently approved color scheme or to rebuild in accordance with previously approved plans and specifications. Any Owner may remodel, paint, or redecorate the interior of structures (including the Primary and Secondary Residences) on his or her Lot without design review approval. Although design review is not required under the limited circumstances set forth above, each Owner will still have the responsibility to comply with any applicable Design Guidelines, if any.

4.2 Design Review

Prior to the appointment of a Design Review Committee ("DRC"), all powers granted to the DRC shall be granted unto the Declarant. The DRC shall consist of at least three, but not more than five, persons who shall serve and may be removed and replaced at the Board's discretion. Members of the DRC need not be Owners and need not be members of the Board. Members of the DRC shall each be compensated \$75.00 for each Preliminary Design Review and \$100.00 each for each Final Review Design, which may be waived by the Board.

The DRC shall exist to guide the progressive improvement of Lots by Owners according to this Declaration, to generally include among other things: (i) promote harmony among all architectural designs and land uses while not unduly burdening the Lot owners, (ii) promote the preservation of natural vegetation and topography, (iii) preserve views into

and from the Community, (iv) maintain consistency in the application of the guidelines of this Declaration.

The DRC shall enforce only the current guidelines as written and adopted within the Governing Documents. As part of the general plan of development, the Governing Documents establish a framework of covenants, easements, and restrictions which govern the Community. Within that framework, the Board shall have the ability to respond to unforeseen problems and changes affecting the Community. The Board may adopt resolutions to respond to unforeseen problems and changes affecting the Community.

The DRC shall keep and safeguard complete and permanent written records of all approved applications, including one set of the final approved architectural and site development plans, and of all actions of approval or disapproval and all other formal actions taken by it under the provisions of the Governing Documents.

4.3 Review Procedure

No construction activities may begin until a request is submitted to and approved by the DRC. The request for review must include plans and specifications and other information reasonably requested by the DRC.

Preliminary Design Review: A Preliminary Design Review must be completed prior to submittal for Final Design Review. The formal review shall begin with the Owner's submittal of conceptual site and building plans and payment of required review fees. This review is intended to provide direction and guidance to the Owner and the Owner's design team concerning conformity with this Declaration prior to Owner's engagement of detailed design and engineering. Conceptual drawings typically indicate overall design and site planning directions, but are not intended to fully resolve all technical or design issues. They illustrate (1) the siting of conceptual building elements; (2) the preliminary building form and massing; (3) the general architectural character, style and materials; (4) the visual and functional linkages; (5) the view and relationship with neighboring sites; (6) the grading required for driveway access and the siting of the building; and (7) the general extent of site disturbances. Persons contemplating the purchase of any Lot may submit preliminary sketches with site plans for purposes of obtaining an informal approval hereunder. The DRC shall not be committed or bound in the Final Design Review by any approval or disapproval made in the Preliminary Design Review. Upon request of an Owner, a conceptual review meeting with the DRC may be scheduled with not less than three weeks advance notice. The DRC shall evaluate the conceptual plans for conformity with this Declaration, and within two weeks following the submittal of conceptual site and building plans or the review meeting, the DRC shall issue a written response to the applicant that records outstanding issues, concerns, required changes, and overall summarizes the DRC's comments. The DRC may recommend an interim meeting with the applicant before plans are released for Final Design Review if issues appear to warrant it. The required Preliminary Design Review fee for each submittal shall be \$75.00. Any resubmission due to comments or changes as required by the DRC shall not require an additional fee.

Final Design Review: A Final Design Review shall not occur prior to, or concurrent with, the Preliminary Design Review. A complete package of final designs, plans, exterior specifications, and required design review fees, with all submittal drawings and plans being drawn to scale and organized with technical details necessary to provide a clear and concise understanding of all intended designs, shall be submitted to the DRC for review and approval. The DRC shall first certify or reject in writing that sufficient information to exercise the judgment required of it by these covenants is included in the submittal, which certification/rejection shall occur within fourteen (14) days after submittal is received. The required submittal information shall take into account the unique character of each Lot and Improvements and may not be completely uniform for each Lot. The DRC shall individually and collectively review the submittal for conformity to the intent and Development Guidelines, if any, of the Community and all issues identified in the Preliminary Design Review. Applicant shall allow access to subject lots and affected areas for physical inspections as deemed necessary by the DRC at a time mutually agreeable to Owner and DRC. Owner and its representatives shall not be required to be present at a physical inspection. A majority vote of the members of the DRC shall be required for the approval of the submittal. The DRC may (i) approve the application, with or without conditions, (ii) approve a portion of the application and disapprove other portions, or (iii) disapprove the application. A review by the DRC is not a substitute for any approvals or review required by Wasatch County or other municipality or government agency or entity having jurisdiction over architectural or construction matters.

If an application is approved or approved with conditions, the applicant shall receive written notice from DRC and may move forward to apply for a Building Permit. If an application is disapproved, the applicant may submit revisions to the DRC at any time and receive a response within fourteen (14) days of resubmittal. Subsequent reviews after disapprovals are subject to payment of an additional review fee. In the event the DRC fails to take any action within twenty-one (21) days after the submittal has been certified in writing as complete, or after resubmittal has occurred, then submittal shall automatically be deemed to be approved, subject to the Board's right to protect the Community and the Governing Documents.

As part of the approval, the DRC may require approved construction to be commenced and or completed within a specified time period. No Structure may be occupied prior to its completion and the issuance of a certificate of occupancy by Wasatch County.

<u>Building Permit</u>. DRC approval is necessary prior to application for a building permit or site modification approval. Owner shall not submit to Wasatch County any application for a building permit or site modification approval prior to the DRC issuing written Final Design Review approval. The issuance of a permit or approval by Wasatch County for any plans and specifications not approved by the DRC shall in no way negate, waive, or limit the Owner's requirement for Final Design Review approval.

<u>Construction</u>. The DRC may impose reasonable Lot specific rules and regulations to minimize the inconvenience to adjoining Owners during the period of construction and improvement. Notwithstanding the foregoing, the following shall apply: (1) Portable

offices, storage trailers, or storage containers shall be allowed on Lots during active construction but must be removed promptly at County's issuance of Certificate of Occupancy; (2) No mobile home, trailer house, or any other non-permanent structure may be installed or maintained on any Lot as an overnight dwelling for any period of time, including during all Construction; (3) portable restroom facilities shall be required on Lots where the construction and improvement period shall exceed two weeks; (4) A single temporary construction sign shall be allowed on Lot during the construction period; (5) Parking of all construction vehicles and all loading/unloading of construction equipment shall be inside Lot perimeter and not on streets or Association land; (6) Mud and debris placed on streets from departing trucks and equipment shall be removed immediately, and in no case be permitted to remain beyond the end of the same day; (7) Collected dust on streets from general construction traffic shall not be allowed to accumulated and shall be swept as often as reasonable; (8) Work hours for all exterior construction and improvements shall be restricted to occur between 7:00am and 7:00pm. Work hours for interior improvements shall not be restricted; (9) All construction debris shall be removed from Lot on a monthly basis and be fully removed in no case later than County's issuance of Certificate of Occupancy; (10) Soil erosion and airborne dust shall be controlled such that no neighboring lot shall be adversely affected.

4.4 No Waiver

Each Owner acknowledges that the people reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretations may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, at which time, it may be unreasonable to require that such objectionable features be changed. However, the DRC may refuse to approve similar approvals in the future. Approval applications or approved plans in one instance shall not constitute a waiver of the right to withhold approval of similar applications, plans, or other matters subsequently or additional submitted for approval. Furthermore, each Owner acknowledges that the Community is diverse in topography, foliage, and configuration, and as such, some Lots may include mitigating requirements to reasonably prevent unsightliness or promote quiet enjoyment not required on other Lots.

4.5 Variances

Variances may only be authorized by the Board when circumstances, such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. No variance shall be effective (a) unless in writing, or (b) be contrary to this Declaration.

4.6 Limitation on Liability

The standards and procedures established by this Article are a mechanism for maintaining and enhancing the overall plan of the Community; they do not create any duty to any Person. No approval shall create any responsibility on behalf of the DRC or Board for ensuring the structural integrity or soundness of any approval, for ensuring compliance with building codes and other governmental requirements, or for ensuring that every Residence or Structure is of comparable quality, value, size, or similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

4.7 Enforcement

Any construction, alteration, or other work done in violation of this Article or the Design Guidelines, if any, is subject to enforcement action. Upon written request from the DRC or Board, Owner shall, at its own cost and expense and within a reasonable time frame identified in the request, cure the violation(s) or restore the Lot and/or Residence and/or Structure to substantially the same condition as existed before the violation occurred. Should an Owner fail to cure the problem or otherwise restore the property as required, the Association, or their designees shall have the right to enter the property, remove the violation, and restore the property. All costs, together with the interest at the rate the Board establishes, not to exceed the maximum rate then allowed by Utah law, may be assessed against the benefitted Lot.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner.

ARTICLE FIVE Improvements, Architecture and Landscape

5.1 General

Each Lot may contain structures as defined herein and per the Wasatch County, which may include but not be limited to Primary Residence, Secondary Residence, garages, barns, sheds, and other outbuildings. If this Declaration conflicts with the Wasatch County code, then the more stringent and restrictive shall govern.

5.2 Residence

Each Lot shall not have more than one Primary Residence. Each Primary Residence shall have an attached garage that is not less than nine hundred (900) square feet. Each Lot may also contain a Secondary Residence that may be constructed on any Lot per Wasatch County. An Owner shall not be required to begin construction of any Improvement by a set time after the purchase of Lot. A Secondary Residence may not be constructed prior to the Primary Residence, including garages or barns that may have living quarters.

5.3 Garages, Barns, Sheds, and Other Outbuildings

The number and types of garages, barns, sheds, and other outbuildings that may be constructed on any Lot shall be per Wasatch County. If an Owner chooses to construct a garage, barn, shed, or other outbuilding prior to the Primary Residence, a Lot master plan including all allowed Structures and Improvements must be approved by the DRC prior to the start of any construction or Improvement on the Lot. DRC shall examine overall visibility of Garages, Barns, Sheds, and Other Outbuildings from neighboring Lots and streets when considering specific requirements on plans and designs. Aesthetic requirements may not be as stringent for Structures hidden from view.

5.4 Temporary Structures

No Temporary Structure, mobile home, trailer house, or any other non-permanent structure may be installed, maintained, or used as a living quarter on any Lot for any period of time, including during construction. Metal shipping boxes may be used on Lots for storage only during the construction and improvement period and must be removed promptly at the end of the construction period.

5.5 Setbacks

No Structure or Improvement shall be erected within one hundred (100) feet of Lot boundaries, excepting Driveway Entrance Features, Driveways, and Containment Fencing as defined herein.

5.6 Structure Size

Approved Structures constructed on Lots shall have a minimum and maximum allowable gross floor areas as follows:

Primary Residence: Primary Residences not be less than 4,000 total square feet, excluding areas for attached garages, balconies, porches, and patios.

Secondary Residence: A Secondary Residence shall not exceed 3,500 total square feet, and shall not be less than 1,000 total square feet, excluding areas for attached garages, balconies, porches, and patios.

Barns, Detached Garages, and Outbuildings: Barns, Detached Garages, and Outbuilding sizes and quantities shall be per Wasatch County requirements.

5.7 Design

Approved Structures are intended to reflect the diverse individual Owners without being disruptive to neighbors, which shall be generally managed by DRC's approval of architectural styles, color schemes, materials of construction, diversity and combination of materials, and overall appeal of sittings within the Lots. Structures and Improvements that are visible from Structures on neighboring Lots and adjacent public streets shall be given greater attention than those less visible. In general, consideration shall be given to quality, cleanliness, timelessness, preservation of Community culture, and enhancement of the collective Owners' long-term investment in the Community. Oversimplified and bland Primary Residences that lack architectural features may be generally rejected by DRC, as well as extreme and distracting architectural features, including bright colors and uncommon materials of construction. Diversity of complementary materials is strongly encouraged, while extensive use of one material may be discouraged by DRC.

- (a) Exterior Wall Surfaces: The extensive use of metal siding, stucco, and wood shakes may be discouraged by DRC; however, these materials may be used in combination with other materials. The use of concrete masonry unit (CMU) materials may be allowed within a Structure, but shall in no case be visible as an unfinished or painted surface. Vinyl siding products shall not be allowed.
- (b) Roofing Materials: Metal roofing shall be allowed on Residences but not comprise more than 20% of the roof surface area. Roofing shall in no case be

- of raw metal or unfinished tin color or be made of any reflective material. Tile roofing shall be allowed, but in no case shall be terracotta in color.
- (c) Chimneys and Vents: Chimneys must be finished in material that is consistent with or complimentary to the Residence's overall exterior materials and designs. Exposed sheet metal flues and vents may not be exposed or visible from streets. Plumbing vent stacks must be combined under roof to the extent possible to minimize the number of roof penetrations, and shall not be visible from streets.
- (d) Exterior Lighting on Primary Residence and Secondary Residence: The intent of the Community as expressed herein is for preservation, with open space and Lots being primarily maintained in their natural condition, which includes the nighttime environment. Therefore, exterior lighting should be minimized where possible and is subject to DRC approval. Notwithstanding the foregoing, subdued and non-stark lighting shall be allowed during all nighttime hours on the exterior of Primary Residence and/or Secondary Residence; as accent, decorative, and eve lighting that only illuminates straight downwards or towards the Residence or Structure exterior. Exterior lighting that illuminates away from the Residence or Structure exterior such as driveway lights, porch lights, yard spots, etc., and any other permitted light, shall be restricted from use after midnight, excepting yard security lights that may be temporarily illuminated by motion sensors. All excessively bright lights regardless of use or placement shall be restricted from use at all times. Temporary decorative lighting such as for holidays, weddings, etc., shall be allowed. Any lighting approved by the DRC and subsequently found to be a nuisance to neighbors or the general atmosphere of the subdivision as determined by the DRC, may be required to follow specific use restrictions or absolute removal from use at the expense of Lot owners.
- (e) Other Exterior Lighting: The intent of the Community as expressed herein is for preservation, with open space and Lots being primarily maintained in their natural condition, which includes the nighttime environment. exterior lighting should be minimized where possible and is subject to DRC approval. Notwithstanding the foregoing, pole lighting with up-light deflectors to illuminate driveways, walkways, sport courts, corrals and paddocks, and other Lot improvements may be used, provided the poles and fixtures do not exceed fifteen (15) feet in height measured from the ground level of the pole. All bright light produced by pole lighting for sport courts, corrals and paddocks, bike courses, and other outdoor activities shall be restricted to use during evening hours prior to midnight. Light produced by pole lighting for driveways, walkways, etc. shall be subdued and non-stark during nighttime hours after midnight. Low voltage ground level up-lighting that is subdued and non-stark shall be permitted. Temporary decorative lighting for holidays shall be allowed during the month of the holiday per the requirements herein. Temporary decorative lighting for special events such as holidays, birthdays, etc. shall be

- allowed on the day/evening of the special event. Public street lighting throughout the Community shall be per the County requirements.
- (f) Rooftop Equipment: Antennas shall be permitted on rooftops but shall in no case be greater than eight (8) feet in height. Satellite dishes shall be permitted on rooftops but shall not exceed three (3) feet in diameter. Solar panels shall be permitted on rooftops but shall be installed against the roof surface so as to reduce visibility.
- (g) Balconies and Decks: All areas under balconies and decks must either be landscaped or screened from view with materials that are consistent with or complimentary to the Structure's overall exterior materials and designs.
- (h) Mechanical Equipment: All exterior mechanical equipment for Structures shall be installed or screened so as not to be visible from adjoining Lots or the public streets.
- (i) Height. Structure height may be up to thirty-five (35) feet as measured from the high point of the Structure to the grade immediately below that point. Structure height may exceed thirty-five (35) feet with approval of DRC, provided neighboring and adjacent view corridors are not adversely affected.
- (j) Structure Sitting. Placement of Structures on each Lot shall be subject to approval by DRC. The western view corridors from each Primary Residence to the Heber Valley floor and Wasatch Back Range are considered important to each Lot, and reasonable care shall be taken by Lot owners and DRC to preserve these views from each Primary Residence, especially view corridors towards Mount Timpanogos. The DRC shall give priority to Lot owner enjoyment except when neighboring views from existing Primary Residences are grossly and widely interrupted and alternative Structure Sitting is available on the Lot. Not every view from each Primary Residence shall be free of neighboring Structures, and in no case is any view corridor on any Lot guaranteed to be free of any neighboring Structures. Notwithstanding the above, Primary Residences that are first-approved by the DRC and first-built shall not guarantee priority over, or automatically restrict, neighboring Structure Sitting, and Lot owners are strongly encouraged as part of their Final Design Review to consider future Structure Sitting on neighboring Lots and the potential interruptions that may emerge to their view corridors.

5.8 Landscaping

A complete landscaping and irrigation plan showing landscaping layout, proposed plantings, and calculation of necessary irrigation water volumes with service provider (Lake Creek Irrigation and/or Twin Creeks Special Services District) shall be approved by the DRC prior to installation. Retention or incorporation of natural vegetation is strongly

encouraged and all areas of a Lot damaged by construction shall be revegetated. Owner may revegetate by planting lawns, gardens, shrubbery, trees, or other ornamental plantings, or replace natural species. Owners are strongly encouraged to design and install plantings suitable for USDA Plant Hardiness Zone 4 and greater. Local experience suggests that some Zone 3 plantings may survive in specifically protected circumstances, but success with these plantings is considered difficult and entirely random. The use of drought tolerant species of grasses, shrubs and trees is also strongly recommended. Landscaping shall be consistently maintained and any plantings that do not survive shall be replaced as viable per the growing season of the year.

5.9 Fencing

All fences within the Community shall be designed in a wildlife-friendly manner and should be consistent in design and material throughout the project. All fencing shall be black or brown in color, regardless of materials or uses, except as defined specifically herein. Wood fencing with stain or paint is generally discouraged within the Community, except as defined specifically herein. Owners shall submit to the DRC a proposed fence plan with specifications for approval prior to installation.

Containment Fencing: Owners may choose for their Lot to remain open and unfenced or choose to fence their Lot perimeter and interiors with a mountain fence design, being comprised of four log rails with posts of two crossed logs. The crossed posts shall be made of four-inch (4") logs, being not more than sixty inches (60") in height above the ground. The crossed posts shall be spaced at intervals of ten feet (10'). The rails shall be made of four-inch (4") logs, including three rails secured on the exterior side of the posts with the top rail at fifty-four inches (54") in height above the ground. The fourth rail shall be secured on the interior side of the posts at the same elevation as the middle exterior rail. The log material for both rails and posts shall be natural with bark remaining. The specific type and source of log materials shall be managed by DRC. Containment Fencing is not required around the entire Lot boundary and may be installed in segments. Containment Fencing may be used to divide the internal Lot area into sections, including along Driveways. Access to the trail system right-of-way from each Lot shall be maintained for maintenance and emergency response access, and where Containment Fencing is installed a gate with a minimum width of eight (8) feet is required. Owner may choose to install a second pedestrian gate for access to the trail system right-of-way. Each gate shall be constructed of a rigid metal tube that is brown in color, held in place at its hinges by a metal post. Owner may choose to lock trail access gates from their Lot as they deem necessary.

<u>Yard Fencing</u>: Open view decorative metal fencing, open view or solid vinyl fencing, or composite fencing up to six (6) feet in height may be installed near Structures around a total area not to exceed one (1) acre per Lot for reasons of personal security and privacy, to protect exterior improvements, contain household pets, restrict encroachment of native animals, etc. Swimming pools shall require a decorative metal, open view or solid vinyl, or composite containment fence that is a minimum of five (5) feet in height. All decorative

metal, vinyl, and composite fencing shall be brown or black in color. Automated driveway gates shall be allowed as part of Yard Fencing.

<u>Sport Court Fencing</u>: Vinyl covered chain link fencing up to twelve (12) feet in height that is black or brown in color may be installed immediately around sport court areas such as those for tennis, pickleball, basketball, and other athletic uses as approved by the DRC. Non-vinyl covered chain-link is prohibited.

<u>Farm Animal Fencing</u>: Fencing necessary to contain horses, mules, and cattle may be installed on Lot perimeters and interiors per the Containment Fencing requirements. Small animals such as pigs, sheep, and goats are restricted from areas that are contained by Containment Fencing. Corral or paddock fencing to be used as containment for horses, mules, cattle, pigs, sheep, and goats may be installed in Lot interiors not to exceed an area of two (2) acres, to be constructed of metal fencing, posts, and gates in rail and/or square farm fence design that is brown or black in color. Redundant gate systems are encouraged to prevent inadvertent livestock escapes. All corral and paddock fencing shall be setback a minimum distance of one hundred (100) feet from all Lot lines. Twisted wire fencing with and without barbs is prohibited within the Subdivision. Electric fencing may be used in conjunction with other approved fencing as described herein but shall not under any circumstance be used as the sole fencing system.

<u>Dog Kennel Fencing</u>: Vinyl covered chain link or painted metal fencing up to eight (8) feet in height that is black or brown in color may be installed for use as dog kennels. Non-vinyl covered chain-link or non-painted metal is prohibited.

Garden and Orchard Fencing: Fencing intended to protect gardens and orchards from native animals is strongly encouraged and may be installed not to exceed an area of one (1) acre per Lot. The fence design shall include rigid metal farm fence that is not more than eight (8) feet in height with wood or metal posts. All rolled or flexible farm fence is prohibited. Wood fence posts shall not be less than four (4) square inches or four (4) inches in round diameter, and metal posts shall not be less than four (4) inches in diameter. At least one top rail made from the same material as the posts shall be required at the top of the posts. Wood posts may be kept and maintained in their natural condition without paint or stain. All posts shall be spaced between eight (8) and ten (10) feet at consistent intervals. All Garden and Orchard fencing shall be setback a minimum distance of one hundred (100) feet from all Lot lines.

5.10 Driveways:

A single primary driveway shall be finished in a hard surface material of concrete, masonry, or asphalt on each Lot. All concrete driveways shall be dyed an earthen color. Design, location, and surfacing material shall be approved by the DRC, which design shall provide for the removal and management of snow on the Lot. Snow may not be stored on neighboring Lots or Association lands, unless designated for such use. Driveways may be approved and installed prior to Primary Residence construction, and must be approved and installed no later than completion of the Primary Residence. Each Lot may have a secondary point of ingress/egress, subject to County regulations and DRC approval.

Driveways shall be located not less than one hundred (100) feet from a neighboring Lot, unless special approval is granted by the DRC due to topographical constraints, minimized Lot frontage, or other special circumstances.

5.11 Driveway Entry Feature:

The Community intends to create and maintain a harmonious subdivision atmosphere, and as such, each Owner shall install a driveway entryway feature to meet all the designs and specifications of the approved Driveway Entry Feature as controlled by the DRC. The Driveway Entry Feature shall be required as part of the Owner's first Preliminary Design Review and Final Design Review, to be installed and completed as part of the initial improvements. Owner may or may not include gates in the Driveway Entrance Feature. Alterations or changes to the Driveway Entrance Feature design on a Lot-by-Lot basis are not allowed. Owner shall be wholly responsible to maintain the Driveway Entry Feature in a state of full repair.

5.12 Street Park Strip:

Each Lot shall be required to plant and maintain within its street park strip any combination of at least three (3) Lodgepole Pines, Douglas Firs, White Firs, or Blue Spruces, each not less than eight (8) feet in height; and also five (5) quaking aspens that shall not be less than three (3) inches in diameter or be a cluster of three (3) one (1) inch trunks. Placement shall be approved by DRC as part of the landscaping plan review. Natural clustering arrangements are encouraged. Irrigation shall be provided by Lot owner as necessary to maintain the trees. Plantings that do not survive shall be replaced by Lot Owner as viable per the growing season of the year.

5.13 Fuel Storage:

Propane and natural gas storage tanks may be installed and maintained underground per local, State, and Federal guidelines. No propane and natural gas storage tanks may be installed or maintained above ground if visible from ANY other Lot in the Community or a public road, as approved by DRC; and no fuel oil, gasoline, diesel, or other fuel storage tanks may be installed or maintained above ground if visible from ANY other Lot in the Community or a public road, as approved by DRC. Notwithstanding the foregoing, propane tanks not to exceed three gallons shall be permitted for outdoor barbecues, heaters, and/or fire pits.

5.14 Underground Utilities:

All wired or piped service lines of any kind in the Community shall be underground, including all lines within a Lot which services the Lot.

5.15 Communication Equipment:

Antennas and similar equipment used for communication installed at ground level shall be no taller than fifteen (15) feet in height. Satellite dishes larger than three (3) feet in diameter and installed at ground level shall be hidden from view by approved fencing or landscaping.

5.16 Flag Poles:

A single flag pole not to exceed twenty (20) feet in height shall be allowed on each Lot to be used to display a United States flag not being greater than twenty-four (24) square feet in size. All other flags are restricted from use.

ARTICLE SIX Maintenance

6.1 General

The Community shall sustain the natural look and feel of the open lands within the Community, as well as the surrounding views from the Community, which shall be promoted by restricting all unsightliness and visually disruptive uses. It is the obligation of the Owner of each Lot to maintain its Lot and the Improvements to the Lot in a state of good repair and in an attractive, safe, and healthy condition in order to preserve and enhance the enjoyment of the Community.

6.2 Maintenance of Lots

Each Owner shall maintain his or her Lot, including the Primary Residence and all Improvements and Structures, in a manner consistent with the Governing Documents and any applicable covenants.

6.3 Responsibility for Repair and Replacement

In the event of casualty loss or damage to a Structure, Improvement, or Lot, the Owner shall be entitled to reconstruct the damaged areas as they existed prior to the damage or loss without review by the DRC. Any alterations or deviations from the originally approved plans and designs shall require review by the DRC. Nothing hereby is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent injury or dangerous conditions following loss or damage before re-construction begins. Such temporary measures may be taken without the consent or approval of the DRC, provided that any such measures are of a temporary nature, and repair or reconstruction shall begin as soon as circumstances permit. No damaged structure or improvement shall be permitted to remain on any Lot for more than 90 days without repairs commencing, and any damaged Structure or Improvement which remains un-repaired after 90 days following the occurrence of damage may be deemed a nuisance by the Board and be actionable.

ARTICLE SEVEN The Association

7.1 General.

The Association may acquire, hold, mortgage or pledge security, lease, operate, and dispose of tangible and intangible personal property and real property. The Association may enter into leases, licenses, or operating agreements for payment or for no payment, as

the Board deems appropriate, permitting use of portions of the Common Area by the Association or third parties for the general benefit or convenience of Owners and the Community.

7.2 Function.

The Association is responsible for management, operation, and control of the Common Area, subject to any covenants, easements, or restrictions set forth in the deed or other instrument transferring the property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate. Further, the Board may lease, or borrow funds to acquire, operate, or maintain equipment and facilities used in Common Area or the performance of any other duties under this Declaration or other Governing Instrument. The Board shall have the primary responsibility for enforcing the governing Documents.

7.3 Membership – Board of Directors.

Every Owner is a member of the Association. There shall be one membership per Lot. Therefore, every Lot shall have one seat/vote on the Board of Directors. If a Lot is owned by more than one Person, co-Owners shall share the privileges of the membership and shall designate an individual in a written instrument provided to the Secretary of the Association.

7.4 Voting.

Voting decisions by Board shall be as follows:

Simple Majority: 60% (12 of 20 votes)

- Appointment and removal of Association President, Vice President and Secretary, which shall be a Board member unless elected by Super Majority as detailed below.
- Appointment and removal of Design Review Committee members.
- Approval of all expenditures for repairs and maintenance of existing capital improvements
- Design Review Committee items not covered by this Declaration, including variances.

Super Majority: 90% (18 of 20 votes)

- All new capital improvements to property of the Community
- Levy of Assessments
- Changes to this Declaration or Governing Documents
- Engagement of an outside service provider to act as Association President.

7.5 Directors.

The following shall be Board of Director appointed director positions:

- President Term of two years
- Vice-President Term of two years
- Secretary Term of two years

ARTICLE EIGHT Finances

8.1 Assessments.

The Association has the power to levy Assessments against each Lot as necessary to carry out Association functions. All Assessments shall be equal on all Lots, whether vacant or improved. Assessments shall be made annually but may be paid in equal periodic installments established from time to time by the Board and shall be made to meet the anticipated and recurring costs, expenses and other expenditures of the Association, including but not limited to, the costs of complying with and enforcing rights under these covenants, acquisition of liability insurance, and contingency reserves. Notice of the assessment and the proposed amount of the annual assessment will be given in advance along with the notice of the annual meeting of the Association. The amount of the proposed Assessment may be increased or decreased at the meeting at which it is approved by the Owners. The Association may also levy Special Assessments to cover unanticipated expenses or shortfalls for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, or for other extraordinary expenses. No Special Assessment shall be levied without approval by Super Majority of the Board in attendance in person or by proxy at a meeting called for that purpose.

8.2 Obligation.

Each Owner, by accepting a deed or entering into a Recorded contract of sale for any Lot, covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest, late charged and collection fees shall be the personal obligation(s) of each Owner and a lien upon Lot until paid in full.

8.3 Assessments Constitute Lien.

Any validly imposed Assessment by the Association shall constitute a lien against the affected, assessed Lots in Association. The Association shall have the right to foreclose on the lien against an affected Lot if such lien is valid and a default exists and pursuant to the procedures available for judicial or non-judicial foreclosure for mortgages and/or trust deeds in the state of Utah when any Assessment remains unpaid for a period of more than 90 (ninety) days from the date the Assessment was levied. Alternatively, if a valid lien that is in default is not foreclosed upon, it may be renewed from year to year by recording a new notice of the lien, together with accumulated interest. The lien of the Association against any Lot shall have priority from the date that the first Notice of Lien on a specific Lot is recorded in the office of the Wasatch County Recorder and is subordinate to any previously recorded liens or encumbrances filed against that Lot, specifically including any purchase money mortgage or trust deed. Notwithstanding the lien rights of the Association. the obligation to pay any Assessments is a personal obligation of the Owner of each Lot, and the Association may proceed to collect against the Owner, or the prior Owner of any Lot (in the event of a sale) without any obligation to first take recourse against the Lot and Improvements to which the Lien has attached. The legal and administrative costs of any foreclosure or non-judicial proceeding, interest on all amounts due and owing, and all late fees shall be added to the Assessment amount past due and shall constitute part of the

assessment. Interest may be charged on all assessments at a rate of 1.5% per month, beginning 15 days after such amount is due. In addition, a late fee of 5% shall be charged for each Assessment installment paid 15 days or more after the installment is due. No Mortgagee or Beneficiary under a Trust Deed who takes title by foreclosure or non-judicial sale or accepts a deed in lieu of foreclosure or non-judicial sale, shall be held liable for the unpaid Assessments of the Owner whose Lot was acquired by the Mortgagee or Beneficiary under a Trust Deed. However, all other successor Owners shall be deemed to assume the obligation to pay unpaid assessments on the Lot.

8.4 Statement of Account.

Any Owner may request the Association to provide a statement of account for the Owner's use, or to any lender or prospective buyer of such Owner's Lot reflecting the current status of that Lot showing the Assessments for the Lot, indicating whether they have been paid in full, or the amounts of any past due assessments. The buyer or lender for whom such a statement was prepared will be entitled to rely on its accuracy and will not be held liable for any amount not shown on the statement.

ARTICLE NINE Other

9.1 Water Rights.

Each Lot shall include in its original purchase the equivalent of one ninth (1/9) of a primary share of Lake Creek Irrigation, which has been dedicated to the Twin Creeks Special Service District and entitles the Owner to receive culinary water and sewer service from Twin Creeks Special Service District. Furthermore, each Lot shall include in its original purchase the equivalent of one and one half (1.5) M&I Irrigation shares, which has been dedicated to the Twin Creeks Special Service District and entitles the Owner to receive irrigation water from Twin Creeks Special Service for up to one half (1/2) acres of lawn or planting space. In summary, each Lot shall include at original development enough water rights for culinary service and irrigation for a total of one half (1/2) acres of typical lawn or plantings, which rights shall run indefinitely with the Lot and are not transferable or sellable by Owner. Culinary and irrigation water services as described shall be provided by Twin Creeks Special Services District who shall meter and manage available water volumes, water seasons, associated fees, and maintenance fully independent of Association on a Lot-by-Lot basis. Notwithstanding the dedicated water rights for each Lot as described herein, each Owner should expect monthly service fees from Twin Creeks Special Services District for water services provided. Owner may choose to install landscaping greater than the one half (1/2) acre and overrun the dedicated water rights, however, Owner should expect service fees for overrun amounts to increase exponentially unless additional water rights are purchased. Discovery and understanding of all water service issues with potential monthly or annual fees shall be the express responsibility of Owner, and Owner is hereby encouraged to contact Twin Creeks Special Service District and Lake Creek Irrigation Company for more information.

9.2 Additional Water Rights.

Owner may at its own discretion purchase other water rights from the open market and use such rights in addition to those rights described in 9.1 above to suit its purposes. Owner is not required to dedicate any additional rights that it may require for its purposes to Twin Creeks Special Service District, who shall manage the available water volumes, water seasons, associated fees, and maintenance fully independent of Association on a Lot-by-Lot basis. When a Lot is sold, Owner may choose not to sell these additional water rights to a buyer. Potential Lot buyers are strongly cautioned to examine specific Lot water uses, understand local water rights with potential monthly service expenses, and research additional water rights that may or may not be available on the open market. Failure to understand all water issues may result in substantial unexpected expenses from metered service providers.

9.3 Utility Easements.

In addition to rights reserved within the recorded Plat, the Association hereby reserves rights: (a) grant non-exclusive easements for utilities, ditches, irrigation and drainage purposes, including, without limitation, for the installation, relocation, operation maintenance, repair and replacement of trails, lines, pumps, pipes, transformers, towers, tanks, wires, conduits, culverts, ditches, ponds and other facilities or systems and for ingress and egress to and from the same over and across Association lands, and (b) without extinguishing the aforementioned reserved rights and general easements, from time to time to substitute thereon or more specific easements for the use by utility companies or others by recording of an instrument in the real estate records of the County.

9.4 Agreement to Encourage Resolution of Disputes without Litigation.

The Association, Owners, and all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Section 9.4 (collectively "Bound Parties"), agree to attempt to resolve disputes involving the Community, Association and each other without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file a law suit for a Claim described herein without first submitting the Claim to the alternative dispute resolution procedures also described herein.

As used in this Section 9.4, the term "Claim" shall refer to my claim, grievance, or dispute arising out of or relating to:

- (a) The interpretation, application, or enforcement of the Governing Documents;
- (b) The rights, obligations, and duties of any Bound Party under the Governing Documents;
- (c) The design or construction of improvements within the Community, other than matters of aesthetic judgment, which shall not be subject to review, except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures contained herein:

- Any Association action to collect assessments or other amounts due from any Owner;
- ii. Any Association action to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Community's ability to enforce the provisions of this Declaration:
- iii. Any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
- Any suit in which any indispensable party is not a Bound Party;
 and
- v. Any suit as to which the applicable statute of limitation has run.

Dispute Resolution Procedure:

- (a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent, and to the Board, stating plainly and concisely:
 - i. The nature of the Claim, including the Persons involved and Respondent's role in the Claim;
 - ii. The legal basis of the Claim;
 - 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.
- (b) Negotiation. 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 Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.
- (c) Mediation. If the Bound Parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation by an independent agency providing dispute resolution services in the Wasatch County, Utah area. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Bound Parties do not settle the Claim within 30 days after submitting 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 the Parties are at a impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file a suit or other proceedings as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys fees, and each Party shall share equally all fees charged by the mediator.

9.5 Initiation of Litigation by Association.

The Association shall not initiate any judicial or administrative proceedings unless first approved by the Board by a Super Majority, except that no such approval shall be required for actions or proceedings:

- (a) Initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
- (b) Initiated against any contractor, vendor or supplier of goods or services arising out of a contract for services or supplies; or
- (c) To defend claims filed against the Association or to assert counterclaims in proceedings initiated against it.

9.6 View Impairment.

The Association nor its Board guarantees or represents that any view over and across any Lot from an adjacent Lot will be preserved without impairment.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT: Blue Sage Ranch, L.L.C.

State of Utah

County of Wasatch

This Declaration was acknowledged before me on the 27 day of October, 2021, by Gregory L. Gagon, as President of Blue Sage Ranch, L.L.C., a Utah limited liability company.

DAVID FINLEY Notary Public - State of Utah Commission Expires on

EXHIBIT A Property Description

BEGINNING AT THE 1998 WASATCH COUNTY MONUMENT FOR THE CLOSING CORNER OF SECTION 1 AND 12, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERRIDIAN;

THENCE EAST 982.92 FEET;

THENCE SOUTH 0°19'48" WEST 5354.30 FEET;

THENCE SOUTH 89°33'21" WEST 982.88 FEET TO THE 1998 WASATCH COUNTY MONUMENT FOR THE CLOSING CORNERS OF SECTION 12 AND 13, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SLB&M;

THENCE SOUTH 89°34'53" WEST 2310.99 FEET TO THE 2000 WASTACH COUNTY MONUMENT FOR THE SOUTH QUARTER CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SLB&M;

THENCE NORTH 0°37'37" WEST 1069.05 FEET;

THENCE EAST 1187.71 FEET;

THENCE NORTH 0°25'59" WEST 4318.82 FEET;

THENCE SOUTH 89°34'16" EAST 1198.36 FEET TO THE POINT OF BEGINNING.

CONTAINS 22 LOTS 293.217 ACRES OR 12,772,538 SQUARE FEET, MORE OR LESS

LOTS 1 – 21 AND OPEN SPACE OF BLUE SAGE RANCHES SUBDIVISION 21-6624 THRU 21-6645