

When Recorded Return To:
Fieldstone Utah Investors, LLC
12896 S. Pony Express Road, Suite 400
Draper, Utah 84020

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR TRAVERSE MOUNTAIN - HIDDEN CANYON**

This SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TRAVERSE MOUNTAIN - HIDDEN CANYON (“**Declaration**”) is made by Fieldstone Utah Investors, LLC, a Utah limited liability company (“**Declarant**”), Mountain Home Development Corporation, a Utah corporation (“**Master Declarant**”), and Traverse Mountain Master Association, a Utah nonprofit corporation (“**Master Association**”), on the date set forth below.

RECITALS

A. The Declarant is the owner of certain real property located in the City of Lehi (“**City**”), Utah County, State of Utah, more particularly described on **Exhibit A** attached hereto (“**Property**”). Declarant is developing the Property as a residential subdivision to be known as Hidden Canyon (“**Project**”). The Project shall be subdivided into individual single-family lots (“**Lots**”) together with public streets and sidewalks. The Project may be developed in phases.

B. Master Declarant is the declarant identified in the following recorded instruments: the *Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Traverse Mountain a Master Planned Community*, recorded in the real property records of Utah County on June 18, 2007, as Entry No. 88194:2007; the *Supplemental Declaration to Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Traverse Mountain a Master Planned Community*, recorded in the real property records of Utah County on November 4, 2014, as Entry No. 79412:2014; the *Supplemental Declaration to Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Traverse Mountain a Master Planned Community*, recorded in the real property records of Utah County on November 4, 2014, as Entry No. 79413:2014; and the *Supplemental Declaration to Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Traverse Mountain a Master Planned Community*, recorded in the real property records of Utah County on November 4, 2014, as Entry No. 79414:2014 (collectively, the foregoing instruments are the “**Master Declaration**”).

C. Master Association is the homeowners association formed to manage, maintain, and govern the properties identified in the Master Declaration. Among other things, the Master Association has the power to impose and enforce Assessments as provided in Article VII and XII of the Master Declaration.

D. Master Declarant has agreed to grant to Declarant, during the Period of Declarant's Control, complete jurisdiction and control over the aesthetic, architectural, and design review processes for the Project including, but not limited to, allowing Declarant to create and establish a Design Review Committee to review aesthetic, architectural, and design standards applicable to the Project.

E. Pursuant to Sections 17.4 and 17.5 of the Master Declaration, Master Declarant has the right to exclude any portions of the Properties from the jurisdiction of the Aesthetic Review Committee and from other approval processes or design restrictions by Supplemental Declaration and to assign to successors any portion of Master Declarant's rights under the Master Declaration. Declarant and Master Declarant desire to exempt the Project from the jurisdiction of the Aesthetic Review Committee and the Aesthetic Review Committee's guidelines and approval process and to exempt the Project from the Design Control restrictions set forth in Article IV of the Master Declaration.

F. Declarant and Master Declarant desire that the Project and the Improvements thereon be developed in accordance with the standards established by the Declarant in this Declaration and through a Design Review Committee and desire to authorize the Design Review Committee to promulgate aesthetic, architectural, and design guidelines applicable to the Project and to establish an aesthetic, architectural, and design review process governing development, construction, maintenance, and repair activities within the Project.

G. The Master Association desires to cooperate with the Declarant and the Design Review Committee to enforce compliance with the terms of this Declaration, the Master Declaration, and the Architectural Guidelines, including through the issuance and enforcement of Compliance Assessments as provided in Article VII and XII of the Master Declaration.

THEREFORE, to further the general purposes expressed herein, Declarant and Master Declarant each, for themselves and for their respective successors and assigns, hereby declare that the Project, and all Lots within the Project, shall at all times be owned, held, used, occupied, sold, conveyed, leased and rented subject to the provisions of this Declaration and subject to (i) the covenants, conditions, and restrictions contained herein and (ii) the easements reserved or granted herein and that the same shall run with the land and shall be binding on all persons or entities holding or taking title to any interest in the Project or any Lot therein.

Declarant and Master Declarant agree and acknowledge that this Declaration relates only to and affects only the Project and that the Project is subject to the Master Declaration, except as may be provided herein. All current and future Owners of Lots in the Project shall be subject to and responsible to pay any and all dues, fees, fines or assessments as may be imposed by the Traverse Mountain Master Association and any other Association that may have authority to impose dues, fees, fines or assessments on the Project at any future date.

ARTICLE 1 – DEFINITIONS

The plural of any word identified below shall have the same meaning as the singular and vice versa. The following words when used in this Declaration shall have the following meanings and terms used but not defined herein shall have the meaning provided in the Master Declaration if a meaning is provided:

1.1 “Architectural Guidelines” means any aesthetic, architectural, and design guidelines adopted by the Declarant or the Design Review Committee.

1.2 “Buyer” means any person or entity other than Declarant or Developer.

1.3 “City” means the City of Lehi, a political subdivision of the State of Utah.

1.4 “Common Areas” or means all portions of the Project other than the Lots. Common Areas may include “Limited Common Areas” which are those portions of the Project intended for the use of more than one Owner but less than all Owners.

1.5 “Covenants” means every covenant, condition, restriction, easement, and limitation set forth in this Declaration.

1.6 “Declarant” means Fieldstone Utah Investors, LLC, and any assign or successor that acquires Declarant’s interest in the Property.

1.7 “Declaration” means this *Declaration of Covenants, Conditions and Restrictions for Hidden Canyon* as it may be amended from time.

1.8 “Design Review Committee” means the committee established by the Declarant to review plans for construction, alteration, or repair of Improvements within the Project as set forth in Article 4 of this Declaration.

1.9 “Developer” means Declarant and any parent or subsidiary entity of Declarant and any entity owned or controlled by an entity which owns or controls Declarant.

1.10 “Improvement” means every structure, feature, or other item of construction of any kind placed or constructed in the Project, including but not limited to any Residence, building, garage, lighting, deck, porch, patio, sidewalk, foundation, awning, fence, retaining wall, driveway, irrigation or drainage feature, storage structure or any other product of construction and also includes landscaping.

1.11 “Master Association” means the Traverse Mountain Master Association, a Utah non-profit corporation.

1.12 “Master Declaration” means the documents identified in Recital B of this Declaration.

1.13 “Master Declarant” means Mountain Home Development Corporation, a Utah corporation.

1.14 “Owner” means the person or entity vested with legal, record fee simple title to any Lot. If there is more than one record holder of legal title to a Lot, each shall be an Owner.

1.15 “Period of Declarant’s Control” means the period of time during which Declarant shall have administrative control of the Project and the Design Review Committee and the other rights and privileges as set forth in this Declaration. Following the recording of this Declaration, the Period of Declarant’s Control shall continue until such time as Declarant sees fit to, by written notice, release administrative control of the Project and the Design Review Committee, but in no event shall the Period of Declarant’s Control extend beyond the time when one hundred percent (100%) of the Lots in the Project have been conveyed to Buyers.

1.16 “Plat Map” means the plat map for the Project together with any recorded plat map for a phase of the Project. A copy of the Plat Map current as of the date of this Declaration is attached hereto as **Exhibit B**. Declarant reserves the right to modify the terms of any revised or amend the Plat Map for the Project. Any such revisions or amendments to the Plat Map recorded in Utah County shall also be deemed the Plat Map for purposes of this Declaration.

1.17 “Project” means the Hidden Canyon subdivision in Lehi City, Utah County, to be constructed on the Property. The Project is not a cooperative. The Project is not expandable.

1.18 “Property” means the real property situated in Utah County, State of Utah, as more particularly described in **Exhibit A**, against which this Declaration is recorded.

1.19 “Residence” means the dwelling structure on a Lot in the Project. As shown on the Plat Map, the Residences within the Project are intended for single family occupation.

1.20 “Specific Design Standards” means the design and building criteria applicable to Residences and other Improvements in the Project as set forth in Section 5.4 of this Declaration.

1.21 “Lot” means a subdivided and individually numbered residential parcel as designated on the Plat Map recorded with Utah County including the Residence and any other Improvements thereon.

ARTICLE 2 – PROJECT EXEMPT FROM AESTHETIC REVIEW COMMITTEE

2.1 Exemption. Pursuant to Section 17.4 of the Master Declaration, Master Declarant hereby designates Declarant and the Property and the Project as exempt from and not subject to the Aesthetic Review Committee approval process and Design Control provisions set forth in the Master Declaration during the Period of Declarant’s Control, and Master Declarant assigns and delegates to Declarant the right to establish a separate architectural review committee for the Project.

2.2 Assignment. Pursuant to Section 17.5 of the Master Declaration, Master Declarant assigns to Declarant during the Period of Declarant’s Control all of the rights of Master Declarant provided in the Master Declaration which affect, touch on, or relate to the architectural or design review, approval, appeal, or veto process, including but not limited to the establishment of any architectural or design review committee or subcommittee. Master Declarant assigns to Declarant during the Period of Declarant’s Control the right to establish, review, and approve all architectural or design standards with respect to the Property and the Project, including, but not limited to, the rights and powers of the Master Declarant identified in Article IV, Article V, and Article XVII of the Master Declaration. The delegation identified herein shall be effective during the Period of Declarant’s Control, but shall terminate automatically and all power and authority delegated to Declarant hereunder shall revert to the Master Declarant at the end of the Period of Declarant’s Control.

2.3 Conflict. In accordance with Section 1.67.4 of the Master Declaration, if there are any conflicts between the terms of this Declaration and the terms of the Master Declaration, the terms of this Declaration shall control with respect to the Property and the Project.

ARTICLE 3 – PROPERTY RIGHTS, LIMITATIONS, AND USE RESTRICTIONS

3.1 Owners Bound by Declaration. Each Owner, by acceptance of a deed to a Lot, is deemed to have read and agreed to be bound by the terms and conditions set forth in this Declaration.

3.2 Enforcement of Covenants. The Declarant, or the Design Review Committee at the Declarant's direction, may commence an action seeking to enforce compliance with the same and may, under appropriate circumstances, seek a temporary restraining order or preliminary injunction to stop or prevent non-compliance with the Covenants set forth in this Declaration. In any such legal action, the prevailing party shall be entitled to an award of reasonable costs and attorney fees.

3.3 Compliance Assessment. The Declarant may advise the Master Association of any non-compliance with the terms of this Declaration by any Owner, including the failure to comply with the design review authority delegated to Declarant pursuant to this Declaration. The Master Association may then impose a Compliance Assessment against such Owner and such Owner's Lot in connection with the terms and provisions outlined in Article XII of the Master Declaration.

ARTICLE 4 – DESIGN REVIEW COMMITTEE

4.1 Design Review Committee Approval Required. In order to create, maintain and improve the Project as a pleasant and desirable environment, to establish and preserve harmonious design for the community, to establish procedure for the enforcement of the terms and conditions of this Declaration, to protect and promote the value of the Project, all Improvements constructed within the Project shall be subject to prior review and approval of the Design Review Committee. Only plans that comply with the terms of this Declaration and any Architectural Guidelines will be approved. Except as provided herein, no Improvements may be constructed or undertaken without Design Review Committee approval. The Design Review Committee may impose a charge of one hundred dollars (\$100) for the review and processing of plans.

4.2 Creation of the Design Review Committee. The Design Review Committee shall consist of three (3) members, the majority of which will constitute a quorum, and the concurrence of the majority shall be necessary to carry out the provisions applicable to the Committee. The members of the Design Review Committee will be appointed by Declarant and the members of the Design Review Committee may be changed by Declarant from time to time in Declarant's sole and absolute discretion. The Design Review Committee may designate representatives or agents to act on its behalf. In the event of the death, resignation, or incapacity of any member of the Design Review Committee, the vacancy must be filled by the Declarant. The Design Review Committee will cease to function at the conclusion of the Period of Declarant's Control.

4.3 Design Review Committee Duties. The Design Review Committee will be responsible for the review and, subject to compliance with this Declaration, approval of all plans for the construction of any Improvements upon any Lot. The Design Review Committee may

enforce the provisions of this Declaration, including by legal action if necessary. In addition to the authority expressly granted herein, the Design Review Committee shall have all rights, powers and privileges as are reasonably necessary to give effect to this Declaration and to enforce the terms of this Declaration.

4.4 Use of Consultants. The Design Review Committee is authorized to retain the services of one or more consulting architects, landscape architects, or designers qualified to practice in the State of Utah to assist the Design Review Committee in performing duties and responsibilities set forth in this Declaration.

4.5 Architectural Guidelines. All construction within the Project must comply with aesthetic, architectural and design guidelines. Initially, the applicable guidelines will be the Specific Design Standards set forth in Section 5.4 of this Declaration. Those guidelines will be in effect within the Project unless and until the Declarant or the Design Review Committee shall establish and maintain separate aesthetic, architectural, or design guidelines (“**Architectural Guidelines**”) for the Project. In the event the Declarant or the Design Review Committee establishes separate Architectural Guidelines for the Project, the Architectural Guidelines will control the construction of any Improvements within the Project to the extent the amend, modify, supersede, or add to the Specific Design Standards. Once established, the Architectural Guidelines may be changed or amended at any time at the discretion of the Declarant.

4.6 Assignment of Rights and Duties. Declarant may assign by express written assignment all or any portion of the rights of Declarant arising under this Declaration, including without limitation rights related to design review, to any other person or entity who obtains an interest in the Property or the Project or to the Master Declarant, the Traverse Mountain Master Association, or the Aesthetic Review Committee identified in the Master Declaration.

4.7 Owner’s Compliance with Declaration. Each Owner shall fully comply with, and shall cause such Owner’s guests and invitees to fully comply with, the Covenants set forth in this Declaration.

ARTICLE 5 – COVENANTS CONDITIONS AND RESTRICTIONS

5.1 Residential Use of Lots and Resale Limitation. All Lots within the Project shall be used only for the construction and occupancy of one single-family dwelling. All Lots shall be used, improved, and devoted exclusively for single-family residential use. No profession, trade or other non-residential use shall be conducted within the Project and no person shall enter into any Lot for the purpose of engaging in such uses or receiving products or services arising out of such uses without review and approval from the Design Review Committee and, as required, from Lehi City. No Lot may resold by an Owner within one year from the date it was purchased from Declarant without first notifying Declarant in writing at the address listed below. Upon

receipt of such notice, Declarant may exercise an option to repurchase the Lot at the original purchase price. (This provision does not apply to construction contracts with home builders.)

Fieldstone Utah Investors, LLC
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5.2 Architectural Control. No grading, excavation, building, fence, wall, Residence or Improvement of any kind may be constructed, erected, altered, repaired, or made until the plans and specifications for such construction, showing the location of all Improvements, have been approved in writing by the Design Review Committee. The Design Review Committee, at its sole option, may require the Owner to submit a topographical plan and / or a detailed landscaping plan for review and approval. All subsequent additions to or changes or alterations in any Residence, building, structure, or other Improvement, including exterior color scheme, must also be approved in writing by the Design Review Committee or its designee. After receiving approval from the Design Review Committee and before commencing any construction, each Owner will be required to obtain any applicable permits or approvals required by Lehi City.

5.3 Design Review Deadlines. Upon receipt by the Design Review Committee of a written request for approval provided for or required by this Declaration, the Design Review Committee shall, within thirty (30) days after receipt of such request for approval, either: (a) approve the plans and specifications as submitted; or (b) notify the party making such request of any objections thereto (such objections must be specifically stated) and such party may within fifteen (15) days thereafter resubmit its request for approval to the Design Review Committee. The Design Review Committee shall then have an additional seven (7) days after receipt of any resubmitted request to approve or reject the same. If approval or rejection is not communicated within the above designated timelines, the request shall be deemed to have been approved.

5.4 Construction Quality, Size, and Height. All Improvements constructed within the Project shall be of new materials and shall be of good quality and workmanship. ALL EXTERIOR MATERIALS AND COLORS ARE TO BE SPECIFIED ON PLANS SUBMITTED TO THE DESIGN REVIEW COMMITTEE FOR APPROVAL. Pictures and/or renderings shall also be submitted depicting exterior materials and colors. The Design Review Committee will base its approval of construction plans, specifications, landscaping plans, and other alterations on the acceptability and harmony of the external design of the proposed Improvements with respect to topography, grade, quality of materials, size, height, color, etc. The Specific Design Standards initially applicable to the Project are set forth below and in the Acceptable Landscaping Materials Guidelines, attached hereto as Exhibit C. Nevertheless, the Declarant or the Design Review Committee may alter, amend, or supplement the applicable guidelines by adopting Architectural Guidelines as set forth in Section 4.5 of this Declaration.

5.4.1 The exteriors of all Residences must be of a material approved by Lehi City. If the exterior side or rear elevations of any Residence are stucco, then 30% of the front elevation must be brick or stone. If the exterior side or rear elevations of any Residence are enhanced masonry (Hardie Board or an approved equivalent), then no stone or brick shall be required on the front elevation.

5.4.2 Exterior colors of all Residences must match the colors required by the Design Review Committee.

5.4.3 All Residences will have at least a two (2) car garage. Some Residences in the Project will have a three (3) car garage. It is strongly encouraged that at least 50% of the Residences have 3 car garages.

5.4.4 The total minimum square feet, finished and unfinished, for each Residence shall be two thousand four hundred (2,400) square feet for Single Family and one thousand six hundred (1,600) square feet for multi-family attached product.

5.4.5 Residences shall be constructed with a minimum five to twelve (5:12) roof pitch, shed and accessory roofs less than the five to twelve roof pitch will be permitted as approved by the Design Review Committee.

5.4.6 The elevations for the Residences in the Project shall vary so that the same elevation plan is not built across the street or within three (3) Lots adjacent to any Residence.

5.5 Construction Time. The construction time for the exterior portion of any Residence may not exceed twelve (12) months from start to finish. "Start" means the time any dirt on a Lot is cut or removed in anticipation of construction or landscaping. All building debris, excavation dirt, etc., associated with the building process must be removed from the Lot within the twelve (12) month period. Such debris and excavation dirt is not permitted on any of the streets or sidewalks within the Project.

5.6 Building Location. All setbacks, side yards, and rear yards within the Project must be in conformance with this Declaration and plats approved by Lehi City.

5.7 Landscaping. Trees, lawns, shrubs and other landscaping provided by the Owner either before or after the construction of a Residence on a Lot within the Project shall be properly maintained, cared for, and replaced at the Owner's expense. No landscaping, fence, wall, or screen may be erected which obstructs traffic sightlines or would otherwise constitute a traffic hazard. No landscaping or other Improvements may be placed on any Lot if doing so would

damage or interfere with established slope ratios, cause erosion to any Lot, or change the direction or location of drainage channels. All materials used to retain and contour the slope of any Lot or Improvement must conform to the natural beauty and color of the Project. Each Residence must have an outdoor sprinkler system for fire protection and irrigation.

5.8 Deadline for Completion of Landscaping. The front yard of each Lot (from the street to the front line of the Residence as defined by wing wall fencing) must be landscaped before the Residence may be occupied. If a Residence is to be occupied during a winter month or other time when landscaping is not practical, the Residence may be occupied or allowed by provisions adopted by the Master Association dealing with delayed completion of landscaping. For purposes of this provision, front yard includes any parking strip associated with the Lot. Each Owner is responsible to landscape and maintain the parking strip associated with such Owner's Lot. Maintenance will include, without limitation, mowing and watering of the park strip, removal of weeds, clearing of debris, and other general maintenance. Parking strips may only be planted with sod and trees approved by the Design Review Committee. Trees must be planted every thirty feet (30') on center. The remainder of the Lot must be landscaped within one (1) year of the issuance of a certificate of occupancy for the Residence. Landscaping is subject to this Declaration, including the Acceptable Landscaping Materials Guidelines, and any applicable provisions of the Architectural Guidelines.

5.9 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, may be used at any time for residential purposes, on either a temporary or a permanent basis. Temporary buildings and structures used during construction of a Residence on any Lot must be removed immediately upon completion of construction.

5.10 Out Buildings. Out buildings such as swimming pool and tennis court dressing facilities may be constructed on a Lot so long as they conform to the provisions of this Declaration, the applicable ordinances of Lehi City, and are approved by the Design Review Committee. Any swimming pools or tennis courts must be fenced and comply with local ordinances.

5.11 Exterior Antennas and Power Lines. Exterior antennas are prohibited within the Project. Satellite dishes for television must not be visible from the front of the Lot. All power lines and cables must be buried underground.

5.12 Animals. Only pets that comply with the Area Plan and the Lehi City Development Code and that are domestic dogs, cats, fish, and similar household pets are permitted in the Project. Notwithstanding the foregoing, dogs and cats are limited to two (2) each per Lot. No animals may be raised, bred, or kept for commercial purposes. Animals within the

Project must be kept at all times within an enclosure or on a leash held by a person capable of controlling the animal. Approved fencing enclosing the rear yard is required for any Owners who choose to have dogs, whether or not the Owner shares a property line with other Owners. Excessive barking or other disruptive animal noises will be deemed a nuisance as defined herein.

5.13 Nuisances; Construction Activities. No rubbish or debris of any kind may be placed or permitted to accumulate upon or adjacent to any Lot and no odors or loud or obnoxious noises are permitted to arise or emit from any Lot, so as to render any Lot or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other Lot in the Project or to the occupants of such other Lot. No other nuisance is permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot in the Project or to the occupants of any Lot. Normal construction activities and parking in connection with the construction of Improvements on a Lot are not considered a nuisance or otherwise prohibited by this Declaration, but Lots must be kept in a neat and tidy condition during construction periods, trash and debris is not permitted to accumulate, and supplies of brick, block, lumber and other building materials must be piled neatly.

5.14 Parking and Storage of Vehicles. No articles, material, equipment or vehicles of any nature may be parked or stored on any street located within the Project; provided that licensed, regularly used passenger vehicles (i.e. visitor vehicles) may be parked in the streets of the Project for brief periods of time (i.e. less than twenty-four hours) with overnight parking of such vehicles being restricted to the driveway of the Residence being visited. No automobiles trailers, boats, racks, snowmobiles, motor homes, recreational vehicles or any other type of vehicles may be stored on driveways. All restricted vehicles must be stored in an enclosed garage.

5.15 Garbage and Refuse Disposal. No Lot may be used as or maintained as a dumping ground for rubbish, trash, or other waste and such materials may not be kept except in covered containers. All Trash containers must be covered and kept screened from view from the street in suitable enclosed areas, except during collection. All equipment for the storage or disposal of such materials must be kept in a clean and sanitary condition. The burning of rubbish, leaves or trash within the Project is prohibited. Each Lot and its abutting street must be kept free of trash, weeds, and other refuse by the Lot Owner. No unsightly material or objects may be stored on any Lot in view of the general public.

5.16 Signs. With the exception of a sign which states that the premises are for sale and signs displayed for political, religious, and holiday purposes, no signs, posters, displays or other advertising devices may be erected or maintained on, or shown or displayed to the public view on any Lot without the express written consent of the Committee. The Design Review Committee may adopt reasonable restrictions on the time, place, and manner in which any signs

are displayed as part of the Architectural Guidelines. The Committee may require all unauthorized signs to be removed. This Section does not apply to any signs used by Declarant or its agents in connection with the original construction and sale of the Lots.

5.17 Soil Erosion and Runoff. It is the responsibility of each Owner to conduct any construction, landscaping, or other activities on the Lot in such a manner as to minimize erosion and runoff. Each Owner shall also bear full responsibility for compliance with the applicable Storm Water Pollution Prevention Plan ("SWPPP") during construction, landscaping, or other activities on the Lot. Construction must be conducted in such a manner as to prevent the movement of earth materials or construction debris onto neighboring Lots or other portions of the Project or into the Project's storm drainage system. Each Owner shall cause all construction to take place in a good and workmanlike fashion so as not to interfere with the natural streams or drainage systems once constructed. Compliance Assessments may be levied on Owners who do not comply with the minimum requirements. Under no circumstance may landscaping or other Improvements on a Lot direct runoff onto another Lot or other portion of the Project.

5.18 Fire Protection. Due to potential for brush fire on land surrounding the Project, Owners are encouraged to consider sprinkler and other fire retardant systems and to use fire resistant materials in construction.

5.19 Repair of Improvements. No Improvements on any Lot shall be permitted to fall into disrepair and such Improvements shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Residence or other Improvement on a Lot is damaged or destroyed, then subject to the approvals required by Sections 4.1 and 5.2 of this Declaration, such Residence or other Improvement structure shall be immediately repaired or rebuilt or shall be demolished.

5.20 Restrictions on Further Subdivision, Property Restrictions, and Rezoning. No Lot shall be further subdivided or separated into smaller Lots by any Owner, nor shall any easement or other interest therein be conveyed or transferred by any Owner without the prior written approval of the Design Review Committee, which approval must be evidenced on the plot or other instrument creating the subdivision, easement, or other interest. No further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot without the provisions thereof having been first approved in writing by the Design Review Committee. Any covenants, conditions, restrictions, or easements recorded without such approval being evidenced thereon are null and void. No application for rezoning of any Lot, and no applications for variances or use permits may be filed with any governmental authority unless the proposed use of the Lot has been approved by the Design Review Committee and the proposed use otherwise complies with this Declaration.

5.21 Declarant's Exemption. Notwithstanding any other provision of this Declaration, the Declarant may use any Lot owned by it, and during the Period of Declarant's Control may also use the Common Areas, for any purposes, including construction purposes, consistent with or intended to facilitate the development and sale of the Lot owned by Declarant without regard to the Specific Design Standards or Architectural Guidelines. Declarant is not bound by the time limitation or other restrictions on development or construction activities set forth in this Declaration. Declarant may use and maintain temporary structures on the Project. Declarant may operate one or more construction or sales offices and one or more model homes within the Project. Declarant also has the right to maintain a reasonable number of signs, banners, or similar devices throughout the Project. Declarant may from time to time relocate any of its sales offices, model homes, signs, banners or similar devices.

ARTICLE 6 – MAINTENANCE

6.1 Maintenance by Owner. Each Owner shall maintain such Owner's Lot, and the Residence and all other Improvements thereon, including landscaping, in good repair and in a clean and tidy manner, and in accordance with all the Covenants set forth in this Declaration so as to not detract from the overall appearance of the Project. Each Owner shall maintain the Residence and all other Improvements in a safe and functional condition. Each Owner shall maintain such Owner's Lot at the Owner's expense.

6.2 Purpose of Compliance Assessment. In order to create, maintain, and improve the Project as a pleasant and desirable environment, to establish and preserve a harmonious design for the Project, and to protect and promote the value of the Project, each Owner covenants and agrees to maintain such Owner's Lot in accordance with the terms of this Declaration, or be subject to the assessment of Compliance Assessment to be enforced by the Master Association as hereinafter provided.

6.3 Maintenance of Parking Strip. Each Owner is responsible to landscape and maintain the parking strip associated with each Owner's Lot. Required maintenance will include, without limitation, the mowing and watering of the parking strips, removal of weeds, clearing of debris, other general care, and removal of snow from the sidewalk. In the event that any Owner fails to landscape or maintain the parking strip, whether such failure is caused through the failure to act or the willful or negligent act of any Owner, his family, guests or invitees, or otherwise, then, subject to the provisions of Section 6.5 of this Declaration, the Design Review Committee shall have the right to cause such landscaping and maintenance to be performed, and the cost of such maintenance or repairs, shall constitute a Compliance Assessment to which such Owner's Lot shall be subject and the Compliance Assessment will be enforced by the Master Association and secured by the Master Association's Lien, as set forth in Article XII of the Master Declaration.

6.4 Failure to Properly Maintain a Lot.

6.4.1 Each Lot within the Project, including the parking strip associated with such Lot, must be maintained by its Owner without regard to whether any Improvements have been constructed thereon by said Owner. Without limitation, the following actions or conditions constitute a failure to properly maintain a Lot: (a) any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Project; or (b) any portion of a Lot is used in a manner which violates this Declaration; or (c) any Owner fails to maintain acceptable vegetation on any slope greater than 30% on said Owner's Lot; or (d) any Owner fails to perform any of its obligations under this Declaration or the Architectural Guidelines, including without limitation, the obligation to obtain appropriate approvals from the Design Review Committee.

6.4.2 In the event any Owner fails to properly maintain such Owner's Lot as set forth in Section 6.4.1, then, subject to the provisions of Section 6.5 of this Declaration, the Design Review Committee shall have the right to cause appropriate maintenance or repairs to be performed, or to commence appropriate legal action to enforce the terms of this Declaration or the Architectural Guidelines, and the cost of such maintenance, repairs, or legal action, shall constitute a Compliance Assessment to which such Owner's Lot shall be subject and the Compliance Assessment will be enforced by the Master Association and secured by the Master Association's Lien as set forth in Article XII of the Master Declaration.

6.5 Notice to Owner. In the event that any or Lot, including the parking strip associated with such Lot, is not maintained or repaired as set forth herein, then the Design Review Committee may, by resolution, make a finding to such effect. Said Resolution shall specify the particular condition or conditions which exist on said Lot. The Design Review Committee shall give written notice thereof to the Owner of the applicable Lot that unless the conditions stated in the Resolution are corrected within fourteen (14) days of the date of such notice, the Design Review Committee shall have the right without further notice or demand, to cause the conditions set forth in the Resolution to be corrected, including by legal action if necessary, at Owner's cost. If at the expiration of said fourteen (14) days the requisite corrective action has not been taken, the Design Review Committee shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become part of the Compliance Assessment levied against said Lot and shall be secured by the Master Association's Lien. The Compliance Assessment shall be levied against only the Lot set forth in the Resolution adopted by the Design Review Committee. Written notice of the amount of Compliance Assessment levied shall be given to the Owner of the Lot. The Compliance

Assessment shall be due and payable in full within fifteen (15) days of the date of such notice. If unpaid, the Master Association will enforce the Compliance Assessment.

6.6 Master Association's Lien. Any Compliance Assessment issued under the terms of this Declaration will be deemed an Assessment within the scope of the Master Declaration and will be enforced by the Master Association according to the terms and conditions for enforcing Assessments as provided in Article VII or XII of the Master Declaration. Upon enforcement or collection, the Master Association will remit the amount of the applicable Compliance Assessment to the Design Review Committee within thirty (30) days.

ARTICLE 7 – EASEMENTS

7.1 Assignment of Easement Rights. Pursuant to Section 17.5 of the Master Declaration, Master Declarant hereby assigns to Declarant: all of the easements within or affecting the Property or the Project reserved in the Master Declaration; and of the rights of Master Declarant provided in the Master Declaration which affect, touch on, or relate to easements within or affecting the Property or the Project including, without limitation, the right to grant or reserve easements within or affecting the Property or Project.

7.2 Grading, Drainage, Parking Strip and Public Utility Easements. In addition to the easements identified in the Master Declaration within or affecting the Property or the Project, Declarant reserves easements over the Property and the Project for the purpose of entering and performing grading (“**Grading Easement**”) over all the Lots or any portion thereof. Any Improvements that are damaged during grading must be restored to substantially the same condition that existed immediately before entry. Notwithstanding any other provision of this Section, the Grading easement does not extend into any Residence constructed on a Lot. Declarant also reserves easements for installation, maintenance, repair and use of utility and drainage facilities over the Project and all of the Lots (each, a “**Drainage and Utility Easement**”). Declarant also reserves the right to transfer, in whole or in part, any Drainage and Utility Easement to any utility company, governmental body, Owner of a Lot, or to the Traverse Mountain Master Association and to make any Drainage and Utility Easement appurtenant to a Lot. Declarant reserves the right to impose additional restrictions on the use of any Drainage and Utility Easement. Notwithstanding any other provision of this Section, the Drainage and Utility easement does not extend into any Residence constructed on a Lot.

ARTICLE 8 – TERM AND AMENDMENT

8.1 Term; Method of Termination. This Declaration will be effective upon the date of recordation hereof and, as amended from time to time, will continue in full force and effect until terminated. During the end of the Period of Declarant's Control, Declarant may execute and record “Certificate of Termination.” After the Period of Declarant's Control, this Declaration

may be terminated by the vote of sixty-seven percent (67%) of the Owners within the Project. If such a vote occurs, the Master Association will certify the vote and its Board shall thereafter execute and record a "Certificate of Termination." Notwithstanding any termination of this Declaration, any easements granted herein will continue in full force and shall run with the land. The dispute resolution provisions of Article 10 will survive termination of this Declaration.

8.2 Amendment. During the Period of Declarant's Control, Declarant may amend this Declaration by means of an amendment signed by Declarant. If this Declaration remains in effect after the Period of Declarant's Control, this Declaration may then be amended upon the affirmative vote of sixty-seven percent (67%) of the Owners in the Project. If such a vote occurs, the Master Association will certify the vote and its Board shall thereafter execute and record in the real property records of Utah County a "Certificate of Amendment" containing all amendments to the Declaration approved by the Owners as provided herein.

8.3 Variances. The Design Review Committee may grant a variance to any provision of the Declarations, at its sole and absolute discretion, when circumstances may require and in keeping with the spirit of the Declaration.

ARTICLE 9 – MISCELLANEOUS PROVISIONS

9.1 Interpretation. Except for judicial construction, the Design Review Committee shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Design Review Committee'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 Declaration and provisions hereof. Neither the Design Review Committee nor its designated representatives shall be subject to any liability thereof. Any errors or omissions in the design of any building or landscaping, or any violations of city or county ordinances are the sole responsibility of the Owners and/or their designated architects, engineers, or other agents. The Design Review Committee's review of plans shall in no way be construed as an independent review or opinion of the structural or mechanical adequacy or soundness of the building and the Design Review Committee shall bear no liability from its review of such plans. The Design Review Committee shall have the right to refuse to approve any plans and/ or specifications which are not suitable or desirable, in its sole opinion, for aesthetic or other reasons, and in so passing upon such plans and/or specifications, it shall have the right to take into consideration the suitability of the proposed building or other structure or Improvements, the materials of which it is built, the site upon which it shall be erected, the harmony thereof with the surroundings and the effect of the building or other structures on the roadways as planned and the view from the adjacent to neighboring properties. In the event of the failure of the Owner of any Lot in Project to obtain or to comply with the required prior written approval of plans under this paragraph, said Owner shall reimburse the Design Review Committee for all costs and expenses to which it may incur

as a result of said failure, including costs of litigation, demolition and reconstruction, if necessary. Consent, approvals and authorizations shall not be unreasonably withheld, nor shall these Covenants or Restrictions be arbitrarily or capriciously interpreted or applied. However, the reasonable judgment of Declarant and/or the Design Review Committee shall be used for the betterment of all concerned.

9.2 View Disclaimer. By promulgation and enforcement of this Declaration neither the Design Review Committee nor Declarant or their respective agents, employees and consultants make any representations concerning the view, if any, that any Owner will enjoy. Each Owner, by accepting a conveyance of a Lot, acknowledges that any view from a Lot may be impaired or totally obstructed by construction on other Lots, other land not a part of the Project or by growth of landscaping on other Lots or other property within the Project. Each Owner acknowledges that he has no right to the existence or unobstructed continuation of any particular view.

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

9.4 Rules and Regulations. The Committee shall have the right to adopt rules and regulations with respect to all aspects of the Committee's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

9.5 General Reservation. In addition to other reservations contained herein, Declarant reserves the right to grant, convey, sell, establish, amend, release and otherwise deal with easements, reservations, exceptions and exclusions which do not materially interfere with the best interests of Owners and/or the Committee including, but not limited to access and utility easements, road easement, pedestrian and equestrian easements, pedestrian and hiking trails and easements and drainage easements.

9.6 Covenants Run with the Land. Master Declarant and Declarant for themselves and their successors and assigns, hereby declare that all of the Property and the Project shall be held, used, occupied, conveyed, and leased subject to the provisions of this Declaration, and to the Covenants contained herein, and that the provisions hereof shall run with the land and be binding upon any person who hereafter becomes the Owner of any Lot or any interest in the Property or the Project.

9.7 No Recourse. The protective covenants, conditions and restrictions set forth within this Declaration, together with the Design Review Committee, are established for the benefit of the Project. Any damage, loss, claim or liability which might arise due to any decision, act, or failure to act of the Design Review Committee or any of its members shall be exempt from any civil claim or action brought by any signatories of this Declaration, or by any person owning or having an interest in any Lot, the Property, or the Project. The Design Review

Committee and its members shall be held harmless from any such action or failure to act, and exempt from any civil claim or action resulting from any act or failure to act (whether intended or implied) while functioning as a member of the Design Review Committee or for decisions that they may render during the course of their service.

ARTICLE 10 – DISPUTE RESOLUTION; MANDATORY BINDING ARBITRATION

10.1 Statement of Intent. As used in this Article 10, “Association” means the Master Association, the Design Review Committee, any homeowners association specific to the Project which the Declarant organizes, or any association which the Owners, or any group of Owners, may form to control, manage, maintain or improve the Project or any portion of the Project. Prior to purchasing a Lot, every Owner is capable of obtaining an inspection and is permitted to perform, or pay someone else to perform, an inspection on any Lot that Owner is purchasing or any other aspect of the Project, including, without limitation, the Common Areas. Moreover, if any written warranty has been provided, it identifies the only items that are warranted by the Declarant or the Developer. Having had the ability to inspect prior to purchasing a Lot, having received a written warranty if any warranty is provided, and having paid market price for a Lot in the condition it and the Lots and Common Area are in at the time of purchase, it is acknowledged that it is unfair and improper to later seek to have the Declarant, Developer, and/or any subcontractor performing work in the Project to change, upgrade, or add additional work to the Project outside of any express warranty obligation. Moreover, the Owners (by purchasing a Lot) and the Declarant acknowledge and agree that litigation is an undesirable method of resolving disputes and conflicts in that it can be slow, expensive, uncertain, and can often negatively impact the sale value and ability to obtain financing for the purchase of Lots for years, unfairly prejudicing those Owners who must or want to sell their Lot during any period when litigation is pending. For this reason, the Owners, by purchasing a Lot, and the Declarant covenant and agree that claims and disputes shall not be pursued through court action, but shall be asserted and resolved only through the specific alternative dispute resolution mechanisms described below, and only after full disclosure, satisfaction of the right to cure periods, and knowing approval of the Owners, as set forth in the provisions of this Article 10. In addition, the Association and the Owners agree that they take ownership and possession of the Lots and Common Areas AS IS, with no warranties of any kind except as otherwise required as a matter of law. The Declarant specifically disclaims any and all warranties of merchantability, fitness for a particular use, or of habitability, to the full extent allowed by law.

10.2 Binding Arbitration for All Disputes. To the fullest extent permitted by law, all claims and disputes of any kind that any Owner or the Association may have involving the Declarant, the Developer, or any agent, employee, executing officer, manager, affiliate or owner of the Declarant or Developer, or any engineer or contractor involved in the design or construction of the Project, which arise from or are in any way related to a Residence or other Improvement on a Lot, Common Area, Limited Common Area, or any other Improvement on or

component of the Project (a “**Dispute**”), shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving claims and disputes between or involving the Declarant or Developer and any Owner or between or involving the Declarant or Developer and the Association. Arbitration proceedings, however, shall not be commenced unless the Pre-Arbitration Requirements set forth in Section 10.3 below have been satisfied in full. Without in any way limiting the foregoing, Disputes subject to binding arbitration shall include the following:

10.2.1 Any allegation that a condition in any of the Residences on the Lots, the Common Areas, the Limited Common Areas, or other Improvements in the Project is or involves a construction defect;

10.2.2 Any disagreement as to whether an alleged construction defect has been corrected;

10.2.3 Any disagreement about whether any warranties, including implied warranties, are applicable to the subject matter of any Dispute;

10.2.4 Any disagreement as to the enforceability of any warranties alleged to be applicable to the subject matter of any Dispute;

10.2.5 Any disagreement about whether any warranty alleged to be applicable to the subject matter of any Dispute has been breached;

10.2.6 Any alleged violations of consumer protection, unfair trade practice, or other statutes or laws;

10.2.7 Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;

10.2.8 Any allegation that any condition existing in the Project or created by the Declarant, Developer, or any of contractors, including construction-related noise, dust, and traffic, is a nuisance, a defect, or a breach of any implied warranties of habitability or other implied warranties;

10.2.9 Any disagreement concerning the scope of issues or claims that should be submitted to binding arbitration;

10.2.10 Any disagreement concerning the timeliness of performance of any act to be performed by Declarant, Developer, or any contractors;

10.2.11 Any disagreement as to the payment or reimbursement of any fees associated with binding arbitration;

10.2.12 Any disagreement or dispute regarding management of the Association, or regarding reserve studies or funding of Association expenses; and

10.2.13 Any other claim or disagreement arising out of or relating to the sale, design, or construction of any of Improvement on the Lots, Common Areas, Limited Common Areas, off-site Improvements, management of the Association, or other claims regarding the Project.

10.3 Pre-Arbitration Requirements. An Owner or the Association may only pursue a claim against the Declarant in arbitration after all of the following efforts of dispute resolution have been completed: (a) Right to Cure: the claimant (e.g. the Owner or the Association) shall provide to the Declarant or Developer, as applicable, a written Notice of Claim (defined below) and permit the Declarant or Developer one hundred eighty (180) days to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to initiating any formal arbitration proceedings; and (b) if the dispute is not resolved within the 180-day Right to Cure period, the parties shall participate in formal mediation with a mutually-acceptable third-party mediator in an effort to resolve the Dispute prior to taking further action or commencing arbitration. If additional, different, or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against the Declarant or Developer that were not included in any previously submitted Notice of Claim, the Right to Cure period provided for in this Section shall immediately apply again and any pending action or proceedings, including any mediation or arbitration, shall be stayed during the 180-day period.

10.4 Notice of Claim. “**Notice of Claim**” shall mean and include the following information: (a) an explanation of the nature of the claim, (b) a specific breakdown and calculation of any alleged damages, (c) a specific description of the claim along with any supporting opinions, information, or factual evidence upon which the claim is based, (d) photographs of any alleged defective condition, if applicable, (e) samples of any alleged defective conditions or materials, if reasonably available, (f) an explanation of the efforts taken to avoid, mitigate, or minimize the claim or any alleged damages arising therefrom, and (g) the names, phone numbers, and address of each person providing factual information, legal or factual analysis, or legal or factual opinions related to the claim.

10.5 Member Approval; Legal Opinion; Arbitration. If a claim or dispute has not been resolved after satisfying and complying with the above-described “Pre-Arbitration Requirements,” then the claimant (Owner or Association) shall have the right to proceed with binding arbitration; however, the Association shall not pursue or commence binding arbitration unless such action is first approved by a majority of the total votes of the Association after the Association has obtained a written opinion from legal counsel advising the Association of the likelihood of success on the merits of the claims, the anticipated costs and legal fees, the

anticipated expert witness fees, and the likelihood of recovery if the Association prevails. The written opinion from legal counsel, addressing these topics, must be provided to all Owners before the formal vote on whether to proceed with binding arbitration. The binding arbitration shall be conducted by a mutually-acceptable arbitrator (preferably a former judge), or, if an arbitrator cannot be mutually selected, then by a member of the National Panel of Construction ADR Specialists promulgated by Construction Dispute Resolution Services, LLC (“**CDRS**”). The binding arbitration shall be conducted according to the rules and procedures set forth in the Arbitration Rules and Procedures promulgated by CDRS. The award of the arbitrator shall be final and may be entered as a judgment by any court of competent jurisdiction.

10.6 Fees and Costs of Arbitration. Each party shall bear its own attorney fees and costs (including expert witness costs) for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. The arbitrator shall not award attorney fees, expert witness fees or arbitration costs to the prevailing party.

10.7 No Waiver of Arbitration Right. If any Owner, the Association, or the Declarant files a proceeding in any court to resolve any Dispute, such action shall not constitute a waiver of the right of such party, or a bar to the right of any other party, to seek arbitration or to insist on compliance with the requirements set forth in this Article 10. If any such court action is filed, then the court in such action shall, upon motion of any party to the proceeding, stay the proceeding before it and direct that such Dispute be arbitrated in accordance with the terms set forth herein, including, without limitation, compliance with the Pre-Arbitration Requirements set forth above.

10.8 Waiver of Subrogation. The Association and each Owner waives any and all rights to subrogation against the Declarant, the Developer, and any builder, contractor, and engineer in the Project. This waiver shall be broadly construed and applied to waive, among other things, any attempt by any insurer of any Owner or of the Association from pursuing or exercising any subrogation rights, whether arising by contract, common law, or otherwise, against the Declarant, the Project engineer, and builder, contractors of the Declarant and the builder, and their officers, employees, owners, and representatives. To the full extent permitted by law, the Association and Owners hereby release Declarant, the Project engineer, and builder, and their respective officers, employees, owners, contractors, insurers, and representatives from any and all liability to the Association and all Owners, and anyone claiming through or under them by way of subrogation or otherwise, for any loss, injury, or damage to property, caused by fire or any other casualty or event, even if such fire or other casualty shall have been caused by the fault or negligence of Declarant or builder, their officers, employees, owners, and representatives. The Association and each Owner agrees that all policies of insurance shall contain a clause or endorsement to the effect that this release and waiver of subrogation shall not adversely affect or impair such policies or prejudice the right of the Association or any Owner to recover thereunder. The Association and all Owners shall indemnify and defend the Declarant,

the Developer, and any of their officers, employees, owners, contractors, or representatives from any claims barred or released by this provision, including but not limited to any claim brought under any right of subrogation.

IN WITNESS WHEREOF, Declarant has executed this Declaration on this 12 day of August, 2016.

MASTER DECLARANT

Mountain Home Development Corporation

By: [Signature]
Name: RYAN L. FREEMAN
Title: CEO

DECLARANT

Fieldstone Utah Investors, LLC

By: [Signature]
Name: Jason Harris
Title: Assistant Secretary

MASTER ASSOCIATION

Traverse Mountain Master Association

By: [Signature]
Name: Karl J. Karren
Title: President

STATE OF UTAH)

ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20__ by _____ as the _____ of Fieldstone Utah Investors,
LLC.

Notary Public

STATE OF UTAH)

ss.

COUNTY OF Utah)

The foregoing instrument was acknowledged before me this 18 day of July,
2016 by Ryan L Freeman as the CEO of Mountain Home Development
Corporation.



Connie Taylor

Notary Public

STATE OF UTAH)

ss.

COUNTY OF Utah)

The foregoing instrument was acknowledged before me this 18 day of July, 2016 by Karl J Karren as the President of Traverse Mountain Master Association.



Connie Taylor

Notary Public

EXHIBIT A

(Property Description)

EXHIBIT B

(Plat Map)

EXHIBIT C

(Acceptable Landscaping Materials Guidelines)