

DECLARATION OF PROTECTIVE COVENANTS CONDITIONS AND RESTRICTIONS
FOR HIDEAWAY VALLEY PROPERTY OWNERS ASSOCIATION

THIS DECLARATION IS AN AMENDED DECLARATION of Protective Covenants, Conditions and Restrictions (CC & R) which establishes a planned unit development known as Hideaway Valley Property Owners Association.

RECITALS

Capitalized terms in this Declaration are defined in Article I.

The real property situated in Sanpete County, Utah, described in Exhibit A, attached to and incorporated in this Declaration by reference (the "Parcel"), was previously submitted, together with all buildings and improvements previously, now, or hereafter constructed on the Parcel, and all easements and rights appurtenant thereto (collectively, the "Property").

The "Declaration of Protective Covenants for Hideaway Valley, Plat A" was recorded on May 15, 1980, as Entry No. 251793 at the office of the Recorder for Sanpete County, Book 216, Pages 160 through 165. The First Amendment to the "Declaration of Protective Covenants for Hideaway Valley, Plat A" was recorded on April 2, 1982, as Entry No. 263528 in Book 234, at pages 489 through 493. The "Declaration of Protective Covenants for Hideaway Valley, Plat B" was recorded on July 30, 1980, as Entry No. 253018 at the office of the Recorder for Sanpete County, Book 213, Pages 134 through 140. The "Declaration of Protective Covenants for Hideaway Valley, Plat C, D, & E" was recorded on November 10, 1980, as Entry No. 253018 at the office of the Recorder for Sanpete County, Book 221, Pages 78 through 84.

The ASSOCIATION, consistent with the prior recorded Declarations and any amendments thereto (including any not herein referenced above), hereby adopts this Declaration, which (along with any future amendments) shall be the sole Declaration for the Hideaway Valley Subdivision. This Declaration shall amend and completely replace all Declarations, and any amendments thereto, recorded prior to the date of this Declaration.

This Declaration is adopted to update the Declaration; to eliminate ambiguity, to further define the rights of the ASSOCIATION and the Owners; to further the ASSOCIATION'S efforts to safely, efficiently, and economically provide a quality living environment; and to preserve and enhance the desirability of living in the Property and to increase and preserve the attractiveness, quality, and value of the land and improvements therein.

The ASSOCIATION hereby desires to establish, for its own benefit and for the mutual benefit of all future Owners, certain covenants, conditions, restrictions, easements, rights, privileges, assessments and liens as set forth herein (collectively, the "Restrictions"), which shall run with and be a burden upon the Property.

The ASSOCIATION intends that the Owners, Lenders and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interest subject to this Declaration, which is recorded in furtherance of establishing a general plan of

ownership for the Property, and for establishing rules for the use, occupancy, management, and enjoyment thereof.

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, the ASSOCIATION hereby amends and replaces all prior Declarations for the Hideaway Valley Subdivision (which shall be referred to herein as the "Association") with the following Declaration:

ARTICLE I
DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated. Definitions are listed in alphabetical order for ease of reference.

1.1 Articles shall mean Articles of Incorporation of the Association and any amendments thereto.

1.2 Assessment means any Annual Assessments, Special Assessments and/or such other assessments and charges as are established and collected by the Association in accordance with the provisions of this Declaration.

1.3 Assessment Lien means a lien filed by, or on behalf of, the Association on a Lot which relates to any unpaid or uncollected Assessment, including penalties.

1.4 Association means the Hideaway Valley Property Owners Association, Inc., a Utah nonprofit corporation, which shall be formed and incorporated and which shall constitute the Association to which reference is made in this instrument, the purpose of which is to maintain the roads and to further, by regulations and restrictions consistent with this Declaration, the common interests of all Owners within the Association. See Article II, section 2.1, Formation of Association.

1.5 Board or Board of Trustees means the governing board of the Association.

1.6 Bylaws means and refers to the Bylaws of the Association, a copy of which is attached hereto, marked Exhibit "C", and incorporated herein by this reference.

1.7 Declaration means this Amended Declaration of Protective Covenants, Conditions and Restrictions for Hideaway Valley Property Owners Association, Inc. as recorded in the real estate records of Sanpete County, Utah, and as amended from time to time. This Declaration shall at all times and for all purposes be relied upon by Owners, Members, Mortgagees, any prospective purchaser of a Lot in the Association, and any title company

insuring any owner, mortgagee or other interest in the Association.

1.8 Final Subdivision Plat means the subdivision plat map for the Association which has been approved and recorded in the Office of the Sanpete County Recorder.

1.9 Lot means and refers to any one of the lots within the boundary of the Property as such is shown and designated on the Final Subdivision Plat.

1.10 Member or membership means and refers to the Owner of a Lot in the Association who, by virtue of such ownership is/are a Member(s) of the Association. (See “Owner” below. See “Transfer of Ownership” below.)

1.11 Owner or ownership means and refers to the person or persons or legal entity holding record fee simple title to a Lot. The Association shall be entitled to treat the record title holder of a Lot as the Owner thereof for all purposes. (See “Record Title Holder” below. See “Transfer of Ownership” below.)

1.12 Property means all the property shown on the recorded Final Subdivision Plat, and shall also include all easements, roads, and/or other open space areas granted to the Association included within the boundary of any Final Subdivision Plat.

1.13 Record Title Holder means the person or persons or legal entity whose name(s) appear on the title or deed recorded by the Sanpete County Recorder.

1.14 Roads means the roadways and associated improvements within those easement areas designated on the Final Subdivision Plat which are intended to serve more than one (1) Lot.

1.15 Special Assessment means any special or extra-ordinary assessment levied and assessed pursuant to Section 5.5 below.

1.16 Transfer of Ownership means the transfer of record fee simple title of a Lot to another person or persons or legal entity. Membership transfers with ownership, and shall not be transferred by any other means, including by power of attorney unless such power of attorney transfers record fee simple title.

1.17 Trustee means a member of the governing board of the Association which shall be appointed or elected in accordance with the Declaration, the Articles of Incorporation, and Bylaws of the Association.

ARTICLE II
ASSOCIATION MEMBERSHIP

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

2.2 Lot Ownership. There shall be no more residences on any lot than allowed by Sanpete County zoning laws. The record fee simple title to any lot may be held and owned in any manner to which title to any real property may be held or owned in the State of Utah, including without limitations, joint tenancy, or tenancy in common, and by any person or legal entity, including without limitation Corporation, Partnership, Limited Partnership, Limited Liability Company, Land Trust, or trust.

2.3 Easement for Access to Lot. Each lot shall have access to a road by the easement shown on the recorded survey plat. Such easement will generally be a total of 60 feet, 30 feet from each lot, measured from the property lines.

2.4 Easements of Access for Repair, Maintenance, Emergencies, and Utilities. Owners of other lots shall have the irrevocable right to use the road easements shown on the recorded Plat for access for repair, maintenance and emergencies. Utility companies shall have access to the utility easements shown on the Plat.

2.5 Limited Liability. Neither the Association, nor any of their past, present or future officers or trustees, employees, agents or committee members, shall be liable to any Owner or to any other person for any damage, act, omission to act, simple negligence or other matter of any kind or nature, except for gross negligence. Without limit to the foregoing, neither the Association, or the Board shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith without malice.

2.6 Membership. This Association shall be a membership association without certificates or shares of stock. The Members of the Association shall be those persons or entities, who are the Owners holding record fee simple title, from time to time, of Lots as shown on the Final Subdivision Plat. Member means Owner (see 1.12 above), Owner means the person or persons or legal entity holding record fee simple title to a Lot (see 1.16 above), and Membership is transferred solely by transfer of record fee simple title (see 1.21 above).

(a) In addition to a fee simple interest in a Lot, each Owner shall be a member in the

Association. Such membership is hereby declared to be appurtenant to the Lot.

- (b) Percentages of ownership, voting rights and the allocation of Common Expenses shall be equal and uniform among all Lots.
- (c) Title to a Lot may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah.
- (d) Each Lot shall always be conveyed, devised, encumbered and otherwise affected with its appurtenant membership in the Association, The Lot and membership interest in the Association may never be separated from one another.
- (e) All conveyances of a Lot hereafter made, shall be construed to grant and reserve such reciprocal easements as are recorded on the Plat and as shall give effect to this Declaration, even though no specific reference to such easements appears in any such conveyance.

2.7 Voting Rights. The Members of the Association shall have the following voting rights.

a. All Owners shall be entitled to one vote for each Lot in which the interest required for membership in the Association is held, namely record fee simple title. If there are more than one owner for a lot, the one vote associated with the lot may be shared between the owners.

b. Proxies are not permitted. The Bylaws are hereby directed to prohibit members from acting by proxy. The Bylaws are hereby directed to require that all Member voting shall be accomplished by Written Ballot in accordance with Utah Code 16-6a-709, Action by Written Ballot; that all Written Ballots must bear the name, signature, and Lot number of the Member; and that all Written Ballots may be delivered in person, by any Member, or by U. S. Postal Service mail.

c. Power of Attorney and/or agent shall not convey the right to vote without conveying the right to convey the title; and the title is, in fact conveyed, thus conveying membership. (See 1.14, Member, above)

2.8 Binding Effect. Each Owner, his lessees, their families and guests, the heirs, successors or assigns of an Owner, or any Mortgagee, and any other persons using, visiting, or occupying a Lot, shall be bound by and shall strictly comply with the provisions of this Declaration, the Articles, the Bylaws, the resolutions, , any deed restrictions and covenants and all rules, regulations and agreements lawfully made by the Association.

2.9 Enforcement. Any Owner aggrieved by a lack of compliance by another Owner may also bring suit for legal and equitable remedies. If any court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to reimbursement of its costs and expenses, including reasonable attorneys' fees, in connection therewith.

2.10 Power of the Association. Each Owner agrees that the Association has all the powers granted to it by this Declaration and by the Utah Nonprofit Corporation Act and the

Community Association Act and any amendments thereto or replacements thereof. Such powers shall be administered by the Board of Trustees and include, without limitation, all of the following:

- (a) Levying Assessments against Owners;
- (b) Imposing a lien on Lots for any unpaid or uncollected Assessments, along with interest, and foreclosing any such liens;
- (c) Enforcing any deed restrictions and covenants;
- (d) Acquiring, holding, owning, and disposing of property;
- (e) Adopting rules and regulations, subject to the limitations of this Declaration;
- (f) Defending, prosecuting or intervening in litigation on behalf of all Members;
- (g) Exercising any other right, power or privilege given to it expressly by this Declaration, the Articles and Bylaws, or by law or by the operative documents of resolutions, rules, and regulations adopted by the Association, and every other right, power or privilege reasonably given to it herein or reasonably necessary to effectuate any such right, power or privilege. All other right, power or privilege is expressly reserved to the Membership by their affirmative vote of 67% of all Members of the Association;
- (h) All other right, power or privilege not expressly given to it by this Declaration, the Articles and Bylaws, or by law or by the operative documents of rules and regulations adopted by the Association, and every other right, power or privilege reasonably given to it herein or reasonably necessary to effectuate any such right, power or privilege, subject to the limitations of this Declaration, are reserved to the Membership and may be adopted by their affirmative vote of 67% of all Members of the Association;

2.11 Report of Maintenance. An Owner shall have the responsibility to immediately report to the Board of Trustees of the Association, in writing, the need for any maintenance, repair or replacement of any improvement within the Property which is the responsibility of the Association to provide. In the event of any disagreement as to the need for, or the responsibility of, the Association to provide said maintenance, repair or replacement, the good faith decision of the Board of Trustees shall be final. All reporting shall be in writing, and the Board of Trustees shall have no obligation to recognize and/or respond to verbal reporting.

ARTICLE III

DUTIES AND POWERS OF THE ASSOCIATION RESERVED BY THE MEMBERSHIP

4.1 Duties and Powers of the Association reserved by the Membership, and controlled by a Simple Majority vote of the quorum of Members represented by Mail-in Ballot associated with a duly noticed Meeting of the Members, where the quorum must consist of Members who represent at least 10% of all the lots. Without limiting any other duties which may be imposed

upon the Association by its Articles, Bylaws or this Declaration, the Membership shall have the obligations and duties to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

- (a) Approve or disapprove any increase of more than 10% in the proposed annual budget.
- (b) Approve or disapprove any use of a Reserve Fund, subject to limitations provided by Utah law.

4.2 Duties and Powers of the Association reserved by the Membership, and controlled by a Two-Thirds Majority vote of the quorum of Members represented by Mail-in Ballot associated with a duly noticed Meeting of the Members, where the quorum must consist of Members who represent at least 25% of all the lots. Without limiting any other duties which may be imposed upon the Association by its Articles, Bylaws or this Declaration, the Membership shall have the obligations and duties to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

- (a) Approve or disapprove any rules and regulations, where proposed Association rules and regulations exceed the provisions of this Declaration and/or the Sanpete County Ordinances and/or the laws of the State of Utah.
- (b) Approval or disapproval of Architectural Requirements in addition to those in this Declaration.
- (c) Approve or disapprove any revised Bylaws.
- (d) Approve or disapprove any revised Articles of Incorporation.
- (e) Approve or disapprove any Special Assessment.

4.3 Duties and Powers of the Association reserved by the Membership, and controlled by a Two-Thirds Majority vote of the entire Association Membership, meaning each and every lot owner, represented by Mail-in Ballot associated with a duly noticed Meeting of the Members. Without limiting any other duties which may be imposed upon the Association by its Articles, Bylaws or this Declaration, the Membership shall have the obligations and duties to do and perform the following for the benefit of the Owners and the maintenance and improvement of the Property:

- (a) Approve or disapprove any revised Declaration of Protective Covenants, Conditions, and Restrictions.

ARTICLE V
DUTIES AND POWERS OF THE ASSOCIATION DELEGATED TO THE BOARD
OF TRUSTEES

- 5 Duties of the Association delegated to the Board of Trustees by the Association, and controlled by a majority vote of a quorum of the Trustees. Without limiting any other duties which may be imposed upon the Association by its Articles, Bylaws or this Declaration, the Board of Trustees shall have the obligations and duties to manage and govern the Association and to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:
- (a) Board of Trustees and Officers. All of the affairs of the Association shall be conducted by the Board of Trustees and such officers as the Board may elect or appoint in accordance with its Articles and Bylaws as the same may be amended from time to time. Trustees shall be members of the Association and officers shall be Trustees. The Association by and through the Board shall (a) govern and manage all Association Property and (b) enforce the provisions of this Declaration. The Board shall be composed of a specified odd number of Trustees serving defined and staggered terms. The Board also may appoint various committees, which must be made up of one or more Members including at least one Trustee, in accordance with the Bylaws.
 - (b) Duty to Maintain Continuity from Board to Board. Outgoing Trustees shall be required to remain on duty for a period of ninety days after incoming Trustees take office. Such overlap shall be used for the purpose of establishing continuity and for training the incoming Trustees. Each outgoing Trustee may be released prior to ninety days by a majority vote of the new Board of Trustees.
 - (c) Adopt an operating budget. The Board may adopt an operating budget including an increase of up to 10% over the previous year on its own initiative. The Board has the authority to move budgeted funds from line to line as deemed appropriate by the majority vote of a quorum of the Trustees;
 - (d) Levy Assessments against Owners, subject to the budget restrictions in Article 4.1;
 - (e) Acquire, hold, own, and dispose of property including but not limited to real property;
 - (f) In the event that the Corporation (the Association) is allowed to lapse, the Board shall have a duty to re-file the Articles of Incorporation or substantially equivalent Articles of Incorporation in accordance with the Community Association Act.
 - (g) From and after the recording of the plat designating rights of way and easements for roads and utilities, the Board of Trustees shall have the responsibility to maintain the roads and accesses so as to provide access—weather permitting in the judgment of the Board—to each individual lot.
 - (h) From and after the recording of this amended Declaration of Protective Covenants, Conditions and Restrictions for Hideaway Valley Property Owners Association all rock-product materials used for maintenance, repair, or improvement of roads shall be of suitable specifications for the intended application, unless otherwise is authorized by the Members as described in Section 4.1, above..

- (i) From and after the recording of this amended Declaration of Protective Covenants, Conditions and Restrictions for Hideaway Valley Property Owners Association all vendors who are contracted to provide services for the Association shall be required to have suitable liability insurance, suitable errors and omissions insurance, and suitable licensing.
- (j) The Board shall employ or otherwise contract with vendor(s), contractor(s), billing/accounting service(s), and legal counsel(s) who shall, subject to the direction of the Board, be responsible for all or part of the operation of the Association. The intent of this provision is to require the Board to hire expertise as necessary to operate in accordance with the prudent business practices.
- (k) From and after the recording of this amended Declaration of Protective Covenants, Conditions and Restrictions for Hideaway Valley Property Owners Association all vendors who are contracted by the Board of Trustees to provide services for the Association shall be required to have suitable liability insurance, suitable errors and omissions insurance, and suitable licensing. Documented evidence of such insurance and licensing shall be inspected, approved, and kept on file by the Association.
- (l) Association Rules. After review by legal counsel, the Board of Trustees may from time to time adopt, amend and repeal rules and regulations by a majority vote of the Board. The purpose of the Association Rules shall be to implement, supplement or otherwise carry out the purposes and intentions of this Declaration and be consistent with, and not exceed, the Sanpete County Ordinances. Where proposed Association Rules exceed the provisions of this Declaration and/or the Sanpete County Ordinances, such Association Rules shall be adopted in accordance with 4.2 (d), above.
- (m) The Board of Trustees shall have the duty to enforce the Declaration, the Articles, the By-laws, the resolutions, and rules and regulations. Enforcement shall include that the Board of Trustees notify Members of violations and demanding compliance with some time limit. The Association, acting through the Board of Trustees, shall have the right and power to:
 - 1. Impose a lien on Lots for any unpaid or uncollected Assessments, interest and foreclosing any such liens;
 - 2. Enforce any deed restrictions and covenants;
 - 3. Bring suit in their respective name for legal or equitable relief for any lack of compliance with any provisions of this Declaration or rules promulgated by the Board.
 - 4. Obtain all appropriate injunctive relief for any lack of compliance with provisions of this Declaration or rules promulgated by the Board.
 - 5. The failure of the Association to insist upon the strict performance of any such provisions or to exercise any right or option available to it, or to serve any

notice or to institute any action, shall not be a waiver or a relinquishment for the future of any such provision or the enforcement thereof.

(n) Defend, prosecute or intervene in litigation on behalf of the Association.

ARTICLE VI **ASSESSMENTS**

5.1 Covenant for Assessment. Each Owner of any Lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, hereby covenant and agree with each other and with the Association to pay to the Association all Assessments, including by illustration but not limitation all Special, Individual or Default Assessments, and other fees, charges, levies and interest as provided in the Declaration.

5.2 Annual Assessment. The total annual Assessments against all Lots shall be based upon advance estimates of cash requirements by the Board of Trustees to provide for the payment of each Owner's share of the common expenses and all estimated expenses growing out of or connected with the maintenance and operation of the Association, among other things, expenses of management; grounds maintenance; taxes and special assessments levied by governmental authorities; premiums for all insurance which the Association is required or permitted to maintain; road maintenance; repairs and maintenance; any contractor hired by the Association; legal and bookkeeping/accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency Reserve Fund, and any other expenses and liabilities which may be incurred by the Board of Trustees for the benefit of the Owners under or by reason of this Declaration.

5.3 Apportionment of Assessments. Expenses attributable to the Association as a whole shall be apportioned among all Lots equally and uniformly.

5.4 Payment of Assessment. Annual Assessments shall be made on a fiscal year basis. The Board of Trustees shall give written notice of each Annual Assessment not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the next fiscal year. The fiscal year shall be May 1 through April 30. Quarters begin on May 1, August 1, November 1, and February 1 of the fiscal year. Each Annual Assessment shall be due and payable either in full on May 1 of the fiscal year; or in quarterly installments on the first day of each and every quarter, beginning with May 1 of the fiscal year. No separate notices of such quarterly installment shall be required.

5.5 Special Assessment. In addition to Annual Assessments, the Board of Trustees may levy in any year a Special Assessment, subject to section 4.2 (d) above, payable over such a period as the Board of Trustees may determine but not to exceed one year, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Property or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Board of Trustees to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs of this

Declaration. Any amount assessed pursuant hereto shall be assessed to the Owners and be apportioned among all Lots equally and uniformly. Notice in writing of the amount of such Special Assessment and the time for its payment shall be given as soon as is reasonably possible to the Owners. Payment shall be due on the dates and in the manner provided in the notice.

5.6 Lien. All sums assessed to any Lot pursuant to this section, together with interest thereon as provided herein shall be secured by a lien on such Lot in favor of the Association. Such lien shall have such priorities as established by law.

(a) To establish a lien for any unpaid Assessment, the Board of Trustees shall prepare a written notice of lien as set forth by statute. No notice of lien shall be recorded until there is a delinquency in the payment of an Assessment or other monetary obligation. Such lien may be enforced by judicial or non-judicial foreclosure by the Board of Trustees as provided by law. The lien shall also secure, and the Owner shall also be required to pay to the Board of Trustees any Assessments against the Lot which shall become due during the period of foreclosure sale or other legal sale. The Board of Trustees may bid on the Lot at foreclosure or other sale and may acquire, hold, convey, lease, rent, encumber, use, sell, and otherwise deal with the same as the Owner thereof.

(b) A release of lien shall be executed by the Board of Trustees and recorded in the office of the County Recorder of Sanpete County, Utah, upon payment, and in no case later than sixty (60) days after payment, of all sums secured by a lien which has been made the subject of a recorded notice of lien. Failure of the Association, or its agent, to promptly release a lien as required above shall be resolved by an immediate payment of damages by the Association to the property owner of not less than \$100.00 per day. The purpose of this is to ensure that the Board performs adequately.

5.7 Personal Obligation. The amount of any Assessment against any Lot shall be the personal obligation of the Owner thereof. Suit to recover a judgment of such personal obligation shall be maintainable by the Board of Trustees without foreclosing or waiving the lien securing the same. Any Owner who becomes delinquent on any Assessment shall be responsible for any costs associated with collecting the unpaid Assessment, including reasonable collection expenses, court costs, reasonable attorney fees, and interest.

5.9 Joint and Several Liability. A purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid Assessments against the Lot up to the time of the conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

5.10 Mortgagee Liability. Anything to the contrary notwithstanding, any Mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or trust deed or through foreclosure will be liable for all of the unpaid Assessments, dues or charges accrued before acquisition of the title to the property by the mortgage, and for any reasonable attorney's fees and costs related to the collection of the unpaid Assessments. All other grantees who obtain title to a Lot in a voluntary conveyance or pursuant to the remedies in a mortgage or trust deed or through foreclosure shall be jointly and severally liable with the trustor or mortgagor for all unpaid Assessments, interest and collection costs, including a reasonable attorney's fee, against

the Lot for its share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the trustor or mortgagor the amounts paid by the grantee.

5.11 Interest. Any Assessment, charge or other monetary obligation shall bear interest at a rate of ten percent (10%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

ARTICLE VI **INSURANCE**

Each Member is responsible for his own insurance. Insurance for HVPOA, Incorporated, does not provide such insurance coverage. Insurance which the Corporation is required to maintain is described below. This Section is without prejudice to the right of each Owner to insure his own Lot for his benefit.

6.1 Insurance. The Board of Trustees will obtain insurance against loss or damage by fire and other hazards for: any and all lots owned by the Association, and all Association roads shown on the Plats, whether designated as public or private. The insurance coverage shall be written on the property in the name of the Association or the Board of Trustees, as trustee for each of the Owners in the percentages established in this Declaration. The insurance premiums shall be a common expense. The Board of Trustees or Association (the corporation, HVPOA, Incorporated) shall satisfy at least the following minimum requirements:

(a) Liability Insurance. A public liability policy covering Association roads, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a Two Million (\$2,000,000) Dollar single person limit as respects bodily injury and property damage, at least Two Million (\$2,000,000) Dollar limit per occurrence, if reasonably available, and at least One Million (\$ 1,000,000) Dollar minimum property damage limit. If possible, the policy should be written on the comprehensive form and shall include non-owned and hired automobile liability protection.

(b) Trustees and Officers Insurance. A trustee's and officer's liability or errors and omissions policy, if reasonably available, with at least Two Million (\$2,000,000) Dollars in coverage.

(c) Miscellaneous Items. The following provisions shall apply to all insurance coverage:

a. Quality of Carrier. If the carrier is issuing a master policy or an insurance policy for the common elements or Association roads in the Project, a carrier must have a "B" or better general policyholder's

rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance reports -- International Edition, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service.

- b. The Insured. The name of the insured under each policy required to be maintained hereby shall be set forth therein substantially as follows: "The Hideaway Valley Property Owners Association, Inc. for the use and benefit of the individual Owners."
- c. Mortgage Provisions. Each policy shall contain a standard mortgage clause or its equivalent and shall provide that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each Mortgagee.
- d. Miscellaneous Provisions. Each insurance policy shall contain at least the following additional miscellaneous items: (a) A waiver of the right of a subrogation against Owners individually; and (b) A provision that the insurance is not prejudiced by any act or neglect of any individual Owner.
- e. Restrictions on Policies. No insurance policy shall be maintained where:
- e.i. Individual Assessments Prohibited. Under the term of the carrier's charter, Bylaws or policy, contributions may be required from or assessments may be made against, an Owner, a borrower, a Mortgagee or the Board of Trustees.
 - e.ii. Payments Contingent. By the terms of the Declaration, Bylaws or policy, payments are contingent upon action by the carrier's board of directors, policyholder, or member, or
 - e.iii. Mortgagee Limitation Provisions. The policy includes any limited clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Board of Trustees, and the Association, an) from collecting insurance proceeds.

- f. Intent. The foregoing provisions shall not be construed to limit the power or authority of the Association or the Board of Trustees or to obtain and maintain insurance coverage, in amounts and in such forms as the Board of Trustees or the Association may deem appropriate from time to time.

6.2 Review of Insurance. The Board of Trustees shall periodically, and whenever requested by ten percent (10%) or more of the Owners, review the adequacy of the 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 Eligible Mortgage Holders who shall have requested a copy of such report in writing. Copies of every policy of insurance procured by the Board of Trustees shall be available for inspection by any Owner.

6.3 Adjusting Claims. The Board of Trustees has the authority to adjust claims as provided by law.

6.4 Lots Not Insured by Association. The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage or other insurance covering any Lot and acts or events thereon.

ARTICLE VII
LAND USE

7.1 **Residential Use.** Each Lot is intended and restricted to be used for residential, small ranch, and/or summer home-site use. No Lot shall be used except for such agricultural residence (farming and ranching) and/or residential purposes. Unless otherwise expressly and specifically noted, the Project shall be used only for residential, small ranch, and/or summer home purposes.

7.2 **Architectural Requirements.** The following provisions shall apply to all architectural requirements:

a. Building Permits

- 1.1.1.1. It is understood that all development activities in the Hideaway Valley Subdivision shall comply with Sanpete County Building Permit requirements from the Sanpete County Building Inspection Department, Manti, UT 84642, (435) 835-2113. Sanpete County Building Permits will not be issued until development plans have been approved by the Board of Trustees.
- 1.1.1.2. It is understood that septic tank systems shall be approved by the Central Utah District Health Department, 20 South 100 West, Mount Pleasant, UT (435) 462-2449.
- 1.1.1.3. It is understood that all development activities shall comply with the Sanpete County Land Use Ordinance and the Sanpete County Subdivision Ordinance.
- 1.1.2. Submission of Plans
 - 1.1.2.1. All plans, including a plot plan, shall be submitted and approved before any work takes place.
 - 1.1.2.2. All plans will be reviewed by the Board of Trustees and provide approval or disapproval at the next HVPOA meeting. A minimum of two copies of plans is required. The Board of Trustees retains one complete set of approved plans. You must have an approved copy of your approved plans on site at all times during construction. If asked by a member of the Board of Trustees, you must be able to show proof of approval before work will be allowed to continue.
 - 1.1.2.3. Plans for residential structures must include water well and septic tank.
 - 1.1.2.4. If at any time your plans change, you must resubmit a new set of plans.
- 1.1.3. Setbacks. With respect to lots in the Hideaway Valley Subdivision, setbacks shall be as described in the Declaration of Protective Covenants for Hideaway Valley, namely a minimum depth of fifty (50) feet from the front property line to the nearest structural projection, including eaves, overhangs, porches or any building or structure. A side yard shall be maintained at least fifteen (15) feet in depth from all side property lines to the building line of any structure. In addition, no structural improvement of any kind shall be located closer than fifteen (15) feet from the rear boundary line of the lot. The original construction of decks shall be allowed to encroach within the fifteen (15) foot setback and maintenance, repair and

replacement of such decks in substantially the same form and manner shall be allowed.

1.1.4. Erosion Control and Drainage.

1.1.4.1. Each Owner in Hideaway Valley Subdivision shall show due diligence to insure that no erosion or water drainage shall take place from his Lot, which may adversely affect neighboring properties and/or roads. An erosion control and drainage plan shall be provided to the Board of Trustees for review and approval prior to modification of existing landscaping.

1.1.4.2. Each Owner in Hideaway Valley Subdivision shall be responsible to insure that no drainage of animal wastes shall take place from his Lot, which may adversely affect neighboring properties and/or roads.

1.1.5. Residential Structures shall comply with 7.19, Structures, below.

1.1.6. Defensible Space is critical to the wildfire safety of Hideaway Valley Subdivision residents and their properties. Reasonable Defensible Space shall be established and maintained around residential structures and within a reasonable distance of neighboring residential structures. Plans for reasonable Defensible Space must be submitted along with building plans and plot plans prior to approval of plans. The Board of Trustees may at its option seek advice from officials of Sanpete County or the State of Utah with regard to the approval of plans for reasonable Defensible Space

1.1.7. The Board of Trustees may adopt additional Architectural Requirements consistent with this Declaration subject to Section 4.2.

7.3 Ownership. Each Owner shall have and enjoy the privileges of fee simple ownership of his Lot. There shall be no requirements concerning who may own a Lot, it being intended that they shall be owned as any other property rights by any person.

7.4 Prohibited Activity. Nothing shall be done or kept in any Lot which would result in the cancellation of the insurance on the Property or increase the rate of the insurance on the Property, over what the Board of Trustees, but for such activity, would pay, without the prior written consent of the Board of Trustees. Nothing shall be done or kept in any Lot or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

7.5 Cleanliness. Each Lot shall be kept and maintained by the owners thereof in a clean, sanitary, safe and attractive condition, in good repair, and in all other respects in accordance with the provisions of this Declaration at the Owner's sole cost and expense. No unsightliness shall be permitted upon any of the Lots. Shrub or tree clippings shall not be retained or allowed to accumulate on Lots except as necessary for agricultural or fire fuels mitigation purposes. All rubbish, debris, waste, refuse, garbage and trash, hereinafter "Garbage", shall be regularly removed from Lots and shall not be allowed to accumulate therein or thereon. No abandoned, wrecked, or derelict vehicles, boats, or equipment shall be stored or allowed to accumulate on the Lots. Garbage must be kept in covered containers. Trash, tin cans, paper, etc., must be kept in covered containers. Each Lot owner is responsible for the removal of all of his/her garbage, as no service is anticipated, unless provided by the Association.

7.6 Rules. No Owner or permittee shall violate the Rules as adopted from

time to time by the Board of Trustees.

7.7 Signage. No sign, commercial sign, or advertising devices of any nature shall be erected or maintained on any of the Project. Signs that prohibit trespassing and/or identify the name, address, and/or lot number of a property are permitted provided that no sign exceeds approximately four (4) square feet in area.

7.8 Single Family. No Rule shall interfere with the freedom of occupants of Lots to determine the composition of their households, except that the Declaration limits residency in a Lot to the same requirements as Sanpete County, and the Association shall generally limit the total number of occupants permitted in each Lot to not more than required by the County firecode and considering the size and facilities of the Lot.

7.9 Health and Safety Concerns. No Rule shall interfere with the activities carried on within the confines of Lots, except that the Association may prohibit activities not normally associated with property restricted to agricultural residence (farming and ranching) and/or residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, which shall include management of sanitary wastes and management of wildland fire risks, that generate excessive noise or traffic, that create unsightly conditions visible from outside the Lot, or that create unreasonable sounds of annoyance.

7.10 Business Operation. Business operations must comply with applicable Sanpete County Ordinances.

7.11 Satellite Dishes. Satellite dishes, aerials, antenna, or systems may only be installed in accordance with Federal Communication Commission (FCC) regulations and must comply with Sanpete County Ordinances.

7.12 Compliance. All land use and buildings shall be in compliance with this Declaration, the Articles of Incorporation, the Bylaws, rules, regulations, laws, and all zoning and land use ordinances as well as all regulations of the agencies governing the Property, land use, and buildings. Whenever the Association shall observe any apparent violation or infraction of this Declaration, the Articles of Incorporation, the Bylaws, rules, regulations, laws, and Ordinances, it shall send a notice to the property owner on whose Lot the apparent violation occurs, setting forth the nature of the alleged violation, together with a statement of the time in which the Owner of the Lot must respond. Failure to notify, however, shall not be deemed acceptance or approval of any violation.

7.13 Nuisances. No noxious or offensive activity shall be carried on, in or about the Property, nor shall anything be done or permitted thereon which may be or may become an annoyance, disturbance, bother or nuisance to the neighborhood, or which might interfere with the right of other Owners to the quiet and peaceful enjoyment of their Lot. No Owner shall engage in activity within the Project in violation of the Declaration, Articles of Incorporation, or Bylaws, or any laws, ordinances, or statutes of any local, county, state, or federal body. Any such violations shall be deemed a nuisance under this Section.

7.14 Light, Sound, or Odor Nuisances. No light shall be emitted from the Project which is unreasonably bright, or sound which is unreasonably loud or annoying, except for security and fire alarm devices. No odors shall be emitted from any of the Project which are noxious or offensive.

7.15 Fences. Opaque fences for residential dwellings within Hideaway Valley shall be a maximum of four (4) feet in height for a minimum of thirty (30) feet from any roadway corner and a minimum of thirty (30) feet from a driveway entrance. Fences constructed for agricultural or wildlife control purposes shall be exempt from the height requirement, provided the fence does not block the vision of a driver at a driveway, roadway corner, curve or intersection.

7.16 Culinary Water. Individual Culinary Well System: All well systems shall be drilled and constructed according to the standards and requirements of the State of Utah Health Department. All lot owners should confer with appropriate authorities on well and sewage systems. All costs incurred in connection with such wells and sewage systems shall be borne by the lot owners. Should a majority of the Association vote to construct a central culinary water distribution system, such system shall comply with the standards and requirements of the Utah State Health Department in all and every aspect. The cost of this central system shall be that of the Association members.

7.17 Animals. There shall be no restrictions on animals except for any restrictions enforced within Sanpete County.

7.18 Noxious Weeds. Noxious weeds are not permitted by Sanpete County Ordinance and Utah Code, and are prohibited in the subdivision. Control of noxious weeds is the responsibility of the property owner and must comply with Sanpete County Ordinance and Utah Code.

7.19 Structures.

All permanent and temporary structures shall comply with Sanpete County Ordinances and Utah Codes in force, or otherwise required by Sanpete County, at the time construction of the structure begins. All building exteriors must be completed within 36 months from the commencement of construction. No tent, shack, or other temporary building or improvement shall be allowed to remain in the subdivision as a permanent dwelling. No unsanitary or unsafe building is permitted, particularly if the building is dilapidated, or structurally compromised.

Home or Summer Home. A home or summer home is intended to, and may be occupied year round. Homes and summer homes are required to be at least 1000 square feet in size. The footprint dimensions must be a minimum of 24 feet by a minimum of 24 feet. Home or Summer Home includes double-wide mobile homes provided that the minimum square footage and minimum footprint dimensions are met. Single-wide mobile homes are not permitted by Sanpete County and are prohibited in the subdivision.

Cabin. A cabin is intended to be occupied on a seasonal basis and may not be occupied more than 180 days in any calendar year. Cabins are required to be at least 1000 square

feet in size. The footprint dimensions must be a minimum of 20 feet by a minimum of 20 feet.

Trailer. Recreational Park Trailers are prohibited in the subdivision, and are defined as trailers that are built in accordance with ANSI Standard A119.5, “Park Trailer”. RV Trailers, defined as trailers that are built in accordance with ANSI Standard A119.2 are permitted, but require a permit from Sanpete County prior to bringing the trailer into the subdivision.

Shed or permanent storage structure. No shed or other permanent storage structure may be put in the subdivision prior to building a permanent residential structure. Once a Sanpete County approved residential structure is in place, sheds or permanent storage structures may be built in compliance with Sanpete County requirements.

Metal Shipping Containers. Use of metal shipping containers must comply with Sanpete County Ordinances. Note that a metal shipping container made part of a structure may require a building permit depending on the square footage of the completed structure.

7.20 Vehicles and Motor Homes. Vehicles and motor homes and their use must comply with Sanpete County Ordinances and Utah Codes. No vehicles, boats, or equipment shall be constructed, reconstructed, repaired, or abandoned in the subdivision except for the normal repair and servicing of the lot owner’s own vehicles. Vehicle repair businesses require a Sanpete County Business License and a Sanpete County Conditional Use Permit, and are not permitted in the subdivision unless on a designated commercial lot if authorized by proper license and permit. Unregistered vehicles and motor homes are not permitted unless stored at a permanent residence.

7.21 Campers. Campers and their use must comply with Sanpete County Ordinances and Utah Codes. Unregistered campers are not permitted unless stored at a permanent residence. However, if the wheels are removed, a camper becomes a trailer per section 7.19.

7.22 Camping. Camping is limited to 180 days per year and must comply with Sanpete County Ordinances and Utah Codes. Camping longer than 180 days in a 365 day period is deemed to be the establishment of a temporary structure or temporary dwelling per section 7.19. Camping longer than 180 days in a 365 day period shall require a water well and septic tank.

ARTICLE VIII **EASEMENTS AND RIGHTS RESERVED**

8.1 Existing Easements. The lands within the Association are subject to all easements of record which affect said lands at the time of the recording of this Declaration, and reflected on the Final Subdivision Plat.

8.2 Utility Easements. Unless the written consent of the Association is first obtained, utility companies shall have no right to use easements over Association lands to serve properties adjacent to Association lands.

8.3

8.4 Road Easements. By separate grant of easement, the Association shall have a permanent, perpetual and non-exclusive road easements for the purpose of providing access to all Lots within all phases of the Association and all road easements created thereby shall be for the use, benefit and enjoyment of all Owners, their family members, guests and invitees and for the use of the Association, its officers, employees, agents and contractors. Said easements shall be located under, over, along and across those areas designated on the Final Subdivision Plat and shall include all embankment slopes created by the construction of the improvements within the road easements, all drainage structures, utilities, walls and other structures appurtenant to the roads, located inside the road easements. The Association shall permanently operate, maintain, repair and replace the road improvements within the road easements, and may in the future construct, install, operate, maintain, repair or replace other road improvements within the road easements for any purpose consistent with this Declaration..

ARTICLE IX

TERM, AMENDMENT AND TERMINATION

9.1 Term. The term of this Declaration shall be perpetual.

9.2 Amendments. The following provisions shall apply to amendments of this Declaration:

(a) Amendment by Owners. This Declaration may be adopted and/or amended by a vote of two-thirds (2/3) of the Owners of all Lots, provided that such amendment shall not adversely affect marketability of title or materially diminish the value of a Lot. Amendments to this Declaration by the Owners of Lots may only be made at a meeting called for that purpose to vote on a final written version of the Amended Declaration, and within one (1) month after the date of such meeting there shall be recorded in the real estate records of Sanpete County, Utah, the Amended Declaration.

(b) No Consent of Mortgagees. Consent of Mortgagees shall not be required in order to amend this Declaration.

9.3 Rule Against Perpetuities. If any of the terms, covenants, conditions, easements, restrictions, uses, limitations or obligations created by this Declaration shall be unlawful or void for violation of: (i) the rule against perpetuities or some analogous statutory provision, (ii) the rule restricting restraints on alienation, or (iii) any other statutory or common law rules imposing like or similar time limits, such provision shall continue only for the period of the lives in being at the date of the recording of this Declaration plus twenty-one (21) years.

9.4 Termination. This Declaration may be terminated only by a vote of two-thirds (2/3) of the Owners of all Lots agreeing to such termination, which shall be evidenced by an executed acknowledged instrument duly recorded in the real estate records of Sanpete County, Utah. This Declaration shall not terminate in the event of the taking of all of the Property by condemnation or eminent domain.

9.5 Disbursement of Proceeds. Upon termination of this Declaration all property owned by the Association shall be sold by the Association either in whole or in parcels as the Board of Trustees may deem appropriate. The funds shall be disbursed without contribution from one Owner to another by the Association for the following purposes and in the following order:

- (a) Payment of all customary expenses of the sale;
- (b) Payment of all applicable taxes and any liens in favor of any governmental authority;
- (c) Payment of the balance of any liens encumbering Association property;
- (d) Payment of any unpaid costs, expenses and fees incurred by the Association; and
- (e) Payment of any balance to the Owners in the same proportion that they pay Association Assessments; provided, however, there shall be deducted from any share due an Owner any delinquent and unpaid Association Assessments.

ARTICLE X **CONDEMNATION**

10.1 Condemnation of Association Property. If any Association property is taken or condemned by any authority having the power of eminent domain, all compensation and damages on account of the taking of the Association property, exclusive of compensation for consequential damages to affected Lots, shall be payable to the Association and such proceeds shall be used promptly by the Association to the extent necessary for repair and reconstruction of remaining Association property in as substantially compliant a manner to the original plan of development as possible. If there is an award in excess of the amount necessary to so substantially repair or reconstruct such remaining Association property, the Board of Trustees, in its sole discretion, shall determine if the excess is to be refunded to the Members or retained by the Association for such uses as it deems appropriate.

ARTICLE XI **ENFORCEMENT AND RIGHT TO RECOVER ATTORNEY FEES**

11.1 General Remedies. Should the Association, Board of Trustees, individual Trustee(s), or an aggrieved Owner be required to take action to enforce the Declaration, Articles,

Bylaws, and/or Resolutions, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, they may recover all additional charges, including reasonable attorneys' fees, which may arise or accrue.

11.2 Additional Remedies. In addition, the Board of Trustees may impose the following sanctions after proper notice and the opportunity to be heard:

- (a) Imposing individual charges, which may be secured by a lien against the Owner's interest in the Property;
- (b) suspending an Owner's right to vote;
- (c) without liability to any person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with this Declaration.

ARTICLE XII

GENERAL PROVISIONS

12.1 Rights of Eligible Mortgage Holders. For a fee set at the sole discretion of the Board of Trustees by resolution, any Eligible Mortgage Holder shall be entitled to:

- (a) upon request, inspect the books and records of the Association during normal business hours;
- (b) receive written notice of meetings of the Association where the consent of any Eligible Mortgage Holder is required;
- (c) upon request, obtain copies of Association financial statements;
- (d) receive written notice of condemnation proceedings affecting any Association property;
- (e) receive written notice of the lapse of any insurance that the Association is required to maintain under this Declaration; and
- (f) where the Owner of any Lot shall be deemed delinquent in the payment of Assessment, any Eligible Mortgage Holder of said Lot shall be given written notice of such delinquency by the Association, provided the Eligible Mortgage Holder shall have been notified by the Association of its lien.

12.2 Provisions Incorporated in Deeds. Each provision contained in this Declaration shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any Lot is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument.

12.3 Number and Gender. Unless the context shall otherwise provide, a singular number shall include the plural, a plural number shall include the singular and the use of any gender shall include all

genders.

12.4 No Dedication. Unless expressly provided, nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property to the public or for any public use.

12.5 Notices. Any notice permitted or required to be delivered as provided in this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) days after a copy of the same has been posted in the United States mail, postage prepaid for first class mail and addressed to the receiving party at the address last given by such party to the Association. Any notice to the Association shall be sent to such address as it may from time to time designate in writing to each Owner.

12.6 Utah Law. The interpretation, enforcement or any other matters relative to this Declaration shall be construed and determined in accordance with the laws of the State of Utah.

12.7 Severability. If any provision, paragraph, sentence, clause, phrase or word of this Declaration should under any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

12.8 Indemnification. Each member of the Board of Trustees shall be entitled to be indemnified and held harmless by the Owners against all cost, expenses, and liabilities whatsoever, including attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of being or having been a member of the Board of Trustees, excluding only acts of gross negligence, intentional misconduct, bad faith or reckless disregard by the trustee.

12.9 Conflict. In the event of any conflict, inconsistency or incongruity between the provisions of this Declaration, as supplemented or amended, and the Articles, Bylaws, or Resolutions, the provisions of the former shall in all respects govern and control.

IN WITNESS WHEREOF, the undersigned has hereunto sets its hand this ____ day of _____ 2014.

HIDEAWAY VALLEY PROPERTY OWNERS
ASSOCIATION, INC., a Utah nonprofit corporation

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF UTAH)

ss:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day, _____
2014 by ***** Hideaway Valley Property Owners Association, Inc., a Utah nonprofit
corporation.

NOTARY PUBLIC