

Recorded at the Request of:
Velocity Development, LLC

**Record against the real property
described in Exhibit A**

After Recording mail to:
Jenkins Bagley Sperry, PLLC
Attn: Bruce C. Jenkins
285 W Tabernacle, Ste. 301
St. George, UT 84770

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MASTER DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND RESERVATION OF EASEMENTS
FOR
PINNACLE RIDGE
(a Mixed-Use Planned Development)

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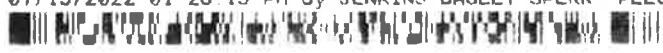
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MASTER DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND RESERVATION OF EASEMENTS
FOR
PINNACLE RIDGE
(a Mixed-Use Planned Unit Development)

PREAMBLE

This Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Pinnacle Ridge (hereafter “Master Declaration”) affects the real property described in Exhibit A , and such additional land from the Annexable Territory, described in Exhibit B and Section 1.3, as may be annexed to the property hereafter, all located in Iron County, State of Utah:

Initial Neighborhood—*See* Exhibit A attached hereto and incorporated herein.

Annexable Territory—*See* Exhibit B attached hereto and incorporated herein and Section 1.3.

The terms contained in this Preamble and the Recitals below, which are hereafter defined in Article I, shall be given the meaning assigned to them in Article I.

The Community Association Act, Utah Code § 57-8a-101, *et. seq.* (the “Act”), as amended from time to time, shall supplement this Master Declaration. If an amendment to this Master Declaration adopts a specific section of the Act, such amendment shall grant a right, power, and privilege permitted by such section of the Act, together with all correlative obligations, liabilities, and restrictions of that section. The remedies in the Act and this Master Declaration—provided by law or in equity—are cumulative and not mutually exclusive.

RECITALS

A. Velocity Development, LLC, a Utah limited liability company, as Declarant, will develop the real property described in Exhibit A as a planned development.

B. Declarant has established the Pinnacle Ridge Master Owners Association (“Master Association”) and the Master Association will be vested with powers of, among other matters: (i) owning, maintaining, and administering the Common Area throughout the Development; (ii) administering and enforcing this Master Declaration and the other covenants and restrictions pertaining to the Properties; (iv) promulgating Rules and Regulations through its Board and Architectural Control Committee; and (v) collecting and disbursing the assessments and charges hereinafter created.

C. Declarant may, in the sole discretion of Declarant, expand the Development to include the Annexable Territory, all of which the Declarant desires to be governed by this Master Declaration and other covenants and restrictions applicable to the various communities in the Development.

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There are, however, no guarantees or assurances that some or all of the Annexable Territory will be subjected to this Master Declaration or become part of the Development.

D. The Declarant intends that the Development, and such portions of the Annexable Territory annexed into the Development, shall be maintained, developed, and conveyed pursuant to a general plan for all of the Properties and subject to certain protective covenants, easements, equitable servitudes, liens, and charges, all running with the Properties as hereinafter set forth.

E. The Declarant hereby declares that all of the Properties shall be maintained, held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the following easements, restrictions, reservations, rights, covenants, conditions, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness, and desirability of the Properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, and sale of the Properties or any portion thereof. The covenants, conditions, restrictions, rights, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Properties and shall be binding upon all persons having or acquiring any right, title, or interest in the Properties, or any part thereof, their heirs, successors, and assigns; shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon and may be enforced by Declarant, the Master Association, each owner and their respective heirs, executors, and administrators, and successors and assigns.

F. These Recitals shall be deemed covenants as well as recitals.

ARTICLE I **DEFINITIONS**

The definitions in this Master Declaration are supplemented by the definitions in the Act. In the event of any conflict, the more specific and restrictive definition shall apply. Unless otherwise expressly provided, the following words and phrases when used herein shall have the meanings hereinafter specified.

1.1 ACC. ACC shall mean the Architectural Control Committee created pursuant to Article VIII hereof.

1.2 ACC Restrictions and Rules. ACC Restrictions and Rules shall mean such restrictions and rules as may be adopted and promulgated by the ACC pursuant to Sections 8.1 and 8.4 hereof as such restrictions and rules may be amended from time to time.

1.3 Annexable Territory. Annexable Territory shall mean the real property described in Exhibit B attached hereto and incorporated herein by this reference, all or any portion of which may from time to time be made subject to this Master Declaration pursuant to the provisions of Article XV hereof. Annexable Territory shall also mean any real property which the Declarant desires to annex into the Development which is contiguous to the real property described in Exhibits A or B.

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1.4 Annual Assessment. Annual Assessment shall mean the annual charge against each Owner and the Owner's Lot, representing a portion of the Common Expenses, which are to be paid by each Owner to the Master Association in the manner and proportions provided herein.

1.5 Articles. Articles shall mean the Articles of Incorporation of the Master Association filed with the State of Utah, Department of Commerce, Division of Corporations and Commercial Code, as such Articles may be amended from time to time.

1.6 Association, or Master Association. Association or Master Association shall mean Pinnacle Ridge Master Owners Association, a corporation formed under the Utah Revised Nonprofit Corporation Act, its successors and assigns.

1.7 Beneficiary. Beneficiary shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such mortgagee or beneficiary.

1.8 Benefitted Assessment. Benefitted Assessment shall mean assessments levied in accordance with Article X against particular Units to cover costs pursuant to a menu of services which the Board may from time to time authorize or such other charges as may be provided for in Article VI.

1.9 Board. Board shall mean the Board of Directors of the Master Association, elected pursuant to the Bylaws of the Master Association.

1.10 Budget. Budget shall mean a written, itemized estimate of the expenses to be incurred by the Master Association in performing its functions under this Master Declaration.

1.11 Bylaws. Bylaws shall mean the Bylaws of the Master Association, as adopted by the Board, as such Bylaws may be amended by the Board from time to time.

1.12 Corrective Assessments. Corrective Assessments shall mean a charge against a particular Owner and the Owner's Lot representing the costs to the Master Association incurred in taking corrective action against an Owner, including without limitation, actions taken pursuant to Sections 2.12, 8.7, 9.1, and 14.8, and Article XI.

1.13 Common Area. Common Area means that portion of property owned by the Master Association, shown on the Plat as dedicated to the common use and enjoyment of the owners and all improvements constructed thereon.

1.14 Common Expenses. Common Expenses shall mean those expenses for which the Master Association is responsible under this Master Declaration, including the actual and estimated costs of: maintenance, management, operation, repair, replacement, and improvement of the Common Area; costs of management and administration of the Master Association, including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys, and other employees; the costs of all common utilities; Common Area gardening; Common Area snow removal; maintenance of landscaping and Improvements on the Common Area, or portions thereof; and the costs of any other items incurred by the Master

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Association for any reason whatsoever, in connection with the Properties, for the benefit of all of the Owners.

1.15 Community-Wide Standard. Community-Wide Standard shall mean the standard of conduct, construction, architecture, maintenance, or other activity generally prevailing at a particular phase of the Development or Neighborhood, or the minimum standards established pursuant to the ACC Restrictions and Rules, Rules and Regulations, and Board resolutions for a particular phase or Neighborhood of the Development, whichever is a highest standard. Declarant shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the Properties or a particular phase or Neighborhood of the Development change.

1.16 Declarant. Declarant shall mean Velocity Development, LLC, a Utah limited liability company, its successors and any Person to which it shall have assigned any rights hereunder, except that a party acquiring all or substantially all of the right, title, and interest of Velocity Development, LLC, in the Properties by foreclosure, judicial sale, bankruptcy proceedings, or by other similar involuntary transfer, shall automatically be deemed a successor and assign of Velocity Development, LLC, as Declarant under this Master Declaration.

1.17 Declarant Affiliate. Each of those Persons identified as Declarant Affiliates on the signature page of this Master Declaration or any Supplemental Declaration, their successors and assigns, and any other natural person, corporation, limited liability company, limited liability partnership, general partnership, limited partnership, or sole proprietorship (a) owning, owned by, or under common control with, the Declarant, (b) of which Declarant is a member or partner, or (c) which is a member of Declarant. The existence of an intermediary between Declarant and Declarant Affiliate shall not affect the Declarant Affiliate's status as such.

1.18 Deed of Trust. Deed of Trust shall mean a mortgage or a deed of trust as the case may be.

1.19 Development. Development shall mean Pinnacle Ridge described in the Phase I Plat and all lands from the Annexable Territory added to the Development by Supplemental Declaration.

1.20 Dwelling Unit. Dwelling Unit shall mean a single-family dwelling, with or without walls or roofs in common with other single-family dwelling units. The Dwelling Unit includes fee title to the real property lying directly beneath the single-family dwelling, and, subject to Sections 1.24, 1.25, and 2.14 below, such other land as shown as private property within Lot boundary lines on the Plat. A Dwelling Unit may include a condominium unit.

1.21 Exclusive Common Area. Exclusive Common Area shall mean common area of a Neighborhood that is for the exclusive use of the owners in that Neighborhood and not for the use of the members of the Master Association, generally.

1.22 Fiscal Year. Fiscal Year shall mean the fiscal accounting and reporting period of the Master Association selected by the Board from time to time.

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1.23 Government Assessments. Government Assessments shall mean assessments required by local governmental authorities having jurisdiction over the Properties.

1.24 Holidays. Holidays shall mean Christmas, Thanksgiving, and New Year's Day, and such other holidays as the Board may designate from time to time.

1.25 Improvement. Improvement shall mean any structure or appurtenance thereto of every type and kind, including, but not limited to, Dwelling Units and other buildings, walkways, trails, sprinkler pipes, or areas, garages, roads, driveways, parking areas, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, ponds, antennae, hedges, wind-breaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, storage areas, exterior air conditioning, and water-softening fixtures or equipment.

1.26 Limited Common Area. Limited Common Area means that portion of the property owned by the Master Association shown on the Plat as dedicated to the exclusive use and enjoyment of the Owner of the Lot to which such Limited Common Area is adjacent and/or appurtenant and as further provided for in Section 2.14.

1.27 Lot. Lot shall mean a lot created by a plat and which is owned in fee simple by the Owner. Where the context would require herein, a unit in a condominium should be substituted for, or read concurrent with, the word Lot.

1.28 Manager. Manager shall mean the Person appointed by the Master Association, if any, hereunder as its agent and delegated certain duties, powers, or functions of the Master Association as further provided in this Master Declaration and in the Bylaws.

1.29 Member, Membership. Member shall mean any Person holding a membership in the Master Association, as provided in this Master Declaration. Membership shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations contained in this Master Declaration and the Articles, Bylaws, ACC Restrictions and Rules, and Rules and Regulations.

1.30 Mortgage, Mortgagee, Mortgagor. Mortgage shall mean any Recorded first mortgage or first deed of trust. The term "Deed of Trust" or "Trust Deed" when used herein shall be synonymous with the term "Mortgage." The term Mortgagee shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust. Mortgagor shall mean a Person who mortgages his, her, or its Lot to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor," and the term "Beneficiary" shall be synonymous with the term "Mortgagee."

1.31 Neighborhood. Neighborhood shall mean and refer to each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Master Declaration, whether or not governed by an additional owners association (sub-association), in which Owners may have common interests other than those common to all members of the Master Association, such as a common theme, entry feature, development name,

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architectural style, type of layout of construction, and/or common areas and facilities which are not available for use or shared by all Master Association Members. For example, and by way of illustration and not limitation, each condominium development, townhome development, cluster home development, and single-family detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one (1) housing type with features in common. In addition, each parcel of land intended for development as any of the above shall constitute a separate Neighborhood, subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Association (as defined in Section 4.1) having jurisdiction over the property within the Neighborhood. Neighborhoods may be divided or combined in accordance with Section 4.1 of this Master Declaration.

1.32 Neighborhood Assessments. Neighborhood Assessments shall mean assessments for common expenses provided for herein or by any Supplemental Declaration which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Dwelling Units against which the specific Neighborhood Assessment is levied and of maintaining the Properties within a particular Neighborhood, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Any Neighborhood Assessment shall be levied equally against all Dwelling Units in the Neighborhood benefitting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or services provided pursuant to a menu of services which the Board of Directors may offer, or insurance on structures, or replacement reserves which pertain to particular structures—and which services benefit a particular Dwelling Unit or Units and not the Neighborhood as a whole, such assessments for the use and benefit of particular Dwelling Units shall be levied as a Benefitted Assessment.

1.33 Neighborhood Association. Neighborhood Association shall mean a sub-association which may be created pursuant to Sections 2.1 and 4.1, which has subordinate concurrent jurisdiction with the Master Association.

1.34 Neighborhood Map. Neighborhood Map shall mean a map of survey of the entire parcel which may be Recorded to indicate the boundaries of the Neighborhood.

1.35 Nonresidential Unit. A portion of the real property comprising the Properties, whether developed or undeveloped, which is intended for independent ownership, development and use for any permitted nonresidential purpose, including, without limitation, offices, retail stores, neighborhood businesses, recreational, religious facilities, storage units, education facilities, or for residential purposes as a rental apartment development or congregate care facility containing multiple apartments or residences with shared facilities, all of which apartments or residences are owned by a single owner and leased or otherwise operated on a commercial basis, whether or not for profit.

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1.36 Notice of Board Adjudication. Notice of Board Adjudication shall mean notice of the decision of the Board, delivered in person of its decision rendered at a hearing held pursuant to a Notice of Noncompliance by the Board and Right to Hearing.

1.37 Notice of Members Meeting. Notice of meetings of the Members required or provided for in this Master Declaration shall be in writing, shall satisfy the notice requirements set forth in the Bylaws.

1.38 Notice of Noncompliance by the ACC. Notice of Noncompliance by the Board and Right to Hearing Notice of Noncompliance by the ACC shall mean a notice from the ACC directed to an Owner specifying in reasonable detail the nature of such Owner's noncompliance with the ACC Restrictions and Rules. Notice of Noncompliance by the Board and Right to Hearing shall mean a notice from the Board directed to an Owner specifying in reasonable detail the nature of such Owner's noncompliance with any provisions of this Master Declaration and the opportunity for the Owner to have a hearing before the Board as provided for in the Bylaws.

1.39 Owner. Owner shall mean the Person or Persons, including Declarant, who is the owner of record (in the office of the County Recorder of Iron County, Utah) of a fee simple or an undivided fee simple interest in a Lot. Notwithstanding any applicable theory relating to a Mortgage, the term Owner shall not mean or include a Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.40 Person. Person shall mean a natural individual or any other entity with the legal right to hold title to real property.

1.41 Plans. Plans shall mean such plans and specifications as may be required by this Master Declaration and by ACC Restrictions and Rules.

1.42 Plat. Plat shall mean "PINNACLE RIDGE SUBDIVISION PHASE I", a planned unit development Plat, executed and acknowledged by Declarant, prepared and certified by an engineer licensed in the State of Utah and recorded in the records of the Iron County Recorder, as the same may be modified, amended, supplemented, or expanded in accordance with the provisions of Article XV concerning amendments or supplements to this Master Declaration in conjunction with annexations to the Properties as herein provided.

1.43 Properties. Properties shall mean (a) Phase I, and (b) each Phase of Development described in a Supplemental Declaration and annexed to the Properties.

1.44 Record, Recorded, Filed, or Recordation. Record, Recorded, Filed, or Recordation shall mean, with respect to any document, the recordation of such document in the office of the County Recorder of Iron County, Utah.

1.45 Rules and Regulations. Rules and Regulations shall mean rules and regulations as may be adopted and promulgated by the Board pursuant to the Bylaws and this Master Declaration, as the Board deems necessary or desirable (a) to aid it in administering the affairs of the Master Association, (b) to ensure that the Properties are maintained and used in a manner consistent with

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the interests of the Owners, (c) to regulate the use of the Common Area and to regulate the personal conduct of the Members and their guests thereon, and (d) to establish penalties for the infractions thereof, as such rules and regulations may be amended from time to time.

1.46 Recreational Vehicles. Recreational Vehicles shall mean all watercraft, travel trailers, campers, camper shells, tent trailers, motorhomes, snowmobiles, all-terrain-vehicles, off road motorcycles, and off-highway-vehicles (ATVs and OHVs, respectively), dune buggies, or devices similar to any of the foregoing and trailers that carry any of the foregoing.

1.47 Special Assessments. Special Assessments shall mean a charge against each Owner and the Owner's Lot, representing a portion of the costs to the Master Association of defraying any extraordinary expenses incurred or special projects approved as set forth in Article VI.

1.48 Streets. Streets shall mean private and public streets and thoroughfares on the Properties.

1.49 Supplemental Declaration. Supplemental Declaration shall mean any Supplemental Declaration of covenants, conditions, restrictions, and reservation of easements, or similar instrument, which extends the provisions of this Master Declaration to all or any duly annexed portions of the Annexable Territory and may contain such complementary, varied, different, or amended provisions for such additional land as are herein authorized by this Master Declaration.

1.50 Trust Deed for Assessments. Trust Deed for Assessments shall mean the deed of trust created by this Master Declaration in Article VII to further secure the Owner's obligation to pay Assessments and to provide the Master Association with the power of non-judicial trust deed foreclosure provided for in Utah Code § 57-1-19, *et seq.*, as amended from time to time.

1.51 Vehicle. Vehicle shall mean any and all equipment or device (mobile or immobile, operable or inoperable) of any type, designed to transport persons, objects—or are designed to be transported on wheels, skids, skis or tracks—including, without limitation, dump trucks, cement mixer trucks, gas trucks, delivery trucks, buses, aircraft, trailers, Recreational Vehicles, minivans, cars, pickup trucks, motorcycles, other devices or equipment similar to any of the foregoing, whether or not used for daily transportation.

ARTICLE IA **DESCRIPTION OF PROPERTY**

The real property which is associated with the Development, and which has been and shall hereafter continue to be held, transferred, sold, conveyed, and occupied subject to the provisions of this Master Declaration consists of all the property described in Exhibit A and the Annexable Territory described in Exhibit B; TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the described parcel of real property.

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ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described land or any portion thereof, including without limitation, any Mortgage; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described land at such time as construction of all Development Improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, line, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the Properties and Annexable Territory, and any Improvements now or hereafter constructed thereon, as may be reasonably necessary for Declarant (in a manner which is reasonable and consistent with the provisions of this Master Declaration):

- (a) To construct and complete the Improvements as Declarant deems to be appropriate, and to do all things reasonably necessary or proper in connection therewith;
- (b) To construct and complete, in additional Neighborhoods of the Development, on the Annexable Territory or any portion thereof, such Improvements as Declarant shall determine to build in its sole discretion;
- (c) To improve portions of the Properties with such other or additional Improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners or Declarant or as such assignee or successor may reasonably determine to be appropriate; and
- (d) To develop, construct, and improve lands adjacent to the Properties or the Annexable Territory.

ALSO RESERVING UNTO DECLARANT, the following special Declarant rights:

(a) Withdrawal of Land. For so long as Declarant has a right to expand the Development and add Annexable Territory, Declarant reserves the right to amend this Master Declaration or the Plat for the purpose of withdrawing from the coverage of this Master Declaration and/or Plat any portion of the Development which has not yet been improved with structures, provided such withdrawal does not reduce the total number of Dwelling Units subject to this Master Declaration by more than twenty-five percent (25%). Such amendment(s) shall not require the consent of any Person other than the owners of the Property to be withdrawn. If the property is Common Area, Members of the Master Association will be deemed to have given their consent and the local governmental authority must give its consent under Utah Code § 10-9a-606, or its equivalent.

(b) Right to Approve Changes in Development Standards. So long as Declarant or a Declarant Affiliate owns property subject to this Master Declaration or which may become subject to this Master Declaration, no amendment to or modification of any Restrictions and Rules or Design Guidelines shall be effective without prior notice to and the written approval of Declarant.

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(c) Development and Sales Activities. Until the Recording by Declarant of a written statement that all sales activity has ceased or ninety-nine (99) years from the date this Master Declaration is Recorded, whichever is earlier,

(i) Declarant and builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as Declarant, in its sole discretion, may reasonably believe necessary, convenient, or incidental to the construction or sale of Dwelling Units and Nonresidential Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized builders shall have easements for access to and use of such facilities at no charge.

(ii) Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

(d) Control of and Changes in Development Plan.

(i) Every Person acquiring any interest in the Properties acknowledges that the Development is a master planned mixed-use community, the development of which is likely to extend over many years, and that changes in the master plan will likely occur as the development proceeds. Each such Person therefore agrees not to protest, challenge, or otherwise object to changes made or proposed by Declarant in the development plan or in the uses or density of property beyond the boundaries of that shown on the recorded Plat applicable to the Unit in which such Person holds an interest.

(ii) No Person shall Record any declaration of covenants, conditions, and restrictions, or any declaration of condominium or similar instrument affecting any portion of the Properties or Annexable Territory without Declarant's review and written consent. Any such Recordation without the requisite consent shall render the instrument void and of no force or effect unless subsequently ratified by written consent signed and Recorded by Declarant.

(iii) The rights and limitations set forth in this Section (d) shall continue in effect until (1) the Recording by Declarant of a written statement that all sales activity has ceased or (2) ninety-nine (99) years from the date this Master Declaration is Recorded, whichever is earlier.

(e) Exclusive Rights to Use Name of Development. Declarant, for itself, its successors, and assigns, hereby reserves sole and exclusive rights in and to the name "Pinnacle Ridge" and no Person shall use the name "Pinnacle Ridge" or any derivative of such names in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Pinnacle Ridge" in printed or promotional matter where such term is used solely to specify that particular property is located within Pinnacle Ridge or is a part of the Development and the Association shall be entitled to use the word "Pinnacle Ridge" in its name.

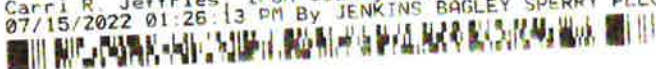
(f) Convertible Land. As provided for in Utah Code § 10-9a-606, or its equivalent, Declarant shall have the right to convert Common Area and Exclusive Common Area identified in a Supplemental Declaration to Dwelling Units. Members of the Master Association and any Sub-Association will deemed to have given their consent to such conversion.

(g) Right to Establish Conservation Easements. Declarant reserves the right to establish conservation easements over and across Common Areas and Exclusive Common Areas during the period of Class C Control.

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If, pursuant to the foregoing reservations, the Properties, the Annexable Territory, or any Improvement thereon, is traversed or partially occupied by a permanent Improvement or utility line, a perpetual easement for such Improvement or utility line shall exist. Such easement shall be in favor of such utility as is providing the service. All sewer, water, telephone, communication lines and electric lines shall be owned by the respective utilities serving the Properties.

ARTICLE II

OWNERS' PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Each Owner shall have a right and easement of use and enjoyment including, but not limited to, the right of ingress and egress to and from the Owner's Lot and in and to the Common Area. Such right and easement shall be appurtenant to and shall pass with title to each such Lot and in no event shall be separated therefrom. Any Owner may grant the use and enjoyment described herein to any tenant, lessee, guest, or family member, and to a contract purchaser who resides on such Lot. All such rights are subject to this Master Declaration.

It is contemplated that, pursuant to Article XV of this Master Declaration, additional lands may be annexed to the Properties from time to time and that Neighborhood Associations (hereinafter sometimes referred to as "Sub-Associations") may be created for the purpose of maintaining and administering individual Neighborhoods or providing amenities within the Properties. In such event:

(a) With respect to Owners within any part of the land which may subsequently be annexed to the Properties, the right to use of the Common Area of the Master Association shall be limited to Members of the Master Association.

(b) The responsibility for maintaining any Exclusive Common Area may be delegated to one (1) or more Sub-Associations or Neighborhoods, and the use and enjoyment of the Exclusive Common Area in each instance shall be limited to members of the applicable Sub-Association or owners in that Neighborhood, as the case may be. If the responsibility for maintaining the Exclusive Common Area is not delegated to one (1) or more Sub-Associations, then the Master Association shall own, regulate, administer, and maintain the Exclusive Common Area not delegated to a Sub-Association and shall levy a Benefitted Assessment against the owners in that Neighborhood for administration, maintenance, repair, and replacement of such Exclusive Common Area.

(c) In the event a Sub-Association is levying and collecting assessments as herein set forth, the Sub-Association shall also collect any assessments levied against its Owners by the Master Association and shall deliver said sum or sums to the Master Association.

(d) A Sub-Association may also be a condominium association and in such instance references to Lot herein shall include a condominium unit.

2.2 Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

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All of Lot _____ of Pinnacle Ridge Phase ____, a planned unit development, according to the official Plat thereof, subject to the Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Pinnacle Ridge, and such other supplemental or additional covenants and restrictions on file in the office of the Iron County Recorder.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Master Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.

2.3 Transfer of Title to Common Area. Declarant represents that it will, on or prior to the first conveyance of a Lot in any Neighborhood, convey to the Master Association title to all Common Area contained in that Neighborhood, and Declarant further agrees that it will discharge all liens and encumbrances on said Common Area on or before the sale and close of escrow of the last Lot in the Development.

2.4 Limitations on Common Area Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following: Subject to the provisions of Article XIII of this Master Declaration, the right of the Master Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Master Association. Any such dedication or transfer must, however, upon Notice of Members Meeting be assented to by (i) two-thirds (2/3) of the vote of each class of Membership which Members present in person, by proxy, or represented by ballot are entitled to cast at a meeting duly called for the purpose, (ii) the local municipal authority, and (iii) so long as Class C voting exists, the Declarant. The quorum requirement for such meeting shall be as set forth in the Bylaws.

(a) Subject to the provisions of Article XIII of this Master Declaration, the right of the Master Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Master Association. Any such dedication or transfer must, however, upon Notice of Members Meeting be assented to by (i) two-thirds (2/3) of the vote of each class of Membership which Members present in person, by proxy, or represented by ballot are entitled to cast at a meeting duly called for the purpose, (ii) the local municipal authority, and (iii) so long as Class C voting exists, the Declarant. The quorum requirement for such meeting shall be as set forth in the Bylaws.

(b) The right of the Master Association, to be exercised by the Board, to establish uniform Rules and Regulations as set forth in Section 14.8;

(c) The right of Declarant and its sales agents, representatives, and prospective purchasers, to the nonexclusive use of the Common Area and any facilities thereon, without cost, to full access, ingress, egress, use and enjoyment, in order to show and dispose of the Properties and the Annexable Territory as provided herein, until the last Close of Escrow for the sale of a Lot in the Properties and the Annexable Territory; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;

(d) The rights and reservations of Declarant as set forth in Article IA of this Master Declaration;

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(e) The right of the Master Association, to be exercised by the Board, to reconstruct, replace, or refinish any Improvement or portion thereof upon the Common Area in accordance with the original design, finish, or standard of construction of such Improvement;

(f) The right of the Master Association to replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Common Area;

(g) The right of the Master Association, to be exercised by the Board, to reasonably restrict access to portions of the Common Area and to limit the number of guests and invitees of members using the Common Area;

(h) The easements shown on the Plat and those reserved or implied in this Master Declaration, including without limitation, the easements set forth in Sections 2.6, 2.7, 2.8, 2.9, 2.10, and 2.11.

(i) The right of the Board to suspend a Member's voting rights as provided for in the Bylaws and the right to suspend a Member's right to the Common Area and Facilities during any period of violation of any provision of this Master Declaration, or the ACC Restrictions and Rules, or any Rule or Regulation of the Master Association;

(j) The right of the Master Association to enter into cross-use easements, agreements, or leases which provide for use of the Common Area and Facilities by a similar association in consideration for use of the common areas and facilities of the other association, or for cash consideration;

(k) The right of the Master Association to be exercised by the Board, to take such steps as are reasonably necessary or desirable to protect the Common Area against foreclosure; and

(l) The Owner of a Nonresidential Unit who occupies the Nonresidential Unit may extend the Owner's right of use and enjoyment of the Common Area, to such Owner's employees whose regular place of work is the Nonresidential Unit and to the Owner's business invitees, to the extent necessary to conduct business at the Nonresidential Unit, all subject to reasonable Board regulation. If the Owner of a Nonresidential Unit leases the Unit, the Owner shall be deemed to have assigned all such rights to the lessee, who may extend such privileges of use and enjoyment to its employees and invitees, subject to the same limitations; and

(m) The Owner of a Nonresidential Unit may exercise the right to use and enjoy the Common Areas of the Association only through its "Authorized Users," as hereafter defined. The Owner of a Nonresidential Unit may designate in writing to the Association one (1) individual for each Equivalent Unit assigned to the Nonresidential Unit pursuant to the formula on Exhibit C who, together with such individual's immediate family (*i.e.*, spouse and dependent children), shall be authorized to use and enjoy such portion of the Master Associations Common Areas as may be designated in a Supplemental Declaration ("Authorized Users"). If specified in the Supplemental Declaration applicable to such Nonresidential Unit, the Owner of a Nonresidential Unit that is developed and operated as multi-family residential rental apartments may designate additional Authorized Users upon payment to the Association of use fees as described in such Supplemental Declaration.

2.5 Parking Restrictions. In addition to the parking restrictions provided for in Section 10.7(a), the Master Association, through its Board, is hereby empowered to establish "parking," "guest parking," and "no parking" areas within the portions of the Common Area improved as Streets, driveways, turnarounds, or community parking areas. The Master Association, through its Board, is also empowered to include in the Rules and Regulations, the ability to enforce the parking restrictions imposed pursuant to this Section 2.5 and those set forth in Section 10.7(a) by

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all means lawful for such enforcement, including the removal of any violating Vehicles at the expense of the owner of the Vehicle and imposing fines.

2.6 Easements for Public Service Use. In addition to the foregoing easements over the Common Area, there shall be, and Declarant hereby reserves and covenants for itself and all future owners within the Properties, easements for public services of the City of Enoch in which the Properties are located, including but not limited to, the right of the police and fire departments to enter upon any part of the Common Area for the purpose of carrying out their official duties.

2.7 Easements for Water and Utility Purposes. In addition to the foregoing easements over the Common Area, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, easements for public and private utility purposes, including but not limited to, the right of any public utility of ingress or egress over the Common Area for purposes of reading and maintaining meters, and using and maintaining fire hydrants located on the Common Area. The Lots shall also be subject to such public utility easements as shown on the Plat and as required by the City of Enoch.

2.8 Easement for Encroachments. If any portion of a Dwelling Unit or other Improvement constructed by Declarant, or if any portion of a Dwelling Unit or other Improvement reconstructed so as to substantially duplicate the Dwelling Unit or other Improvement originally constructed by Declarant, encroaches upon the Common Area, Limited Common Area, or other Lots, as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the Properties, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

2.9 Declarant Easement; Indemnification. For so long as (i) Declarant owns any Lot in the Properties or (ii) Declarant has the right to annex all or any portion of the Annexable Territory to the Properties, Declarant hereby expressly reserves for its benefit, for the benefit of its agents, employees, and contractors, and for the benefit of its successors and assigns, a nonexclusive easement appurtenant to the Annexable Territory, in, to, and over the Common Area for access, ingress, egress, use, and enjoyment, in order to show the Properties or Annexable Territory to its prospective purchasers, or to develop, market, sell, lease, or otherwise dispose of the Properties or the Annexable Territory.

2.10 Cross-Use Easement. Declarant reserves the right to grant a cross-use easement for ingress and egress permitting members of adjoining developments the right of ingress and egress over the private Streets, if any, in the Development.

2.11 Master Association Easement. The Master Association shall have an easement to be exercised during daylight hours, except in the case of an emergency, as determined in the sole discretion of the Board, to enter upon the Limited Common Areas and Lots for the purpose of carrying out and performing the functions of the Master Association as set forth in this Master Declaration, the Bylaws, ACC Restrictions and Rules, or any Rule or Regulation of the Master Association.

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2.12 Waiver of Use. No owner may exempt himself from personal liability for assessments duly levied by the Master Association nor release the Lot or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any Improvements thereon or by abandonment of his Lot or any other property in the Properties.

2.13 Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Board to obtain separate real estate tax assessment of each Lot. If any taxes or assessments may, in the opinion of the Board, become a lien on the Common Area, or any part thereof, they may be paid by the Master Association as a Common Expense, and the Master Association may levy against the Lot as a Corrective Assessment any amounts paid by the Master Association to rectify the problem.

2.14 Lot/Limited Common Area. Each Lot is owned in fee simple by the Owner. Limited Common Area, if any, will be demarcated or noted on a Plat or in the Declaration, including a Supplemental Declaration.

2.15 Community-Wide Standard. Owners recognize that the Community-Wide Standard is for the benefit of the Properties and that it contains both objective and subjective standards, appearances, and other factors which may evolve over time. Owners further agree to abide by the Community-Wide Standard prevailing at the Properties at any given time.

2.16 Gated Community. The entrance(s) to a Neighborhood may be gated if so identified in a Supplemental Declaration. The gate(s) shall be closed, subject to access by Owners, their tenants, guests, and invitees, during evening hours as reasonably determined by the Board. The gates shall remain open during the day unless the Master Association or Sub-Association obtains approval from the City of Enoch to close the gate(s) during the daytime.

2.17 Zoning of Adjacent Property. Each Owner, in perpetuity, by acceptance of a deed to a Lot waives and forfeits any right to object to, protest, or support any protest or contest to the zoning or re-zoning—for higher density residential, service business, recreational, commercial, or such purposes (other than industrial) as are permitted by the City of Enoch on property within or immediately adjacent to the Development owned by Declarant or an affiliate of Declarant.

2.18 Flood Hazard Notice. Each Owner assumes any and all risk of damage and personal injury resulting directly or indirectly from the hazards associated with proximity to a drainage way and does hold Declarant, its officers, directors, agents, shareholders, attorneys, engineers, employees, successors, and assigns harmless from any and all claims of damages of whatever nature, and by any person, caused directly or indirectly by water, erosion, deposition, flooding, flowage, whether sudden or gradual and whether resulting from surface, flood, or rainfall waters.

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ARTICLE III
PINNACLE RIDGE MASTER OWNERS ASSOCIATION

3.1 Organization of Master Association. Declarant has caused or will cause the Master Association to be organized and the Articles filed with the State of Utah, Department of Commerce, Division of Corporations and Commercial Code.

3.2 Parties and Powers. The Master Association shall have such duties and powers as set forth in the Articles, Bylaws, and this Master Declaration (and such other powers and duties as properly delegated or assigned through the ACC Restrictions and Rules and Rules and Regulations), as such documents are amended from time to time.

3.3 Membership. Every Owner shall be a Member of the Master Association. Membership in the Master Association shall be mandatory and shall be appurtenant to the Owner's Lot or unit.

3.4 Transfer. Membership in the Master Association is nontransferable and shall not be separated from the Lot or unit to which it appertains.

3.5 Non-Liability for Tort. The Master Association shall not be liable, in any civil action brought by or on behalf of a Member, for bodily injury occurring to a Member, or a Member's guests, invitees, licensees, or trespassers, on the Master Association's Common Area or Limited Common Area. This immunity from liability shall not be effective if the Master Association causes bodily injury to the Member on the Common Area or Limited Common Area by its willful, wanton, or grossly negligent act of commission or omission.

3.6 Board Acts for Master Association. Except as limited in this Master Declaration or the Bylaws, the Board acts in all instances on behalf of the Master Association.

ARTICLE IV
NEIGHBORHOODS AND VOTING RIGHTS

4.1 Neighborhoods. Every Dwelling Unit or Nonresidential Unit shall be located within a Neighborhood as defined in Sections 1.31 through 1.34 and Section 2.1. The Dwelling Units or Nonresidential Units within a particular Neighborhood may be subject to additional covenants and/or the Owners may all be members of another owners association ("Neighborhood Association") in addition to the Master Association, but no such Neighborhood Association shall be required except in the case of a condominium. In the case of a Vacation Destination Neighborhood, (i) the Declarant may establish a property management company with the exclusive right (which right may be assigned by Declarant) to lease the Units in such Neighborhood on behalf of the Unit Owner for nightly, weekly, monthly, or longer term use, as may be permitted by law; and (ii) the Supplemental Declaration for the Vacation Destination Neighborhood shall set forth such additional covenants and conditions for leasing the Units and other matters as the Declarant shall determine.

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Exhibit A to this Master Declaration, and each Supplemental Declaration filed to subject additional property to this Master Declaration, shall initially assign the property described therein to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or newly created. During the Declarant's Class C Control Period, the Declarant may unilaterally amend this Master Declaration or any Supplemental Declaration or file a Neighborhood Map from time to time to designate or redesignate Neighborhood boundaries; provided two (2) or more existing Neighborhoods shall not be combined without the consent of Owners of a majority of the Lots in each of the effected Neighborhoods. After such time, Owners may redesignate Neighborhood boundaries upon the affirmative vote of a majority of Owners in each effected Neighborhood.

Each Neighborhood Association or Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Master Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which shall be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Article VI.

Any Neighborhood which does not have a Neighborhood Association shall hold meetings annually or more often as required by the Board of Directors. All Owners in such Neighborhood shall be entitled to attend such Neighborhood meetings. The Neighborhood Chairman shall preside over Neighborhood meetings and shall place such issues on the agenda as the Board of Directors may determine.

Neighborhoods with a Neighborhood Association shall hold meetings as provided for in such Neighborhood Association's bylaws and as may be required by the Board of Directors. Unless otherwise provided for in this Master Declaration, such Neighborhood Association's bylaws shall establish the quorum requirement for meetings of the Neighborhood Association.

Each Neighborhood that is not part of a Neighborhood Association shall elect a Neighborhood Committee of at least three (3) and not more than five (5) members as provided for in the bylaws, and the Neighborhood Committee shall select a Chairman (or President) and a Vice-Chairman (or Vice-President).

In Neighborhoods with a Neighborhood Association, the President and Vice-President of such Neighborhood Association shall, respectively, be the Chairman and Vice-Chairman. The Chairman shall preside over meetings of the Neighborhood and shall be responsible for communication between the Owners in the Neighborhood and the Board of Directors of the Master Association. They also shall attend such meetings as the Board of Directors may request. A majority of the Neighborhood Committee Chairmen present at any meeting of the Neighborhood Chairmen shall constitute a quorum. Action of the Neighborhood Chairmen shall require the affirmative vote of a majority of the Neighborhood Chairmen at which a quorum is present. The Vice-Chairman may attend meetings of the Neighborhood Chairmen but shall not represent the Neighborhood except in the absence of the Neighborhood Chairman.

Each year, the Board of Directors shall call for the election of Neighborhood Committees from Neighborhoods not having a Neighborhood Association. Owners in each Neighborhood shall

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elect their Neighborhood Committees on the day and in such manner as the Board of Directors designates. The Owner of each Lot shall be entitled to cast one (1) equal vote for each Lot which it owns in the Neighborhood for each position. Any Owner in the Neighborhood may nominate Owners in the Neighborhood or declare himself or herself a candidate in accordance with procedures established by the Board of Directors. Neighborhood Chairmen and Vice-Chairmen may serve up to two (2) consecutive one (1) -year terms. Any Neighborhood Chairman or Vice-Chairman may be removed, with or without cause, upon the vote or written petition of a majority of the votes attributable to Lots in the appropriate Neighborhood.

In Neighborhoods with a Neighborhood Association, the articles and bylaws for such Neighborhood Association, and the Supplemental Declaration for such Neighborhood shall control the election, appointment, term, and removal procedure for that Neighborhood Association's directors and officers, and pursuant to the terms of this Section 4.1, the appointment of Neighborhood Chairman and Vice-Chairman. Additionally, the Board may remove a Neighborhood Chairman or Vice-Chairman in its discretion. In the event that a Neighborhood is not represented by a Neighborhood Chairman or a Vice-Chairman, the Board of Directors may appoint a replacement to fulfill the unexpired portion of such term.

Additionally, the Board of Directors may remove a Neighborhood Chairman or Vice-Chairman in its discretion. If a Neighborhood Chairman is removed by the Board of Directors, then the Vice-Chairman shall serve in the Neighborhood Chairman's place and if there is no Vice-Chairman or if the Vice-Chairman is removed by the Board, then the Board shall appoint an Owner from the Neighborhood to act as the Neighborhood Chairman to fulfill the unexpired portion of such term.

The Neighborhood Chairman shall, as the voting member of the Neighborhood, cast all votes attributable to Units in the Neighborhood on all Master Association matters requiring the approval of the Neighborhood Chairman. As the voting member, the Neighborhood Chairman may cast all votes as it, in its discretion, deems appropriate.

4.2 Voting Groups. The Declarant may designate Voting Groups consisting of one (1) or more Neighborhoods for the purpose of electing Directors to the Board, in order to promote representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which Owners representing similar Neighborhoods are able, due to the number of Lots in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others. Following termination of the Declarant's Class C Control Period, the number of Voting Groups within the Properties shall not exceed one (1) less than the total number of Directors to be elected pursuant to the Bylaws. If Voting Groups are established, Owners within each Voting Group shall vote on a separate slate of candidates for election to the Board of Directors, with each Voting Group being entitled to elect the number of Directors specified in the Bylaws.

The Declarant shall establish Voting Groups, if at all, not later than the date of expiration of the Declarant's Class C Control Period by filing with the Master Association and Recording a Supplemental Declaration identifying each Voting Group by legal description or other means such that the Neighborhoods within each Voting Group can easily be determined. Such designation may be amended from time to time by the Declarant, acting alone, at any time prior to the expiration of

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the Declarant's Class C Control Period. After expiration of the Declarant's Class C Control Period, the Board of Directors shall have the right to file or amend such Supplemental Declaration upon the vote of at least three-fourths (3/4) of the Directors. Neither recordation nor amendment to this Master Declaration, and no consent or approval of any Person shall be required except as stated in this paragraph. Until such time as Voting Groups are established, all of the Properties shall constitute a single Voting Group. After a Supplemental Declaration establishing Voting Groups has been filed, any and all portions of the Properties which are not assigned to a specific Voting Group shall constitute a single Voting Group.

4.3 Vote Distribution. Subject to Section 4.5, the Master Association shall have the following three (3) classes of voting membership:

(a) Class A. Class A Members shall be all the Owners. Class A Members shall be entitled to one (1) vote for each Lot which he or it owns. In no event, however, shall more than one (1) Class A vote exist with respect to any Lot.

(b) Class B. Class B Members shall be all Owners of Nonresidential Units, except the Class C Member, if such exists. Class B Members shall be allocated votes based on the formula set forth in Exhibit C, except that no vote shall be exercised for any property which is exempt from assessment unless such property is owned by Declarant or a Declarant Affiliate in which case Class C voting rights still apply.

(c) Class C. The Class C member is the Declarant. The Class C member is entitled to seven (7) votes for each Lot owned and seven (7) times the number of votes allocated to a Non-Residential Unit owned. The Class C membership will cease and be converted to Class A or B membership, as the case may require, on the happening of either of the following events, whichever occurs earlier:

- (i) upon conveyance of all the Lots subject to this Master Declaration or annexation to this Master Declaration to purchasers; or
- (ii) the expiration of ninety-nine (99) years from the first Lot conveyance to a purchaser; or
- (iii) the recording in the records of the Iron County Recorder of a written termination of Class C voting status.

4.4 Multiple Ownership. In the event there is more than one (1) Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Master Association meeting by any of such Owners, whether in person, by proxy, or by ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned, unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever, other than to determine whether a quorum exists.

4.5 Expansion of Terms. As the Development is expanded through Supplemental Declarations, the terms of this Article IV shall be expanded and extended to such additional lands. Specifically including, without limitation, the extension of Class C voting rights to the additional lands. In addition, Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Units within any additional property made subject to this Master Declaration pursuant to Article IX, with such rights, privileges and obligations as may be specified

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in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration

ARTICLE V
JURISDICTION OF MASTER ASSOCIATION

The Master Association has been organized to provide for the operation, maintenance, preservation, and architectural control of the Properties and Improvements and to administer the Common Areas of the Master Association. The Master Association shall have jurisdiction and authority over the Properties and the Members of the Master Association to the full extent allowed by law and also as provided for in this Master Declaration and in the Articles, Bylaws, Community-Wide Standard, ACC Restrictions and Rules, and Rules and Regulations, as such documents may be modified from time to time. The Master Association may also maintain public areas within the Properties.

ARTICLE VI
COVENANT FOR ASSESSMENTS

6.1 Creation of Assessment Obligation. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association (1) Annual Assessments for Common Expenses, (2) Special Assessments, (3) Corrective Assessments, (4) Benefitted Assessments, (5) Government Assessments, (6) Reinvestment Fee Assessments, (7) Neighborhood Assessments for expenses benefitting only Dwelling Units within a particular Neighborhood, and (8) any other amount or assessment levied by the Board pursuant to this Master Declaration; all such assessments to be established and collected as provided in this Master Declaration. The Master Association shall not levy or collect any Annual Assessment, Special Assessment, Corrective Assessment, Benefitted Assessment, or Government Assessment that exceeds the amount necessary for the purpose or purposes for which it is levied. All such assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, if applicable, shall also be and remain the personal obligation of the Person who was the Owner of such property at the time when the assessment fell due. This personal obligation cannot be avoided by abandonment of a Lot or by an offer to waive use of the Common Area. The personal obligation for delinquent assessments liability shall not pass to any new Owner ("Purchaser") successors in title unless expressly assumed by such Purchaser.

So long as the Declarant has an option unilaterally to subject additional property to this Master Declaration, the following shall apply: the Declarant, Declarant Affiliate, builder, contractor, investor, or other person or entity who purchases a Lot for the purpose of constructing improvements thereon for resale to an Owner, shall pay no assessment unless a Dwelling Unit constructed on a Lot is occupied for a residence on a permanent or part-time basis, provided that the Declarant or its assigns shall have the obligation to subsidize the Master Association until control of the Master Association passes to the Owners. Subsidization shall be defined as the payment of the reasonable cash needs of the Master Association for ordinary and necessary maintenance expenses and a reasonable contribution to reserves. In no event, however, shall the

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subsidy exceed the monthly assessments. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

6.2 Purpose of Annual and Special Assessments. The Annual and Special Assessments levied by the Master Association shall be used exclusively to promote the common health, safety, benefit, and welfare of the Owners and for the improvement and maintenance of the Common Area, including establishing and funding a reserve to cover major repair or replacement of Improvements within the Common Area and any expense necessary or desirable to enable the Master Association to perform or fulfill its obligations, functions, or purposes under this Master Declaration or its Articles. Nonresidential Units shall be assessed in amounts set forth in a Supplemental Declaration governing the Nonresidential Units.

6.3 Annual Assessments. Annual Assessments shall be used to satisfy Common Expenses of the Master Association, as provided herein and in the Bylaws. The initial Annual Assessment for a Lot shall be One Hundred and Twenty Dollars (\$120.00) annually, payable in one installment in the month of January, or upon resolution of the Board payable in twelve (12) equal monthly installments due on the first day of each month. The Annual Assessment shall be based upon the Budget prepared by the Board. The Board shall authorize and levy the amount of the Annual Assessment upon each Lot, as provided herein, by a majority vote of the Board. The Common Expenses of the Master Association, and therefore the Annual Assessment, may increase because of, among other reasons, Common Facilities constructed in the sole discretion of Declarant. Nothing herein shall obligate Declarant to construct any Common Facilities.

6.4 Special Assessments. In addition to the Annual Assessment, a Special Assessment can be assessed to pay the costs of any one or more of the following:

(a) Approved by Board. Special Assessments for the following extraordinary expenses can be levied by the Board without Member approval:

- (i) An extraordinary expense required by an order of a court;
- (ii) An extraordinary expense necessary to repair or maintain the Common Area or any portion thereof for which the Master Association is responsible where a threat to personal safety on the Common Area is discovered. Prior to the imposition or collection of a Special Assessment pursuant to this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was necessary and was not or could not have been reasonably foreseen in the budgeting process. The resolution shall be distributed to the Members with the notice of Assessment;
- (iii) Taxes payable to Iron County as described in Section 7.2 of this Master Declaration; and
- (iv) To protect the Common Area against foreclosure; and
- (v) To cover other shortfalls, or other needs approved by the Board as being reasonably necessary to the protection or preservation of the Properties, provided that any such assessment levied under this subparagraph (v) does not exceed fifty percent (50%) of the current Annual Assessment.

(b) Approved by Master Association. Special assessments which must be assented to by more than fifty percent (50%) of all votes which Members represented in person, by proxy, or

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by ballot are entitled to cast at a meeting duly called and held for such purpose pursuant to the Bylaws involve:

- (i) the replacement or improvement of the Common Area or Improvement thereon; and
- (ii) an extraordinary expense necessary to repair or maintain the Common Area or any portion thereof for which the Master Association is responsible.

6.5 Corrective Assessments. In addition to the Annual Assessment and any Special Assessments, the Master Association may levy Corrective Assessments against a particular Owner and his Lot to pay the following: costs directly attributable to, or reimbursable by, that Owner, equal to the costs incurred by the Master Association for corrective action, performed pursuant to the provisions of this Master Declaration, including, without limitation, Sections 2.12, 8.7, and 9.1, and Article XI, plus interest, an administration fee of fifteen percent (15%) of the total cost of the corrective action, and other charges on such Corrective Assessments.

The Board shall deliver a Notice of Noncompliance and Right to Hearing to the Owner upon whom it intends to levy a Corrective Assessment. Corrective Assessments shall be due and payable within forty-five (45) days following delivery of Notice of Board Adjudication and shall bear interest thereafter at the rate of eighteen percent (18%) per annum until paid in full.

6.6 Benefitted Assessments. The Board may levy Benefitted Assessments against particular Lots for expenses incurred or to be incurred by the Master Association to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize (which might include, without limitation, landscape maintenance, caretaker services, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner.

6.7 Government Assessments. In addition to the annual assessments, special assessments, and corrective assessments, the Master Association shall levy such additional assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to streets or other Common or Limited Common Areas from the activities of the City of Enoch in maintaining, repairing, or replacing the City's utility lines and facilities thereon. It is acknowledged that the ownership of said utility lines, underground or otherwise, is in the City up to and including the meters for individual units, and that they are installed and shall be maintained to City specifications.

6.8 Reinvestment Fee Assessments. In addition to all other assessments and upon the conveyance of a Lot there shall be one (1) Reinvestment Fee charged to the buyer or seller, as the buyer and seller may determine, comprised of one or more of the following charges:

- (a) an assessment determined pursuant to resolution of the Board and charged for:
 - (i) common planning, facilities, and infrastructure;
 - (ii) obligations arising from an environmental covenant;
 - (iii) community programming;

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- (iv) recreational facilities and amenities; or
- (v) Master Association expenses as provided for in Utah Code § 57-1-46(1)(a).

(b) No reinvestment assessment shall exceed one-half percent (0.5%) of the fair market value of the Lot, plus all improvements. When the seller is a financial institution, the reinvestment assessment shall be limited to the costs directly related to the transfer, not to exceed Two Hundred and Fifty Dollars (\$250.00). The Master Association may assign the charges in 6.8 (b) directly to the Master Association's manager.

(c) This reinvestment fee covenant may not be enforced upon: (i) an involuntary transfer; (ii) a transfer that results from a court order; (iii) a bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity; or (iv) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution.

(d) As used in this Section 6.8, the Association qualifies as a "large master planned development" within the meaning of Utah Code § 57-1-46(1)(f) and therefore has no express limitation on the amount of the reinvestment fee assessment.

(e) The Master Association may, as part of its reinvestment fee assessment, collect and distribute to a Neighborhood Association a portion of the reinvestment fee assessment.

6.9 Neighborhood Assessments. The Board of Directors shall prepare a separate budget covering the estimated Neighborhood expenses for each Neighborhood on whose behalf Neighborhood expenses are expected to be incurred during the coming year. The Board of Directors shall be entitled to set such budget only to the extent that the Master Association expects to incur expenses to provide additional services for a Neighborhood. As provided for in this Master Declaration, any Neighborhood may request that additional services or a higher level of services be provided by the Master Association and, in such case, any additional costs shall be added to the Neighborhood budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood expense, if any, within the Neighborhood.

Neighborhood expenses shall be allocated equally among all Lots within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment. If specified in the Supplemental Declaration applicable to such Neighborhood or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on Units or other structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefitted Units in proportion to the benefit received. Such proportion shall be specified in the Supplemental Declaration applicable to such Neighborhood, or if not so specified, shall be approved by a majority of the Owners within the Neighborhood, and Declarant, as long as Declarant owns any property within such Neighborhood.

The Board of Directors shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner of a Lot in the Neighborhood with the budget.

If the proposed budget for any Neighborhood is disapproved or if the Board of Directors fails for any reason to determine the budget for any year, then until such time as a budget is

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determined, the budget in effect for the immediately preceding year shall continue for the current year.

6.10 Uniform Rate of Assessment. Annual Assessments and Special Assessments imposed pursuant to subsections 6.2, 6.3, and 6.4(a) and (b) of this Master Declaration shall be assessed equally and uniformly against all Owners and their Lots.

6.11 Date of Commencement of Annual Assessments. Annual Assessments shall commence on all Lots on the first day of the first calendar month following the first Close of Escrow for the sale of a Lot in the Properties. The first Annual Assessment shall be adjusted according to the number of months remaining in the Fiscal Year as set forth in the Bylaws. Written notice of any change in the amount of any Annual Assessment shall be sent to every owner subject thereto, not less than thirty (30) days prior to the effective date of such change. The Master Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Master Association, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Master Association as to the status of assessments against a Lot is binding upon the Master Association as of the date of its issuance.

6.12 Exempt Property. The following property subject to this Master Declaration shall be exempt from the assessments herein:

- (a) All portions of the Properties dedicated to and accepted by a local public authority;
- (b) The Common Area owned by the Master Association in fee;
- (c) Churches;
- (d) Schools;
- (e) Ice Rinks;
- (f) 501(c)(3) charitable organizations; and
- (g) Any other property designated as exempt in a Supplemental Declaration.

6.13 Notice of Members Meetings; Quorum Requirements. Before any Special Assessment is levied, the Board shall deliver a Notice of Members Meeting. The quorum required for any action authorized by Section 6.4(b) shall be as follows: at the first meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all outstanding votes shall constitute a quorum. If a quorum is not present at any meeting another meeting may be called by the Board issuing a Notice of Members Meeting at which a quorum shall be one-half (1/2) of the quorum which was required at such preceding meeting. The process of calling subsequent meetings may continue until a quorum is reached and the quorum requirement will continue to be reduced as provided for above at each subsequent meeting. No such subsequent meeting shall be held more than forty-five (45) days following such preceding meeting at which a quorum was not present.

6.14 Preparation of Budget. At least annually the Board shall prepare and adopt a budget for the Master Association and the Board shall present the budget at a meeting of the members. A budget presented by the Board is only disapproved if member action to disapprove the budget is taken in accordance with the limitations under Section 215 of the Act.

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6.15 Reserve Fund. The Board shall, on behalf of the Master Association, cause to be funded through Annual Assessments or other periodic assessments an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacement to the Common Area.

The Board shall cause a reserve analysis to be conducted no less frequently than every six (6) years and shall review and, if necessary, update a previously prepared reserve analysis every three (3) years. The Board may conduct the reserve analysis by itself or may engage a reliable person or organization to conduct the reserve analysis. The Board shall annually provide Owners a summary of the most recent reserve analysis or update and provide a complete copy of the reserve analysis or update to an Owner upon request. In formulating the budget each year, the Board shall include a reserve line item in an amount required by the governing documents, or, if the governing documents do not provide for an amount, the Board shall include an amount it determines, based on the reserve analysis, to be prudent. Unless a majority of the Master Association Members vote to approve the use of reserve fund money for that purpose, the Board may not use money in a reserve fund: (i) for daily maintenance expenses; or (ii) for any purpose other than the purpose for which the reserve fund was established. The Master Association shall maintain a reserve fund separate from other Master Association funds.

ARTICLE VII

NONPAYMENT OF ASSESSMENTS; REMEDIES

7.1 Nonpayment of Assessments; Remedies. Pursuant to Utah Code §§ 57-8a-301, *et seq.*, any assessment installment payment not paid when due shall, together with the hereinafter provided for interest and costs of collection, be, constitute, and remain a continuing lien on the Lot provided, however, that any such lien will be subordinate to the lien or equivalent security interest of any Mortgage on the Lot recorded prior to the date any such installment payment on assessments become due. If any installment payment on the assessment is not paid within thirty (30) days after the date on which it becomes due, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum plus a late payment service charge of Ten Dollars (\$10.00) if the assessment is not paid within ten (10) days of when it is due, or such larger amount as set by the Board, provided the charge does not exceed twenty-five percent (25%) of the amount of the installment payment, and the Master Association may, in its discretion, bring an action either against the Owner or to foreclose the lien against the Lot judicially or non-judicially. Any judgment obtained by the Master Association and any foreclosure commenced shall include reasonable attorney fees, court costs, and each and every other expense incurred by the Master Association in enforcing its rights. If a monthly installment payment is not timely made, the Board may declare the entire Annual Assessment in default and accelerate the Annual Assessment and declare the entire amount of the Annual Assessment immediately due and owing.

7.2 Iron County Tax Collection. It is recognized that under this Master Declaration the Master Association will own the Common Area and that it will be obligated to pay property taxes to Iron County. It is further recognized that each Owner of a Lot is a Member of the Master Association and as part of his assessment will be required to pay to the Master Association his pro rata share of such taxes. Notwithstanding anything to the contrary contained in this Master Declaration, or otherwise, Iron County shall be, and is, authorized to collect such pro rata share

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(on an equal basis) of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot. To the extent allowable, Iron County is hereby directed to do so. In the event that the assessor shall separately assess Common Areas to the Master Association, the Board may impose, in its discretion a Special Assessment to pay such taxes, or they may be incorporated into the Annual Assessment.

7.3 Lien. The Board may elect to file a claim of lien against the Lot of the Delinquent Owner by Recording a notice ("Notice of Lien") setting forth (a) the amount of the claim or delinquency, (b) the interest and costs of collections which have accrued thereon, (c) the legal description of the Lot against which the lien is claimed, and (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Master Association or duly authorized agent of the Master Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the Notice of Lien have been fully paid or satisfied, the Master Association shall execute and Record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board to cover the cost of preparing and recording the release of lien. Unless paid or otherwise satisfied, the lien may be foreclosed in a like manner as a mortgage or any other manner provided by law, including without limitation, a deed of trust as set forth in this Master Declaration.

7.4 Trust Deed for Assessments. By acceptance of a deed for a Lot, each Owner as Trustor conveys and warrants to Trustee in trust for the Master Association as Beneficiary, with power of sale, the Owner's Lot and appurtenant Limited Common Area, and all Improvements thereon for the purpose of securing payment of all assessments (including basis of collection) provided for in this Master Declaration. For purposes of this Section and Utah Code §§ 57-1-19, *et seq.*, as amended from time to time. The Master Association and each Lot Owner hereby conveys and warrants pursuant to Sections 212 and 302 of the Act, and Utah Code §57-1-20, to attorney Bruce C. Jenkins, or any other attorney that the Master Association engages to act on its behalf to substitute for Bruce C. Jenkins, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of assessments under the terms of this Master Declaration. The Trustee shall mean the attorney for the Master Association and the Master Association may provide notice and disclosure of the Trustee by recording an "Appointment of Trustee" on the records of the Iron County Recorder.

7.5 Perfection of Lien and Priority. Upon the recording of Notice of Lien by the Manager or attorney, such lien constitutes a lien on the Lot Owner's interest in the property prior to all other liens and encumbrances, recorded or unrecorded, except:

- (a) tax and special assessment liens on the Lot in favor of any assessing lot or special improvement district; and
- (b) encumbrances on the interest of the Lot Owner:
 - (i) recorded prior to the date of the recording of Notice of Lien; and
 - (ii) that by law would be a lien prior to subsequently recorded encumbrances.

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The Manager or Board may enforce the assessment lien by sale or foreclosure of the Owner's interest. The Manager or Board may bid at a sale or foreclosure and hold, lease, mortgage, or convey the Lot that is subject to the assessment lien.

7.6 Discontinuance of Common Utility Service and Suspension of Common Facility Use. If the Owner fails or refuses to pay an assessment when due, the board may, after giving notice and an opportunity to be heard as provided for below, terminate an Owner's right:

- (a) to receive utility services paid as a common expense; and
- (b) of access and use of recreational facilities.

Before terminating utility services or right of access and use of recreational facilities, the Manager or Board shall give written notice to the Owner in the manner provided in the Bylaws. The notice shall inform the Owner (i) that utility service or right of access and use of recreational facilities will be terminated if payment of the assessment is not received within thirty (30) days; (ii) of the amount of the assessment due, including any interest or late payment fee; and (iii) of the right to request a hearing as provided for in this Section. An Owner who is given notice may request an informal hearing to dispute the assessment by submitting a written request to the Board within fourteen (14) days after the date on which the Owner receives the notice. The hearing shall be conducted by the Board in accordance with the standards provided in the Bylaws. If a hearing is requested, utility services or right of access and use of recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been entered. Upon payment of the assessment due, including any interest or late payment fee, the Manager of Board shall immediately take action to reinstate the terminated utility services and right of access and use of recreational facilities.

As used in this section, "Delinquent Owner" means a Lot owner who fails to pay an assessment when due.

- (a) The Board may terminate a Delinquent Owner's right:
 - (i) to receive a utility service for which the Member pays as a common expense; or
 - (ii) of access to and use of recreational facilities.
- (b) (i) Before terminating a utility service or right of access to and use of recreational facilities under Subsection (a) the Manager or Board shall give the Delinquent Owner notice. Such notice shall state:
 - (A) that the Master Association will terminate the Owner's utility service or right of access to and use of recreational facilities, or both, if the Master Association does not receive payment of the assessment within fourteen (14) calendar days;
 - (B) the amount of the assessment due, including any interest or late payment fee; and
 - (C) the Owner's right to request a hearing.
- (ii) A notice under Subsection 2(a) may include the estimated cost to reinstate a utility service if service is terminated.

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- (c) (i) The Delinquent Owner may submit a written request to the Board for an informal hearing to dispute the assessment.
- (ii) A request under Subsection c(i) shall be submitted within fourteen (14) days after the date the Delinquent Owner receives the notice under Subsection b(i).
- (d) The Board shall conduct an informal hearing requested under in accordance with the hearing procedures of the Master Association.
- (e) If the Delinquent Owner requests a hearing, the Master Association may not terminate a utility service or right of access to and use of recreational facilities until after the Board:
 - (i) conducts the hearing; and
 - (ii) enters a final decision.
- (f) If the Master Association terminates a utility service or a right of access to and use of recreational facilities, the Master Association shall take immediate action to reinstate the service or right following the Owner's payment of the assessment, including any interest and late payment fee.
- (g) The Master Association may:
 - (i) levy an assessment against the Delinquent Owner for the cost associated with reinstating a utility service that the Master Association terminates as provided in this section; and
 - (ii) demand that the estimated cost to reinstate the utility service be paid before the service is reinstated if the estimated cost is included in a notice under Subsection 2(b).

7.7 Tenant Payment. The Board may require a tenant under a lease with a Lot owner to pay the Master Association all future lease payments due to the Lot owner if the Lot owner fails to pay an assessment for a period of more than sixty (60) days after the assessment is due and payable, beginning with the next monthly or periodic payment due from the tenant and until the Master Association is paid the amount owing. Before requiring a tenant to pay lease payments to the Master Association, the Master Association's manager or Board shall give the Lot owner notice, which notice shall state: (i) the amount of the assessment due, including any interest, late fee, collection cost, and attorney fees; (ii) that any costs of collection, including attorney fees, and other assessments that become due may be added to the total amount due and be paid through the collection of lease payments; and (iii) that the Master Association intends to demand payment of future lease payments from the Lot owner's tenant if the Lot owner does not pay the amount owing within fifteen (15) days.

If a Lot owner fails to pay the amount owing within fifteen (15) days after the Master Association's manager or Board gives the Lot owner notice, the Master Association's manager or Board may exercise the Master Association's rights by delivering a written notice to the tenant. The notice to the tenant shall state that: (i) due to the Lot owner's failure to pay an assessment within the required time, the Board has notified the Lot owner of the Board's intent to collect all lease payments until the amount owing is paid; (ii) the law requires the tenant to make all future lease payments, beginning with the next monthly or other periodic payment, to the Master Association, until the amount owing is paid; and (iii) the tenant's payment of lease payments to the Master Association does not constitute a default under the terms of the lease with the Lot owner. The manager or Board shall mail a copy of this notice to the Lot owner.

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A tenant to whom notice is given shall pay to the Master Association all future lease payments as they become due and owing to the Lot owner: (i) beginning with the next monthly or other periodic payment after the notice is delivered to the tenant; and (ii) until the Master Association notifies the tenant under Subsection (6) that the amount owing is paid. A Lot owner shall credit each payment that the tenant makes to the Master Association under this section against any obligation that the tenant owes to the owner as though the tenant made the payment to the owner; and may not initiate a suit or other action against a tenant for failure to make a lease payment that the tenant pays to the Master Association as required under this section.

Within five (5) business days after the amount owing is paid, the Master Association's manager or Board shall notify the tenant in writing that the tenant is no longer required to pay future lease payments to the Master Association. The manager or Board shall mail a copy of this notification to the Lot owner. The Master Association shall deposit money paid to the Master Association under this section in a separate account and disburse that money to the Master Association until the amount owing is paid; and any cost of administration, not to exceed Twenty-Five Dollars (\$25.00), is paid. The Master Association shall, within five (5) business days after the amount owing is paid, pay to the Lot owner any remaining balance.

7.8 Statement of Account. The Manager or Board shall issue a written statement indicating any unpaid assessment with respect to a Lot covered by the request, upon the written request of any Owner, and payment of a reasonable fee not to exceed Ten Dollars (\$10.00). The written statement shall be binding in favor of any person who relies in good faith on the written statement upon the (i) remaining Owners; (ii) Manager; and (iii) Board. Unless the Manager or Board complies with such request within ten (10) days, any unpaid assessment that became due prior to the date the request was made is subordinate to a lien held by the person requesting the statement.

7.9 Payment by Encumbrancer. An encumbrancer holding a lien on a Lot may pay any unpaid assessment due with respect to the Lot. Upon such payment, the encumbrancer has a lien on the Lot for the amounts paid.

7.10 Cumulative Remedies. The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Master Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

7.11 Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under this Article VII, nor any breach of this Master Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Beneficiary under any Recorded first Deed of Trust (meaning any deed of trust with first priority over other deeds of trust) upon a Lot made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Lot by judicial foreclosure or by means of the powers set forth in such Deed of Trust or through a deed in lieu of foreclosure, such Lot shall remain subject to this Master Declaration and the payment of all installments of Assessments accruing subsequent to the date such Beneficiary or other Person obtains title.

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7.12 Rent After Foreclosure. In the event the Master Association takes title to a Dwelling Unit through foreclosure, the Board may elect to allow the occupant to remain in the Dwelling Unit and the occupant shall be required to pay a reasonable rental to the Master Association for the Dwelling Unit.

ARTICLE VIII **ARCHITECTURAL CONTROL**

8.1 Members of Committee. Prior to the termination of Class C Voting rights, the Declarant, or its designee, shall act as the ACC. After the termination of Class C Voting rights, the ACC shall consist of three (3) to five (5) members. The Board shall have the power to appoint and remove all of the members of the ACC. Persons appointed to the ACC by the Board need not be Members of the Master Association. If the ACC is not appointed, the Board itself shall perform the duties required of the ACC. Individual Board members may also serve as ACC members.

8.2 ACC General Powers. The ACC may promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed Plans conform harmoniously to the exterior design and existing materials of the Improvements on the Properties. This power shall include the power to issue ACC Restrictions and Rules which, among other provisions, may set forth procedures for the submission of Plans for approval, and state additional factors which it will take into consideration in reviewing submissions.

8.3 Review of Plans and Specifications. The ACC shall consider and act upon any and all Plans and specifications submitted for its approval under this Master Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and specifications approved by the ACC. No exterior construction, alteration, removal, relocation, repainting, demolition, addition, modification, external decoration or redecoration, or reconstruction of a Dwelling Unit or Improvement, including landscaping, in the Properties shall be commenced or maintained, until the Plans and specifications there for showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ACC (together with such fees for review and inspection as may be reasonably required by the ACC) and approved in writing by the ACC. The ACC shall approve Plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area or the Properties as a whole, that the appearance of any structure affected thereby will be in harmony with the Community-Wide Standard, the surrounding structures, and that the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Lots and the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden on the Master Association.

The Master Association may charge a plan fee that is equivalent to the cost of reviewing and approving the plans. As used in this section, "plans" mean any plans for the construction or improvement of a Lot which are required to be approved by the Master Association before the construction or improvement may occur.

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The ACC may condition its approval of any Improvement upon such changes, alterations, or modifications of such Improvement as it deems appropriate and may require submission of additional Plans and specifications or other information prior to approving or disapproving material submitted. Such conditions may also include a requirement that the applicant complete the proposed Improvement within a stated period of time. The ACC may require such detail in Plans and specifications submitted for its review as it deems proper, including, without limitation, landscape plans, floor plans, as they relate to exterior appearance, site plans, exterior lighting plans and interior lighting plans as they relate to exterior illumination, drainage plans, elevation drawings and description or samples of exterior material and colors. Decisions of the ACC shall be transmitted by the ACC to the applicant at the address set forth in the application for approval, after receipt by the ACC of all materials required by the ACC and within thirty (30) days after its next duly scheduled meeting at which there is a quorum in attendance. Any application submitted pursuant to this Section 8.3 shall be deemed approved, unless written disapproval or a request for additional information or materials by the ACC shall have been transmitted to the applicant within the time herein set forth. In addition to complying with the ACC Restrictions and Rules, the Applicant shall meet any review or permit requirements of the City of Enoch, Utah, prior to making any alterations or engaging in construction, reconstruction or remodeling permitted hereunder.

8.4 Meetings of the ACC. The ACC shall meet from time to time as necessary to perform its duties hereunder. The vote of a majority of the ACC, shall be sufficient to enact resolutions or motions of the ACC. The attendance of a majority of the members at any meeting shall constitute a quorum.

8.5 No Waiver of Future Approvals. The approval by the ACC of any proposals or Plans for any work done or proposed or in connection with any other matter requiring the approval and consent of the ACC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, Plans or matters subsequently or additionally submitted for approval or consent.

8.6 Compensation of Members. The members of the ACC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

8.7 Inspection of Work and Costs of Correction. Inspection of work and correction of defects therein shall proceed as follows:

(a) The ACC or its duly authorized representative may inspect during reasonable daylight hours, any work for which approval of Plans is required under this Article VIII. However, the ACC's right of inspection of Improvements for which Plans have been submitted and approved shall terminate sixty (60) days after the Improvement has been completed, as evidenced in the case of a Dwelling Unit by a certificate of occupancy issued by the City of Enoch, Utah, and the respective Owner has given written notice to the ACC of its completion. The ACC's rights of inspection shall not terminate pursuant to this paragraph if Plans for the Improvement have not previously been submitted to and approved by the ACC. If, as a result of such inspection, the ACC finds that the Improvement was constructed without obtaining approval of the Plans therefor or was not done in substantial compliance with the Plans approved by the ACC, it shall deliver to the

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owner a Notice of Noncompliance by the ACC within five (5) days from the inspection. The ACC shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance.

(b) If upon the expiration of ten (10) days from the date of delivery of the Notice of Noncompliance by the ACC as provided for above, the Owner has failed to remedy the noncompliance, the ACC shall notify the Board in writing of such failure. The Board shall then deliver to such Owner a Notice of Noncompliance by the Board and Right to Hearing. At hearing the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from delivery of Notice of Board Adjudication to the Owner. If the Owner does not comply with the Board determination within that period, the Board may commence a lawsuit for damages or injunctive relief, as appropriate, to remedy the noncompliance. In addition, the Board may peacefully remedy the noncompliance, and the Owner shall reimburse the Master Association, upon demand, for all expenses (including reasonable attorneys' fees) incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Master Association, the Board shall levy a Corrective Assessment against the Owner for reimbursement as provided in this Master Declaration. The right of the Master Association to remove a noncomplying Improvement or otherwise remedy the noncompliance shall be in addition to all other rights and remedies which the Master Association may have at law, in equity or in this Master Declaration.

(c) If for any reason the ACC fails to notify the Owner of any noncompliance with previously submitted and approved Plans within thirty (30) days after receipt of written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with the approved Plans.

8.8 Scope of Review. The ACC shall review and approve, conditionally approve, or disapprove all Plans submitted to it for any proposed Improvement, alteration, or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Properties generally. The ACC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar architectural features, all as may be required by the Basic ACC Standards and the ACC Restrictions and Rules. The ACC's approval or disapproval shall be based solely on the considerations set forth in this Article VIII, and the ACC shall not be responsible for reviewing, nor shall its approval of any Plan or design be deemed approval of, any Plan or design from the standpoint of structural safety or conformance with building of other codes. Each Owner shall be responsible for obtaining all necessary permits and for complying with all City of Enoch, Utah, requirements with respect to the implementation of such Plans.

8.9 Limitation on Liability. Neither the ACC, the Board nor Declarant, nor any member thereof, acting in good faith shall be liable to the Master Association or to any owner for any damage, loss, or prejudice suffered or claimed on account of (i) the approval or rejection of, or the failure to approve or reject, any Plans, drawings, specifications, or variance requests; (ii) the construction or performance of any work, whether or not pursuant to approved Plans; (iii) the development or manner of development of any of the Properties; or (iv) any engineering or other defect in approved Plans, drawings and specifications.

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8.10 Appeal. After the termination of Class C Voting Rights, there shall be a right to appeal the decision of the ACC to the Board under the procedures set forth in the ACC Restrictions and Rules.

8.11 Declarant's Rights. The Declarant shall not be required to comply with the provisions of this Article in the initial construction of the Properties.

ARTICLE IX **MAINTENANCE AND REPAIR OBLIGATIONS**

9.1 Maintenance Obligations of Owners. Except for front and side yard landscaping maintenance provided for in Section 9.2 below, it shall be the duty of each Owner, at his sole cost and expense, subject to the provisions of this Master Declaration requiring ACC approval, to maintain, repair, replace and restore all Improvements located on his Lot or structures built by the Owner on the Limited Common Area, and to ensure that the Lot itself is maintained in a neat, sanitary, and attractive condition. If any Owner shall permit any Improvement, the maintenance of which is the responsibility of such Owner, to fall into disrepair or to become unsafe, unsightly, or unattractive or to otherwise violate this Master Declaration, the Board shall have the right to seek any remedies at law or in equity which it may have. In addition, the Board shall have the right, but not the duty, to enter upon such Owner's Lot to perform such emergency and non-emergency repairs or maintenance as the Board deems appropriate and to charge the cost thereof to the Owner. Said cost shall be a Corrective Assessment enforceable as set forth in this Master Declaration. For non-emergency repairs or maintenance, the Owner shall be entitled to Notice of Noncompliance by the Board and Right to Hearing. Owner's may assign certain of their maintenance obligations to the Master Association under written contract pursuant to a menu of service which may be offered by the Master Association under the provisions of this Master Declaration relating to Benefitted Assessments.

Each Owner shall also keep the interior of his Dwelling Unit, including, without limitation, interior walls and utility lines therein, doors, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in good sate of repair. In the case of common utility lines shared by two or more Dwelling Units, such obligations for maintenance and repair shall be shared equally by the two or more Dwelling Unit Owners, unless, it is established that the damage or disrepair was the result of an intentional or negligent act of only one owner, in which case such owner shall be entirely responsible for the repairs. In the event that any such Dwelling Unit shall develop an unclean or unsanitary condition or fall into a state of disrepair, and in the event that the owner of such Dwelling Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Master Association, the Master Association shall have the right, at the expense of the owner and without liability to the Owner for trespass or otherwise, to enter said Dwelling Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Master Association shall in no event have the obligations to correct or eliminate any such condition or state of disrepair. All such costs incurred by the Master Association shall be collected by the Master Association as a Corrective Assessment.

9.2 Maintenance Obligations of Master Association. No improvement, excavation, or work which in any way alters the Common Area shall be made or done by any person other than

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the Master Association or its authorized agents after the completion of the construction or installation of the Improvements thereon by Declarant. The Master Association shall provide for the maintenance, planting, repair, and replacement of the Common Area and all Improvements (including drainage) thereon in a safe, sanitary, and attractive condition, and in good order and repair, and shall likewise provide for the commonly metered utilities serving the Common Area, if any. The Master Association shall ensure that the landscaping on the Common Area. The Master Association shall be authorized, but shall not be required, to maintain any lands within the Properties which have been dedicated to and accepted for maintenance by a state, local or municipal governmental agency or entity. All of the foregoing obligations of the Master Association shall be discharged when and in such manner as the Board shall determine in its judgment to be appropriate.

The Board, or its authorized representative, after giving not less than twenty-four (24) hours advance notice posted to the Lot, may access a Lot, including the dwelling unit, if necessary, from time to time during reasonable hours, as necessary for maintenance, repair, or replacement of any of the Common Areas. If repair to a Lot, dwelling unit, or Common Area—that if not made in a timely manner—will likely result in immediate and substantial damage to a Common Area or another Lot or dwelling unit, then the Board may enter the Lot or the dwelling unit to make the emergency repair upon such notice as is reasonable under the circumstances.

9.3 Damage to Dwelling Units—Reconstruction. If all or any portion of any Lot or Dwelling Unit is damaged or destroyed by fire or other casualty, the owner of such Lot shall, at the owner's election, either (i) rebuild, repair or reconstruct the Lot and the Dwelling Unit on such Lot in a manner which will restore them substantially to their appearance and condition immediately prior to the casualty or as otherwise approved by the ACC or (ii) restore the Lot by removing from the Properties all damaged or destroyed building materials. The Owner of any damaged Lot or Dwelling Unit and the ACC shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause reconstruction or restoration of the Lot to commence within three (3) months after the damage occurs and to be completed within fifteen (15) months after damage occurs, unless prevented by causes beyond his reasonable control. A transferee of title to the Lot which is damaged, or upon which is located a damaged Dwelling Unit shall commence and complete reconstruction of the Dwelling Unit or restoration of the Lot in the respective periods which would have remained for the performance of such obligations if the Owner of the Lot at the time of the damage still held title to the Lot. However, in no event shall such transferee of title be required to commence or complete such reconstruction of the Dwelling Unit or restoration of the Lot in less than thirty (30) days from the date such transferee acquired title to the Lot.

9.4 Access at Reasonable Hours. Except as otherwise provided for in this Article IX, the Master Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or Limited Common Area at reasonable hours for the purpose of performing the maintenance required by this Article.

9.5 Alteration of Certain Maintenance Duties by Rules. The duty of maintenance for the area of a Lot outside the walls of the Dwelling Units, and the Limited Common Areas adjacent and appurtenant to the Dwelling Units may be altered by rule of the Master Association.

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9.6 Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Dwelling Units upon the Property and placed on the dividing line between the Lots shall constitute a party wall, including common walls between Dwelling Units and patio fences, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. However, any utilities (including without limitation water, power, and sewer) within the wall and principally serving one Dwelling Unit shall be the responsibility of that Dwelling Unit's Owner, including without limitation all costs of maintenance, repair, and replacement. Any damage resulting from or associated with the utilities principally serving a particular Dwelling Unit shall be the responsibility of the Owner thereof. The Master Association, through the Board, has the right, but not the obligation, to make repairs associated with or caused by such utility services, and the Master Association may levy a Corrective Assessment for the cost of the repairs against the Dwelling Unit of the responsible Owner. Further, if the Master Association's insurance provides any coverage for the damage, the responsible Owner shall pay the deductible and, if such Owner fails to pay the deductible, the Master Association may also levy a Corrective Assessment against the Owner's Dwelling Unit for the amount of the deductible.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, then, to the extent said destruction or damage is not covered by insurance and repaired out of the proceeds of the same, any Owner who has used the wall shall restore it, and, if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements to the extent that said protection is not covered by insurance and paid for out of the proceeds of the same.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request to do so, the Board of the Master Association shall select an arbitrator for the refusing party.

9.7 Neighborhood's Responsibility. Upon resolution of the Board, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain Common Area and Exclusive Common Area within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any right-of-way and green space between the Neighborhood and adjacent public roads, private streets within the

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Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Master Association.

Any Neighborhood Association having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to a declaration of covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood Association fails to perform its maintenance responsibility as required herein and in any additional declaration, the Master Association may perform it and assess the costs against all Dwelling Units within such Neighborhood Association as a Corrective Assessment as provided in Article X of this Master Declaration.

ARTICLE X USE RESTRICTIONS

All real property within the Properties shall be held, used, and enjoyed subject to such limitations and restrictions set forth below

10.1 Residential Use of a Dwelling Unit. Each Dwelling Unit shall be used as a single-family residence. The Dwelling Unit shall not be partitioned physically or otherwise and rented as individual rooms. This Section shall not prohibit fractional ownership of a Dwelling Unit. Notwithstanding the foregoing, Declarant may allow, through Supplemental Declarations, and the Association may not prohibit, the rental of an internal accessory dwelling unit, as defined in § 10-9a-530, contained within a Dwelling Unit, if the internal accessory dwelling unit complies with all applicable: (a) land use ordinances; (b) building codes; (c) health codes; and (d) fire codes.

10.2 Use of Nonresidential Units. Nonresidential Units may be used for such commercial, business, retail, recreational, charitable, multi-family housing, or residential purpose, or any combination of the foregoing, as the Declarant may permit through a Supplemental Declaration.

10.3 Accountability of Members. As more fully provided in Article XI(d), each Member shall be liable to the Master Association for any damage to the Common Area sustained by reason of the negligence or willful misconduct of said Member or the Persons deriving their right and easement of use and enjoyment of the Common Area from said Member, or of his respective family and guests, both minor and adult.

10.4 Business or Commercial Activity in Residential Neighborhoods. Subject to the following exceptions, no part of the Properties shall ever be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other such nonresidential purposes without the prior written approval of the Board; provided, however, that the Declarant, its successors and assigns, may use any portion of the Properties for a model home site, display and sales office in connection with the sale of Lots on the Properties by Declarant. Upon written consent from the Board, which consent may contain reasonable restrictions, occupations without external evidence thereof—including without limitation, traffic generation which are merely incidental to the use of

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the Dwelling Unit as a residential home—are permitted for so long as such occupations are conducted in conformance with all applicable governmental ordinances shall be permitted.

10.5 Signs. Except for one professional quality “For Rent” or “For Sale” sign of not more than four (4) square feet, no advertising signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed, or permitted to remain on any Lot. The content of political or religious signs may not be limited by the Association. However, the Association may, by rule of the Board, reasonably restrict the time place and manner of such signs. Such sign may also be placed on the Limited Common Areas, if any. The foregoing restrictions shall not apply to the commercial activities, signs, and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Master Association in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation, Bylaws, ACC Restrictions and Rules, and Rules and Regulations, as the same may be amended from time to time.

10.6 Quiet Enjoyment. No noxious or offensive activity or noise shall be carried on upon any part of the Properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners or which shall in any way increase the rate of insurance.

10.7 Parking and Vehicular Restrictions.

(a) Parking:

(i) Parking Areas. Each Owner shall maintain his garage, carport, or designated parking space in a manner which ensures that it is capable of accommodating the number of cars it for which it was designed.

(ii) Streets. There shall be no parking on the streets, except Owners and their guests may temporarily park on the streets for the purpose of loading and unloading only and in no case overnight.

(iii) Guest Parking Areas. The guest parking shall be accommodated for on the driveway on the Lot.

(b) Vehicle Maintenance. No Person shall conduct repairs or restorations of any Vehicle or Recreational Vehicle upon any portion of the Properties, except as specifically provided in this subparagraph (b). However, repair and restoration shall be permitted within an Owner’s garage when the garage door is closed, provided that such activity may be prohibited entirely if the Board determines in its discretion that such activity constitutes a nuisance. Owners may, on their driveways, wash the exteriors of any Vehicle or Recreational Vehicle, provided that any debris from the washing is promptly removed.

10.8 Animals. Except as provided for in (i) a Supplemental Declaration or (ii) a local ordinance and approved by the Board as to number and location, even if more restrictive than the ordinance, no animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots, except that dogs, cats, birds or other household pets, two (2) or less in total number, may be kept provided that they are not kept, bred, or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on the Properties which result in an annoyance or are obnoxious, by noise, smell, or otherwise, to Lot Owners. All pets must be kept within an enclosed area of the Lot (such enclosure being approved by the ACC in advance)

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or on a leash attended to by a person when outside the Lot. Such animals may not be kept in the Limited Common Areas unless attended to at all times by a person. All animal waste must be immediately cleaned up. The following are not considered household pets: reptiles, rodents, swine, insects, and animals weighing fifty (50) pounds or more. This Section may be made more restrictive by Rule of the Master Association Board.

10.9 Insurance and Governmental Requirements. No Owner shall permit or cause anything to be done or kept on the Properties, or on any Street visible from the Properties, which may increase the rate of insurance on the Properties, or result in the cancellation of such insurance, or which will obstruct or interfere with the rights of other Owners, nor commit or permit any nuisance thereon or violate any law. Each Owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a Dwelling Unit.

10.10 Construction. Construction of Dwelling Units shall be diligently pursued to substantial completion. All damage caused by construction activity (including construction related vehicles), shall be promptly repaired by the Owner or his contractor.

10.11 Permanent Outbuildings and Temporary Structures. The ACC may approve a permanent outbuilding on a Lot, provided setback requirements set by local ordinance are met and the outbuilding is constructed of substantially the same material and architectural style as the Dwelling Unit. No, tent, shipping container shack, shed, or other temporary building or Improvement of any kind (except portable outhouses and dumpsters during construction) shall be placed upon any portion of the Properties either temporarily or permanently. This Section 10.11 shall not apply to Declarant or a Declarant Affiliate and those providing services or goods to them.

10.12 Drilling. Except as permitted for earth-coupled heat pumps or similar devices as provided for below, no oil drilling, oil, gas or mineral development operations, oil refining, geothermal exploration or development, quarrying or mining operations of any kind shall be permitted on the Properties, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted on or below the surface of any Lot. Further, except as permitted for earth-coupled heat pumps or similar devices as provided for below, no derrick or other structure used in boring for water, oil, geothermal heat, or natural gas shall be erected, maintained, or permitted on the Properties. The foregoing does not apply to Declarant or a Declarant Affiliate and the Declarant may approve drilling rights for one or more Lot or parcel owners.

The Board in its discretion may approve earth-coupled heat pumps or similar devices which may require the excavation or drilling of vertical or horizontal trenches or shafts below the surface of the improved area of a Lot.

10.13 Further Subdivision; Lease Provisions. No Owner shall further partition or subdivide his Lot or the rooms in the Dwelling Unit and Limited Common Area, including without limitation any division of his Lot into time-share estates, time-share uses, or creation of additional living quarters; provided, however, that this provision shall not be construed to limit the right of an Owner (i) to rent or lease his entire Lot to a single family by means of a written lease or rental agreement; (ii) to sell his Lot; or (iii) to transfer or sell any Lot to more than one person to be held

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by them as tenants-in-common, joint tenants, tenants by the entirety or some other form of joint ownership. The terms of any such lease or rental agreement shall be made expressly subject to this Master Declaration and the Bylaws of the Master Association. Any failure by the lessee of such Lot to comply with the terms of this Master Declaration, the Bylaws of the Master Association, the ACC Restrictions and Rules, or the Rules and Regulations shall constitute a default under the lease or rental agreement. This Section 10.13 shall not apply to Declarant so long as Declarant has Class C Voting Rights.

10.14 Drainage. There shall be no interference with or alteration of the established drainage pattern over any Lot on the Properties, unless an adequate alternative provision is made for proper drainage—including without limitation, removal of excess water to gutters in the streets, preventing excess water from traveling onto adjacent Lots and Common Area. For the purposes hereof, “established drainage pattern” is defined as the drainage which exists at the time that such Lot is conveyed to a purchaser from Declarant and shall include drainage from the Lots onto the Common Area. Declarant shall be held harmless from and against any causes of action related to an alteration in the “established drainage pattern.”

10.15 Water Supply and Sewage Disposal Systems. No individual water supply or sewage disposal system shall be permitted on any Lot on the Properties unless such system is designed, located, constructed, and equipped in accordance with the requirements, standards, and recommendations, if any, of the ACC and of any public agency having jurisdiction over the Properties, the Iron County, Utah, Health Department, and all other applicable governmental authorities.

10.16 External Apparatus. No Lot Owner shall cause or permit anything (including, without limitation, awnings, canopies, or shutters) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the ACC.

10.17 Limited Common Area Restrictions. The Master Association Board may adopt rules and restrictions for Limited Common Areas, if any.

10.18 Trash Receptacles. Owners shall keep trash receptacles in the garage or behind a wall screening the trash receptacles from view from the Street, except when placing the receptacles at the curb for pick up. The Board may pass additional Rules and Regulations governing trash receptacles.

10.19 Planting and Gardening. No planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon any property that create a nuisance.

10.20 Garbage Removal. All rubbish, trash, and garbage shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. Garbage should be placed in proper containers.

10.21 FCC Antenna and Dish Policy. Owners are encouraged to use cable or fiber service for television and internet. Satellite dishes and antennas not regulated by the FCC are

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prohibited. Satellite antennas, such as Direct Broadcast Satellite ("DBS") antennas (dishes) one (1) meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed. Location of an FCC approved dish may not be restricted by the Master Association so as to cause unreasonable delay in installation; unreasonably increases the cost of the equipment or its installation, maintenance, or use; or preclude reception of an acceptable quality signal. No dish may encroach upon the Common Area or the property of another Owner. The dish must comply with all applicable city, county and state laws, regulations, and codes. The Master Association must be provided with a copy of any applicable governmental permits. Installation must be pursuant to the manufacturer=s instructions. In order to protect against personal injury and property damage, a dish may not be placed in a location where it may come into contact with a power line. In order to protect against personal injury and property damage, all dishes must be properly grounded and secured. In order to protect against personal injury, dishes may not block or obstruct any driver=s view of an intersection or street. The Owner is responsible for all costs associated with the installation and maintenance of a dish. The Owner is responsible for all damage caused by or connected with the dish. The Owner must hold the Master Association harmless and indemnify the Master Association in the event that someone is injured by the dish. The Owner shall keep the dish in good repair so that it does not violate any portion of this Master Declaration. If requested by the Master Association, the Owner must establish a mutually convenient time to meet with a representative of the Master Association to review and discuss the antenna. In the event of a violation of this Section, the Master Association may bring an action for declaratory relief with the FCC or the Fifth District Court, Iron County, after notice and an opportunity to be heard. If the violation is not corrected within a reasonable length of time, additional fines of Ten Dollars (\$10.00) per day will be imposed for each day that the violation continues. If an antenna poses a serious, immediate safety hazard, the Master Association may seek injunctive relief to compel the removal of the antenna. The Master Association shall be entitled to recover its reasonable attorney=s fees, costs and expenses incurred in the enforcement of this Section. If any provision of this Section is ruled invalid, the remainder of these rules shall remain in full force and effect. If the FCC modifies its rules, the modified rules shall be incorporated into this Section as if fully set forth herein.

ARTICLE XI DAMAGE AND CONDEMNATION

Damage to or destruction of all or any portion of the Common Area and condemnation of all or any portion of the Common Area shall be handled in the following manner:

(a) If the Common Area is damaged or destroyed, the Master Association shall first utilize insurance proceeds and second reserve funds to cause the same to be repaired and reconstructed substantially as they previously existed.

(b) If the cost of effecting total restoration of such Common Area exceeds the amount of insurance proceeds and reserve funds, the Master Association shall, if and to the extent a Special Assessment is approved as provided for in Section 6.4(b), cause the same to be repaired and reconstructed substantially as they previously existed, if possible, and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment against each Lot and its respective Owner.

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(c) To the extent of funds available for restoration, any restoration or repair of such Common Area shall be performed substantially in accordance with the original plans and specifications subject to such changes within the scope of such original plans and specifications as may be approved by the Board.

(d) Each Member shall be liable to the Master Association for any damage to the Common Area or Improvement thereon sustained by reason of the negligence or willful misconduct of said Member or the Persons deriving their right and easement of use and enjoyment of the Common Area from said Member, or of his respective family and guests, both minor and adult. In the event of such damage to the Common Area or Improvement thereon the Board may either assess a penalty under the Rules and Regulations established by the Board in an amount sufficient to pay all costs of the Master Association attributable to such damage, including deductibles and increase in insurance premiums, if any, or the Board may repair the damage to the Common Area or Improvement thereon with the proceeds from the Master Association's insurance and assign to the Master Association's insurance company, its claims against the Member who, by his own acts or the acts (both minor and adult) of his family member, guest, invitee, or assignee, damaged the Common Area or Improvement thereon. In the case of joint ownership of a Lot, the liability of the Owners thereof shall be joint and several, except to the extent that the Master Association has previously contracted in writing with such joint Owners to the contrary. All such expenses may be levied by the Master Association as a Corrective Assessment.

(e) If at any time the Common Area, or any part thereof, shall be taken or condemned by any authority having the power of eminent domain, the Master Association shall represent the Lot Owners in these proceedings, negotiations, settlements, or agreements. All compensation and damages shall be payable to the Master Association and shall be used promptly by the Master Association to the extent necessary for restoring and replacing any Improvements on the remainder of the Common Area. Upon completion of such work and payment in full therefor, any proceeds of condemnation then or thereafter in the hands of the Master Association which are proceeds for the taking of any portion of the Common Area shall be disposed of in such manner as the Master Association shall reasonably determine.

ARTICLE XII **INSURANCE**

12.1 Casualty Insurance. The Master Association shall secure and at all times maintain the following insurance coverages: A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all Improvements comprising a part of the Common Area. The name of the insured under each such policy shall be in form and substance similar to: "Pinnacle Ridge Master Owners Association" for the use and benefit of the individual Lot Owners and Mortgagees, as their interests may appear.

12.2 Liability Insurance. A comprehensive policy or policies insuring the Owners, the Master Association, and its Board, officers, agents, and employees against any liability incident to the ownership, use or operation of the Common Areas which may arise among themselves, to the public, and to any invitees or tenants of the Property or of the owners. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage, liability for non-owned or hired automobile, liability for property

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of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use. Such policies shall be issued on a comprehensive liability basis, shall provide a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced, and shall contain "a severability of interest" clause or endorsement to preclude the insurer from denying the claims of an Owner in the Development because of negligent acts of the Master Association or other Owners.

12.3 Fidelity Insurance. A fidelity policy or policies to protect against dishonest acts on the part of Board, officers, Manager, employees of the Master Association and all others (including volunteers) who handle or are responsible for handling funds of the Master Association. This fidelity coverage shall name the Master Association as the obligee or insured and shall be written in an amount sufficient to offer the protection reasonably required, but in no event less than one hundred percent (100%) of the Master Association's estimated annual operating expenses including reserves. The fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Said policy shall also provide that it may not be canceled or substantially modified (including cancellation for non-payment of premiums] without at least thirty (30) days prior written notice to all Mortgagees of Lots.

12.4 Directors and Officers. The Board shall obtain director's and officer's liability insurance for officers and directors of the Association. Such insurance shall, among other coverages, include coverage for both monetary and non-monetary claims and shall be in an amount customary for a project of a type the same as or similar to this type of Project.

12.5 Additional Insurance Requirements. The following additional provisions shall apply with respect to the insurance:

(a) In addition to the insurance described above, the Master Association shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with developments similar to the Property in construction, nature, and use.

(b) All policies shall be written by a company holding a rating of Class IV or better from Best's Insurance Reports or equivalent rating. Each insurer must be specifically licensed in the State of Utah.

(c) The Master Association shall have the authority to adjust losses.

(d) Insurance secured and maintained by the Master Association shall not be brought into contribution with insurance held by the individual Owners or their Mortgagees.

(e) Each policy of insurance obtained by the Master Association shall, if reasonably possible, provide: A Waiver of the insurer's subrogation rights with respect to the Master Association, the Owners, invitees, and tenants; that it cannot be canceled, suspended, or invalidated due to the conduct of any particular Owner or Owners; that it cannot be canceled, suspended, or invalidated due to the conduct of the Master Association or of any Board, officer, Manager, agent or employee of the Master Association without a prior written demand that the defect be cured; that any "no other insurance" clause herein shall not apply with respect to insurance held by the owners.

(f) Notwithstanding any provisions to the contrary herein, so long as the Mortgagee or its designee holds a mortgage or beneficial interest in a trust deed on a Lot in the Development or

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owns a Lot, insurance policies shall meet all requirements and contain such other coverage and endorsements as may be required from time to time by the Mortgagee or its designee.

(g) Mortgagee Clause. All policies of hazard insurance must contain or have attached the standard Mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

(h) Review of Insurance. The Board shall periodically, and whenever requested by twenty percent (20%) or more of the Owners, review the adequacy of the Master Association's insurance program and shall report in writing the conclusions and action taken on such review to the Owner of each Lot and to the holder of any mortgage on any Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by the Owner.

(i) Lots and Dwelling Units Not Insured by Master Association. The Master Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage, or other insurance covering any Lot or Dwelling Unit on a Lot and acts and events occurring thereon.

12.6 Insurance Obligations of Owners. Each Owner is encouraged to secure and keep in force at all times fire and extended coverage insurance which shall be equal to or greater than fire and extended coverage and shall be at least equal to that commonly required by private institutional mortgage investors in the area in which the mortgaged premises are located. The policy shall provide, as a minimum, fire, and extended coverage insurance on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy. The amount of coverage shall be sufficient so that in the event of any damage or loss to the mortgaged premises of a type covered by the insurance, the insurance proceeds shall provide at least the lesser of: (i) compensation equal to the full amount of damage or loss, or (ii) compensation to the first Mortgagee under the mortgage equal to the full amount of the unpaid principal balance of the Mortgage Loan. However, the Board may elect to take advantage of discounts and/or improved coverage that may be afforded by a master policy of insurance. If the Board elects so to do, such policy shall be in an amount equal to full replacement value of all Dwelling Units on the Lots with a co-insurance clause and each owner of such Lots shall be designated as additional insured. The cost of such insurance shall be part of the assessment for such Lot. In this event the insurance cost may be specifically charged to those Lots with Dwelling Units built upon them.

12.7 Unacceptable Policies. Policies are unacceptable where: (i) under the terms of the carrier's declaration, bylaws, or policy, contributions or assessment may be made against the Lot Owner or Mortgagee or Mortgagee's designee; or (ii) by, the terms of the carrier's declaration, bylaws, or policy, loss payments are contingent upon action by carrier's policy includes any limiting clauses (other than insurance conditions) which could prevent the Lot Owner, Mortgagee or Mortgagee's Designee from collecting insurance proceeds.

12.8 Master Association and Owner's Flood Insurance. In the event that a portion of the Development should be declared to be in a flood area, a blanket policy of flood insurance for that portion of the Common Area located in the flood area shall be maintained by the Master

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Association in an amount equal to the full cost of replacement of the Common Area within the flood area. Each Owner of a Lot located within the 100-year flood plain marked on the Plat shall acquire and maintain in effect flood insurance for the full replacement cost of the Dwelling Unit, the Lot, and all Improvements thereon, unless such Owner elects not to obtain flood insurance and signs a "Waiver and Acknowledgment" of such election on a form prepared by and acceptable to the attorney for the local municipality prior to issuance of a certificate of occupancy. The Waiver and Acknowledgment shall be binding upon all heirs, successors and assigns of the Owner signing such Waiver and Acknowledgment. All Dwelling Units and buildings within the 100-year flood plain must have an elevation certificate, prepared by a license professional, verifying the finished floor elevation prior to issuance of a building permit. Said certificate's elevation shall be verified by the licensed professional before a certificate of occupancy is obtained. It is recommended that all Owners in the Development obtain flood insurance, even if their Lot is not located within the 100-year flood plain.

12.9 Waiver. Each Neighborhood Association hereby waives any and all right of recovery against the other Neighborhood Associations, the Master Association, or against their officers, employees, agents, and representatives, and against any Owners or Members on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any policy of insurance which any of the waiving parties may have in force at the time of such loss or damage.

ARTICLE XIII **MORTGAGEE PROTECTION CLAUSE**

Notwithstanding any other provision of this Master Declaration, the following provisions concerning the rights of first Mortgagees shall be in effect:

13.1 Preservation of Regulatory Structure and Insurance. Unless the holders of sixty-seven percent (67%) of all first Mortgagees and seventy-five percent (75%) of the Lot Owners shall have given their prior written approval, the Master Association shall not be entitled:

- (a) by act or omission to change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior, appearance of Dwelling Units, the exterior maintenance of Dwelling Units under certain conditions provided in Section 9.2, or the upkeep of the Common Area;
- (b) to fail to maintain fire and extended coverage on insurable portions of the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurance values (based on current replacement costs); or
- (c) to use hazard insurance proceeds for losses to the Common Area for other than the repair, replacement, or reconstruction of improvements on the Common Area.

13.2 Change in Method of Assessment. Unless the Master Association shall receive the prior written approval of (1) at least sixty-seven percent (67%) of all first mortgagees (based on one (1) vote for each Mortgagee of the Lots and (2) the Owners of at least sixty-seven percent (67%) of the Lots (not including Lots owned by Declarant), the Master Association shall not be

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entitled: to change the ratio or method of determining the obligations, assessments, dues, or other charges which may be levied against a Lot or the owner thereof.

Neither this Article XIII nor the insurance provisions contained in Article XII may be amended without the prior approval of all first Mortgagees.

13.3 Notice of Matters Affecting Security. The Master Association shall give written notice to any first Mortgagee of a Lot requesting such notice wherever:

(a) there occurs any substantial damage to or destruction of any Dwelling Unit or any part of the Common Area involving an amount in excess of, or reasonably estimated to be in excess of Fifteen Thousand Dollars (\$15,000.00). Said notice shall be given within ten (10) days after the Master Association learns of such damage or destruction; or

(b) there is any condemnation proceedings or proposed acquisition of a Dwelling Unit or of any portion of the Common Area within ten (10) days after the Master Association learns of the same the Master Association plans to abandon or terminate the planned unit development established by this Master Declaration.

13.4 Notice of Meetings. The Master Association shall give to any first Mortgagee of a Lot requesting the same, notice of all meetings of the Master Association, and such first Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

13.5 Right to Examine Master Association Records. Any first Mortgagee shall have the right to examine the books, records, and audit financial statements of the Master Association.

13.6 Right to Pay Taxes and Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area; and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Master Association. Declarant, for the Master Association as owner of the Common Areas, hereby covenants and the Master Association by acceptance of the conveyance of the Common Areas, whether or not it shall be so expressed in such conveyance, is deemed to covenant and agree to make such reimbursement.

13.7 Rights Upon Foreclosure of Mortgage. Each holder of a first Mortgage (or Deed of Trust) on a Lot and any purchaser from it who comes into possession of the Lot by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or pursuant to a power of sale or otherwise will take the Lot free of, and shall not be liable for any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot.

13.8 Deemed Consent. If a security holder's consent is a condition for amending the Master Declaration or Bylaws, the security holder's consent is presumed given, even if not actually given, if the Master Association complies with Section 210 of the Act.

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ARTICLE XIV
GENERAL PROVISIONS

14.1 **Enforcement.** Subject to the provisions of Sections 14.11 through 14.14, this Master Declaration may be enforced by the Master Association, Declarant, and any Owner as follows:

(a) The result of every act or omission whereby any of the provisions contained in this Master Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Master Association, and by the Declarant for so long as Declarant owns a Lot.

(b) The remedies herein provided for breach of the provisions contained in this Master Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(c) The failure of the Master Association to enforce any of the provisions contained in this Master Declaration shall not constitute a waiver of the right to enforce the same thereafter.

(d) Any breach or amendment of the provisions contained in this Master Declaration, the Articles or the Bylaws shall not affect or impair the lien or charge of any first Mortgage made in good faith and for value on any Lot or the Improvements thereon, provided that any subsequent Owner of such property shall be bound by such provisions of this Master Declaration, Articles and Bylaws, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise.

(e) The Master Association, through its Board, shall have the power to levy fines for violations of the Master Association's governing documents and fines may only be levied for violations of the governing documents. In addition to the levy of fines, the Board may also elect to pursue other enforcement remedies and/or damages permitted under the governing documents. Furthermore, pursuant to Utah Code 57-8a-218(2)(b), a tenant shall be jointly and severally liable to the Master Association with the Owner leasing to such tenant for any violation of the governing documents by the tenant.

(f) The Master Association shall be entitled to recover all costs and reasonable attorneys' fees incurred in the enforcement of this Master Declaration, the Articles, Bylaws and Rules of the Association.

14.2 **Severability.** Invalidation of any provision of this Master Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

14.3 **Rule Against Perpetuities.** The rule against perpetuities and the rule against unreasonable restraints on alienation of real estate may not defeat or otherwise void a provision of this Master Declaration, the Articles, Bylaws, Plat, Rules, or other governing document of the Master Association. If for any reason this Master Declaration does not comply with the Act, such noncompliance does not render a Lot or Common Area unmarketable or otherwise affect the title if the failure is insubstantial.

14.4 **Interpretation.** The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Common Area. The article and section headings have

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been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter. Except for judicial construction, the Board shall have the exclusive right to construe and interpret the provisions of this Master Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Board's construction or interpretation of the provisions hereof shall be final, conclusive, and binding as to all persons and property benefited or bound by this Master Declaration.

14.5 Amendment. Any amendment to this Master Declaration shall require the affirmation of at least sixty-seven percent (67%) of all Membership votes actually represented in person, by proxy, or by ballot that are entitled to be cast at a meeting duly called for such purpose. The Board shall cause to be delivered to all Members a Notice of Members Meeting setting forth the purpose of the meeting and the substance of the amendment proposed. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Membership shall constitute a quorum. If a quorum is not present at any meeting, another meeting may be called by the Board causing to be delivered another Notice of Members Meeting, at which meeting a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting. Notwithstanding anything herein contained to the contrary, until Declarant Class C Voting Rights have terminated: (i) Declarant shall have, and it hereby vested with, the right to unilaterally amend this Master Declaration as Declarant believes may be reasonably necessary or desirable and (ii) any amendment to this Master Declaration by the Membership shall not be effective unless consented to in writing by the Declarant. Any amendment authorized pursuant to this Section shall be accomplished through the Recordation of an instrument executed by the Master Association. In such instrument an officer of the Master Association or member of the Board shall certify that the vote required by this Section for amendment has occurred, except for amendments unilaterally made by the Declarant.

14.6 Manager. The Master Association may carry out through a Manager any of its functions which are properly the subject of delegation. Any Manager so engaged may be an independent contractor or an agent or employee of the Master Association. Such Manager shall be responsible for managing the Properties for the benefit of the Master Association and the Owners, and shall, to the extent permitted by law and the terms of a management agreement with the Master Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Master Association itself.

14.7 Terms of Management Agreement. Any agreement for professional management of the Development, or any other contract providing for services of the Declarant, sponsor, or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of termination fee on not more than ninety (90) but not less than thirty (30) days written notice.

14.8 Rules and Regulations. The Board shall have the authority to promulgate and adopt Rules and Regulations as the Board deems necessary or desirable (i) to aid it in administering the

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affairs of the Master Association, (ii) to insure that the Properties are maintained and used in a manner consistent with the interests of the Owners, (iii) to regulate the use of the Common Areas and to regulate the personal conduct of the Members and their guests thereon, and (iv) to establish penalties and fines for the infractions of any Rules and Regulations, this Master Declaration, or the Bylaws. Fines, subject to limitations under the Act, maybe assessed as a Corrective Assessment against the Lot. The Board may adopt, amend, cancel, limit, create exceptions to, expand or enforce rules and design criteria of the Master Association that are not inconsistent with this Master Declaration or the Act. Except in the case of imminent risk of harm to a Common Area, a limited Common Area, an Owner, a Lot or a dwelling, the Board shall give at least fifteen (15) days advance notice of the date and time the Board will meet to consider adopting, amending, canceling, limiting, creating exceptions to, expanding, or changing the procedures for enforcing rules and design criteria. The Board may provide in the notice a copy of the particulars of the rule or design criteria under consideration. A rule or design criteria adopted by the Board is only disapproved if member action to disapprove the rule or design criteria is taken in accordance with the limitations under Section 217 of the Act. Notwithstanding the foregoing, so long as Class C Voting exists Declarant shall not be required to comply with Section 217 of the Act.

14.9 Assignment of Declarant Powers. Any and all rights and powers of the Declarant herein contained may be delegated, transferred, or assigned at the sole discretion of the Declarant. In the event of any such transfer of Declarant rights, the Declarant shall have assigned all of its rights herein and shall be relieved from and after the date of such transfer of all liability and obligations hereunder, and the Successor Declarant(s) shall have all the rights and obligations of Declarant contained herein.

14.10 Agreement to Encourage Resolution of Construction Defect Disputes Without Litigation.

(a) Declarant, the Master Association, and all persons subject to this Master Declarant (collectively "Bound Parties") hereby agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving a Claim (as defined in subsection (b)) without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 14.12 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to the design or construction of improvements by Declarant within the Properties.

14.11 Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:

(i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim;

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- (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.

(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 parties have not resolved the Claim through negotiation within thirty (30) days of the date of the notice described in Section 15.2.11(a) (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 Master Association (if the Master Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Iron County, Utah area.

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.

If the Parties do not settle the Claim within thirty (30) 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 the mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

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DISPUTE RESOLUTION TIMELINE

Claim Between Bound Parties

Day 1	Days 2-30	Days 31-60	Days 61-90+
Written Notice of Claim	Negotiations	Request Mediation	Mediation
<ul style="list-style-type: none"> • Factual Basis • Legal Basis • Propose a resolution • Propose a meeting • Send copy to Board 	<ul style="list-style-type: none"> • Good faith effort • Parties meet in person • May request Board assistance 	<ul style="list-style-type: none"> • Claimant must submit claim • Mediator assigned by Master Association or independent agency • If Claim is not submitted, it is waived 	<ul style="list-style-type: none"> • Agency supplies rules • Fee split between parties • Written summary from each side • Supervised negotiation • Contractual settlement or • Termination of mediation

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

(d) Settlement. 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 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 fees and court costs.

14.12 Initiation of Litigation and Limitation of Action. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Claimant shall not initiate any judicial or administrative proceeding against the Declarant for a Claim unless first complying with the provisions of Utah Code § 57-8a-229.

14.13 Initiation of Action Against Declarant, Board, etc.

(a) In addition to compliance with the foregoing alternative dispute resolution procedures, the Claimant shall not, before or after the Turnover Date, initiate any action the Declarant, the Board, or an employee, an independent contractor, or an agent of the Declarant or Board related to the period prior to the Turnover Date for a Claim unless the following requirements are satisfied. This Section shall not be amended unless such amendment is approved by the Declarant in writing.

(i) the legal action is approved in advance at a meeting where owners of at least fifty-one percent (51%) in aggregate in interest of the undivided ownership of the Common

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Areas and Facilities are: (1) present; or (2) represented by a proxy specifically assigned for the purpose of voting to approve or deny the legal action at the meeting;

(ii) the legal action is approved by vote in person or by proxy of Owners of the lesser of: (1) more than seventy-five percent (75%) of the voting interests represented by those owners present at the meeting or represented by a proxy as described in Subsection (i); or (2) more than fifty-one percent (51%) of the voting interests;

(iii) the Association provides each Owner with the items described in Subsection (b);

(iv) the Association establishes the trust described in Subsection (c);

(v) the Association first: (1) notifies the person subject to the proposed action of the action and the basis of the Association's claim; and (2) gives the person subject to the proposed action a reasonable opportunity to resolve the dispute that is the basis of the action.

(b) Before unit owners in the Association may vote to approve an action described in Subsection (a), the Association shall provide each unit owner: (i) a written notice that the Association is contemplating legal action; and (ii) after the Association consults with an attorney licensed to practice in the state, a written assessment of: (1) the likelihood that the legal action will succeed; (2) the likely amount in controversy in the legal action; (3) the likely cost of resolving the legal action to the Association's satisfaction; and (4) the likely effect the legal action will have on a unit owner's or prospective unit buyer's ability to obtain financing for a unit while the legal action is pending.

(c) Before the Association commences an arbitration action for a Claim described in Subsection (a), the association shall: (i) allocate an amount equal to ten percent (10%) of the cost estimated to resolve the legal action, not including attorneys' fees; and (ii) place the amount described in Subsection (c)(i) in a trust that the association may only use to pay the costs to resolve the legal action;

(d) This Section does not apply if the Association brings arbitration action that has an amount in controversy of less than Seventy-Five Thousand Dollars (\$75,000);

(e) This Section may not be amended without the written consent of the Declarant; and

(f) Any action related to an improvement of real property may not be commenced by a Claimant unless the dispute resolution process in this Section is commenced within one year from the date "completion" of an improvement on the Property. For the purposes of this Section "completion" shall have the meaning set forth in Utah Code § 78B-2-225(1)(c).

14.14 Easement to Inspect and Right to Correct. Declarant and others it may designate grant the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Properties, including Lots or Parcels, and a perpetual, non-exclusive easement of access throughout the Properties to the extent reasonably necessary to exercise such right. Except in any emergency, entry onto a Lot or Parcel shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the Owner's consent. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

14.15 Declarant's Disclaimer of Representations. Anything to the contrary in this Master Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Iron County, Utah, Declarant

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makes no warranties or representations whatsoever that the plans presently envisioned or the complete development of the Covered Property can or will be carried out, or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Master Declaration or any other declaration, or that any such land (whether or not it has been subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect.

14.16 Mold. Whether or not you as an Owner experience mold growth depends to a great extent on how you manage and maintain your Dwelling Unit. You are hereby given notice to take all reasonable means to detect and prevent growth and infestation of mold and other similar agents. The Declarant will not be responsible for any damages, and as Owner you waive any claim to damages, caused by mold, or by some other agent, that may be associated with customary construction practices in the area, to include but not be limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects or losses. Any implied warranties, including but not limited to an implied warranty of workmanlike construction, an implied warranty of habitability, an implied warranty of merchantability or an implied warranty of fitness for a particular purpose, are hereby waived and disclaimed by you as the Owner.

14.17 Powers of the Master Association with Respect to Neighborhoods. The Board of Directors shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association or Neighborhood Chairman which the Board of Directors reasonably determines to be adverse to the interests of the Master Association or its Members or inconsistent with the Community-Wide Standard. The Master Association shall also have the power to require specific action to be taken by any Neighborhood Association or Neighborhood in connection with its obligations and responsibilities hereunder or under any other covenants affecting the Properties. Without limiting the generality of the foregoing, the Master Association may require specific maintenance or repairs or aesthetic changes to be effectuated by the Neighborhood Association or Neighborhood, may require that a proposed budget include certain items and that expenditures be made therefor, and may veto or cancel any contract providing for maintenance, repair, or replacement of the property governed by such Neighborhood Master Association or Neighborhood.

Any action required by the Master Association in a written notice pursuant to the foregoing paragraph to be taken by a Neighborhood Association, shall be taken within the time frame set by the Master Association in such written notice, and the Master Association shall have the right to effect such action on behalf of the Neighborhood Association or Neighborhood and shall assess the Units and Nonresidential Units in such Neighborhood for their pro rata share of any expenses incurred by the Master Association under the circumstances (to cover the Master Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Master Association) in the manner provided in Article VI. Such assessments may be collected as a Benefitted Assessment hereunder and shall be subject to all lien rights provided for herein.

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ARTICLE XV
ANNEXABLE TERRITORY

15.1 Annexation by Declarant. Declarant may expand the real property subject to this Master Declaration by the annexation of all or part of the Annexable Territory. The annexation of such land shall become effective and extend this Master Declaration to such real property upon the Recordation of a Supplemental Declaration or similar instrument which:

- (a) describes the real property to be annexed or incorporated by reference within the description contained in the Annexable Territory portion of the Plat;
- (b) declares that the annexed real property is to be held, sold, conveyed, encumbered, leased, occupied, and improved as part of the Properties subject to this Master Declaration; and
- (c) sets forth such additional limitations, restrictions, covenants, and conditions which may be complementary to the covenants, conditions, and restrictions contained in this Master Declaration. It is expected that various Neighborhoods or Non-Residential Units may have architectural requirements and standards unique to that Neighborhood or Non-Residential Unit. Except for the foregoing, a Supplemental Declaration may not be inconsistent with this Master Declaration.

When such annexation becomes effective, said real property shall be subject to this Master Declaration and subject to the functions, powers, and jurisdiction of the Master Association, and thereafter all of the Owners of Lots in the Properties shall automatically be members of the Master Association. Such annexation may be accomplished in one or more annexations or Phases of Development without limitation as to size or location within the Annexable Territory.

15.2 Limitation on Annexation. Declarant's right to annex said real property to the Properties shall be subject to the following limitations, conditions and rights granted to the Declarant:

- (a) The annexed real property must be part of the Annexable Territory as of the date of this Master Declaration. However, Declarant reserves the right to expand the borders of Annexable Territory to real property contiguous to the property described in Exhibits A and B, but with no obligation to do so and no claim as to right, title or interest to said real property.
- (b) All Lots, Dwelling Units and Nonresidential Units added to the Properties shall be for residential purposes, except as otherwise provided for in this Master Declaration.
- (c) Declarant reserves unto itself and its assigns the right to create Common Area, and Improvements thereon, within any portion of the annexed real property. Declarant makes no assurances that such Common Areas or Improvements will be established.
- (d) The configuration of annexed land as to Lot size, use, zoning Common Areas, and the type of Improvements is reserved to the Declarant.

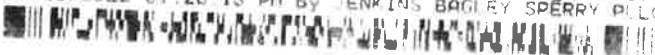
15.3 Expansion of Definitions. In the event the Properties are expanded, the definitions used in this Master Declaration automatically shall be expanded to encompass and refer to the Properties as so expanded.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, Declarant executed this Master Declaration on the 15 day JULY, 2022.

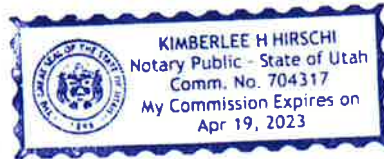
Declarant:
VELOCITY DEVELOPMENT, LLC,
 a Utah limited liability company


 By: Spencer L. Jones
 Its: Manager

STATE OF UTAH)
)
 : ss.
 County of IRON)

On this 15 day of JULY, 2022 personally appeared before me Spencer L. Jones, who being personally known to me (or satisfactorily proved to me), and who being by me duly sworn did say that he is the Manager of Velocity Development, LLC, a Utah limited liability company, and that he executed the foregoing Master Declaration on behalf said limited liability company being authorized and empowered to do so by the operating agreement of said Company or resolution of its managers, and he acknowledged before me that such Company executed the same for the uses and purposes stated therein.


 Notary Public



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Exhibit A
(Legal Description—Phase I)

This Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Pinnacle Ridge affects the following real property, all located in Iron County, State of Utah:

All of Lots 1 through 16, together with all Common Area, Pinnacle Ridge Subdivision, Phase 1, according to the Official Plat thereof, on file in the Office of the Recorder of Iron County, State of Utah.

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Exhibit B
Legal Description – Annexable Property

BEGINNING AT THE WEST QUARTER CORNER OF SECTION 5, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M; THENCE S.89°52'22"E. ALONG THE 1/4 SECTION LINE 1323.03 FEET TO THE CENTER WEST 1/16 CORNER OF SAID SECTION 5, THENCE S.0°28'07"W. ALONG THE 1/16 LINE 1335.19 FEET TO THE SOUTHEAST 1/16 CORNER OF SAID SECTION 5, THENCE N.89°56'34"E. ALONG THE 1/16 LINE 1326.29 FEET TO THE CENTER SOUTH 1/16 CORNER OF SAID SECTION 5, THENCE S.0°19'46"W. ALONG THE 1/4 SECTION LINE 1330.91 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 5, THENCE N.89°38'59"E. ALONG THE SECTION LINE 1331.57 FEET TO THE EAST 1/16 CORNER COMMON TO SECTIONS 5 AND 8, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE N.0°13'43"E. ALONG THE 1/16 LINE 1325.39 FEET TO THE SOUTHEAST 1/16 CORNER OF SAID SECTION 5, THENCE N.89°53'23"E. ALONG THE 1/16 LINE 1329.20 FEET TO THE SOUTH 1/16 CORNER COMMON TO SECTIONS 4 AND 5, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE N.0°07'36"E. ALONG THE SECTION LINE 1319.82 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 5, THENCE N.89°57'38"E. ALONG THE 1/4 SECTION LINE 2653.21 FEET TO THE CENTER QUARTER CORNER OF SECTION 4, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE S.0°06'15"W. ALONG THE 1/4 SECTION LINE 1323.94 FEET TO THE CENTER SOUTH 1/16 CORNER OF SAID SECTION 4, THENCE S.0°06'29"W. ALONG THE 1/4 SECTION LINE 1323.85 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 4, THENCE N.89°51'26"W. ALONG THE SECTION LINE 1327.06 FEET TO THE WEST 1/16 CORNER COMMON TO SECTIONS 4 AND 9, THENCE S.0°02'51"W. ALONG THE 1/16 LINE 915.93 FEET TO A BLM MONUMENT LOCATED ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF OLD HIGHWAY 91, THENCE S.0°02'40"W. ALONG THE 1/16 LINE 1736.53 FEET TO THE CENTER WEST 1/16 CORNER OF SECTION 9, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE N.89°44'46"W. ALONG THE 1/4 SECTION LINE 1327.26 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 9, THENCE S.89°51'41"W. ALONG THE 1/4 SECTION LINE 1329.08 FEET TO THE CENTER EAST 1/16 CORNER OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE S.0°00'39"E. ALONG THE 1/16 LINE 1325.85 FEET TO THE SOUTHEAST 1/16 CORNER OF SAID SECTION 8, THENCE S.89°47'49"W. ALONG THE 1/16 LINE 1327.99 FEET TO THE 1/4 SECTION LINE, THENCE N.89°51'26"W. ALONG THE 1/16 LINE 1329.45 FEET TO THE SOUTHWEST 1/16 CORNER OF SAID SECTION 8, THENCE N.17°48'53"E. 229.87 FEET, THENCE N.15°35'59"E. 69.41 FEET, THENCE N.54°31'15"E. 137.43 FEET, THENCE N.36°25'50"W. 342.55 FEET, THENCE S.53°38'07"W. 119.95 FEET, THENCE N.36°19'08"W. 279.88 FEET, THENCE S.47°46'38"W. 219.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF VILLAGE GREEN ROAD, THENCE N.42°57'15"W. ALONG SAID RIGHT-OF-WAY LINE 191.60 FEET TO A POINT OF CURVE, THENCE ALONG THE ARC OF A CURVE TO THE RIGHT WITH A RADIUS OF 15.00 FEET A DISTANCE OF 23.56 FEET (THE CHORD OF SAID CURVE BEARS N.2°02'45"E. 21.21 FEET) TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF PINNACLE WAY, THENCE N.47°02'45"E. ALONG SAID RIGHT-OF-WAY LINE 128.67 FEET TO A POINT OF CURVE, THENCE ALONG THE ARC OF A CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET A DISTANCE OF 16.74 FEET (THE CHORD OF SAID CURVE BEARS N.66°13'41"E. 16.43 FEET) TO A POINT OF REVERSE CURVE, THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 50.00 FEET A DISTANCE OF 180.36 FEET (THE CHORD OF SAID CURVE BEARS N.17°55'48"W. 97.30 FEET) TO A POINT ON THE WESTERLY

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BOUNDARY LINE OF PINNACLE RIDGE SUBDIVISION PHASE 1, THENCE N.35°35'04"W. ALONG SAID BOUNDARY LINE 213.63 FEET, THENCE N.0°08'00"W. ALONG SAID BOUNDARY LINE 148.14 FEET TO THE EAST-WEST 1/4 SECTION LINE OF SAID SECTION 8, THENCE S.89°58'53"W. ALONG SAID EAST-WEST 1/4 SECTION LINE 594.70 FEET TO A POINT OF THE EASTERLY BOUNDARY LINE OF THE RIDGE SUBDIVISION, PHASE 8, THENCE N.0°03'13"E. ALONG SAID SUBDIVISION BOUNDARY LINE 328.93 FEET TO THE NORTHEAST CORNER OF SAID SUBDIVISION, THENCE N.89°51'37"W. ALONG SAID SUBDIVISION BOUNDARY 134.49 FEET TO THE WEST LINE OF SAID SECTION 8, THENCE N.0°03'45"W. ALONG THE SECTION LINE 987.91 FEET TO THE NORTH 1/16 CORNER COMMON TO SECTIONS 7 AND 8, THENCE N.89°52'13"E. ALONG THE 1/16 LINE 1329.54 FEET TO THE NORTHWEST 1/16 CORNER OF SAID SECTION 8, THENCE N.0°03'42"W. ALONG THE 1/16 LINE 329.95 FEET, THENCE S.89°50'34"W. 1329.54 FEET TO THE WEST LINE OF SAID SECTION 8, THENCE S.0°03'45"E. ALONG THE SECTION LINE 329.30 FEET TO THE NORTH 1/16 CONNER COMMON TO SECTION 7 AND 8, THENCE N.89°49'46"W. ALONG THE 1/16 LINE 1314.95 FEET TO THE NORTHEAST 1/16 CORNER OF SECTION 7, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M, THENCE N.0°10'24"E. ALONG THE 1/16 LINE 1317.72 FEET TO THE EAST 1/16 CORNER COMMON TO SECTIONS 6 AND 7, THENCE N.0°10'52"E. ALONG THE 1/16 LINE 1335.54 FEET TO THE SOUTHEAST 1/16 CORNER OF SAID SECTION 8, THENCE S.89°58'35"E. ALONG THE 1/16 LINE 1319.49 FEET TO THE SOUTH 1/16 CORNER COMMON TO SECTIONS 5 AND 6, THENCE N.0°36'25"E. ALONG THE SECTION LINE 1339.48 FEET TO THE POINT OF BEGINNING.

ALSO, BEGINNING S.89°48'08"E. ALONG THE SECTION LINE 252.94 FEET FROM THE SOUTHWEST CORNER OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 10 WEST, SLB&M; THENCE N.6°50'45"W. 166.75 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF OLD HIGHWAY 91, THENCE N.56°41'26"E. ALONG SAID RIGHT-OF-WAY LINE 170.12 FEET, THENCE N.56°40'34"E. ALONG SAID RIGHT-OF-WAY LINE 1140.55 FEET, THENCE S.0°03'01"E. 506.31 FEET, THENCE S.50°27'26"W. 599.04 FEET TO THE SOUTH LINE OF SAID SECTION 8, THENCE N.89°48'08"W. ALONG THE SECTION LINE 613.81 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM LOTS 6-8, BLOCK 4 AND LOTS 1-8, BLOCK 5 VILLAGE GREEN FARMS SUBDIVISION.

EXCEPTING THEREFROM ANY PORTION WITHIN OLD HIGHWAY 91 AND INTERSTATE 15. CONTAINING 877.66 ACRES OF LAND.

EXCEPTING THEREFROM ALL EXISTING ROADS DEDICATED TO ENOCH CITY CORPORATION

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Exhibit C
 (Formula for Determining Liability for Assessments
 and Voting Rights for Nonresidential Units)

Land Use Classification	Equivalent Units
Residential Unit (improved or unimproved).	1.0
Restaurant, retail, and/or service establishments, financial services and institutions, health clubs, sports, recreation, and entertainment.	1.0 per acre of land comprising the Unit*
Lodging, office space, clinics, hospitals and other medical facilities, and research laboratories.	1.0 per acre of land comprising the Unit*
Office/warehouse, warehouse, mini-storage, or manufacturing facilities.	1.0 per acre of land comprising the Unit*
Public pay parking lots and garages.	1.0 per acre of land comprising the Unit*
Art galleries, museums, places of worship, libraries, nonprofit education and cultural institutions and facilities.	1.0 per acre of land comprising the Unit*
Rental apartment development or congregate care facility containing multiple apartments or residences with shared facilities, operated on commercial basis (improved).	1.0 per 3 dwelling units permitted by applicable zoning (rounded up to nearest 3)
Other unimproved land intended for nonresidential use.	1.0 per acre of land comprising the Unit*

*Rounded to the nearest full Equivalent Unit.

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