

CC&R Committee Responses to Owner Survey Comments

Comment: The process for approving improvements needs to be streamlined and clearly outlined for homeowners. My insurance company is requiring that we update the roof and I haven't been able to get a response from the board on the process and it isn't clearly outlined from my perspective. Better to ask for forgiveness at this point in my mind.

CC&R Committee Response: The revised CC&Rs significantly streamline the process for approving architectural improvements, simplifying the procedure for Owners and the Architectural Committee.

Comment: Please send out a notification to homeowners that invasive thistles are growing all over resident's properties. This large thistle is posted by the state of Utah as a non native and invasive species. It would also be helpful if a picture was attached so residents can properly identify this noxious weed. There are many growing on South High Mountain View Dr for reference.

CC&R Committee Response: We recommend that you raise this concern directly with the Board.

Comment: Why would we allow short terms rentals, and how do short term rentals, with their increase of unprepared visitors, party-ers, and traffic, benefit our community? Will owners that have STR willingly share their profits? Why do you want the BOD to be in the business of collecting money from STR? Does the BOD want to be in the business of enforcement?

CC&R Committee Response: The CC&R Committee believes that the most practical and effective approach to short-term rentals is strict regulation, not outright prohibition. Short-term rentals have operated in our community for many years without oversight, offering no direct benefit to the HOA or the neighborhood as a whole. Under the status quo, short term rentals are unregulated and represent a cost burden on the HOA, and a significant legal challenge in terms of enforcement. The revised CC&Rs establish a clear framework for regulating these rentals and collecting appropriate fees, which can be reinvested into the community, while reducing the chance of noise nuisances, inadequate vehicles, and other issues due to lack of oversight. The State of Utah generally favors individual property rights, and prohibits counties and cities from outright banning short term rentals. Idaho not only prohibits counties and cities from doing the same, it also prohibits HOAs from outright banning short term rentals. Current trends in Utah point in a similar direction, thus it is imperative that we take this opportunity to future-proof the CC&Rs. The HOA already has systems in place for fee collection, and incorporating short-term rental fees would require only minimal additional administrative effort. Owners who operate short-term rentals would be required to comply with county and state laws, pay HOA-imposed fees, and follow all CC&R rules and Board-established policies. The Board is prepared to monitor compliance and enforce these regulations in the interest of maintaining community standards.

Comment: Question #5 - Current CCRs are not in conflict. The rules and covenant are designed to protect the integrity of Cedar Highlands Community. The problems are Lot Owners who are permitted to break the rules and encouraged by those on the board.#8. Board has not appropriately administered the rules - instead selectively penalizing those in disagreement with the board. Proposed Short Term Rentals:1. Lot Owners supporting short term rentals – how would that Lot Owner feel about a short term rental next door to their full time residence? a. This same proposed short term rental lot owner created

several environmental and safety issues associated with the build of the house. How will compliance be managed any better as a short term rental when the build regulations were not followed? Adding livestock endangers the wildlife within the community as well as the surrounding areas. How will health and well being of livestock be monitored - inoculation and sanitation be managed to ensure wildlife is not infected? Much more information needs to be shared and those lot owners who are not aware of these dramatic changes to the CCR and the impact on this community need to understand the damage that will be forthcoming as a result.

CC&R Committee Response: The CC&R Committee appreciates the concerns raised and believes that the proposed revisions strengthen the ability of both the Board and individual Owners to uphold community standards. While the Board consists of volunteer members and must carefully balance resource allocation with enforcement responsibilities, the revised CC&Rs explicitly authorize individual Owners to take independent action through designated channels if they believe a rule is not being enforced appropriately.

The proposed updates also provide a clear regulatory framework for short-term rentals, including fee collection and compliance with county ordinances such as noise and nuisance laws. Short-term rentals already operate within our community, but currently without oversight or benefit to the HOA or its residents. These revisions aim to address that gap by introducing enforceable rules and generating funds to support community needs.

With respect to livestock, the original CC&Rs permit certain types of animals, and the revised language aligns those permissions with current Iron County regulations. Should future circumstances warrant stricter oversight, the Board retains the authority to adopt additional policies that exceed county limitations to better serve the interests of the community.

Comment: I have numerous questions and concerns that would be better asked in a special meeting. The current proposed CCR revision will not receive a positive vote from me.

CC&R Committee Response: We respectfully request that you provide your questions and concerns directly to the Committee so that we can consider them. We wish to incorporate and address feedback from the community.

Comment: What is proposed doesnt support the values of why many of us purchased homes in cedar highlands and by compromising those standards to be in line with iron county ordinances you are compromising our community to be like Enoch. The option exists for those that want it like Enoch to sell there homes and move to enoch. Cedar Highlands does not have to be like Enoch! Other issues..1) The Board should have restrictions on its ability to raise dues, and charge any excess fees as a special assement to home owners without a 2/3 vote and your changing it to 50% 2) your compromising the community by reducing the vote required from 2/3 to 50%+1 for all key issues. You have created a path at the boards discretion to assess members special assessments without the members input 3) You have eliminated the ARC requirements of 1 home per lot and required square footage minimums 4) You are turning a community that has not wanted to be a AirBNB community into one. 5) an HOA does have the ability to set itself apart with ccr and bylaws that have restictions greater than county ordinances so its inappropriate to allude to something different 6) you should not have a permanant arc fee of 10K as part

of the governing documents. 7) All this exists because of the selective enforcement of the rules that we all signed up for when we purchased our homes. If you didn't like it you should not have purchased your home. The issues the board has had in the past were due to not wanting to harass their friends for violations yet focusing on harassing and fining selective those that were not part of their friend circle for Air BNB, barking dogs, or harassing builders for Arc violations and/or damaging a main road needed to the county or BLM needed to access the community. I think you recently lost that argument and cost the community a lot of money defending the board's decision to keep people's deposits. We will be a firm No vote based on what we have read. Side note. It is ridiculous on the amount of money we have spent on accounting and yet we don't have financials or transparency. It is completely unacceptable we don't have meeting minutes since February. As a result of that the community isn't adequately informed of the board's activities and we have gone backwards.

CC&R Committee Response: We believe that Cedar Highlands is fundamentally different from the nearby city of Enoch and will not evolve in the same direction, certainly not as a result of the proposed CC&R revisions. The area's unique topography alone serves as a natural limitation against such development patterns. Also, the revised CC&Rs provide a framework for the Board to adopt more specific and, if necessary, more restrictive policies in the future on an as-needed basis.

Regarding voting thresholds, the current draft uses both 50% and 2/3 thresholds depending on the provision. Any revisions to the CC&Rs, annexations, mergers and consolidations require approval by a 2/3 vote. The two instances in which a majority (i.e., 50%) vote rather than super majority (i.e., 2/3) vote is required, relate to 1) any increase of annual assessments that exceed 15%, and 2) special expenses to repair or improve the Common Area, or other extraordinary expenses for which the HOA is responsible. The Committee's initial preference is to keep the thresholds as initially presented. If the 50% thresholds are changed to 2/3, there is a risk that the HOA would not have the ability to cover critical expenses. For example, Iron County may offer to pay for ½ of an improvement if the HOA covers the other ½. If a super majority vote is required, the HOA would run the risk of losing out on outside funding. Thus, requiring super majority votes for these specific scenarios presents a double-edged sword. On the one hand, a super majority vote would make it more difficult for the Board to raise fees, but on the other hand, it may be too difficult a threshold to meet for instances in which the community would benefit overall. The Committee continues to deliberate on this matter.

On the topic of building density, Iron County currently allows one primary residence and one guest home per lot, subject to strict regulations. The Committee is sympathetic to owners who may wish to build a guest structure, such as a garage with a dwelling unit above, and will continue to monitor how such developments align with county standards and community expectations.

Short-term rentals have existed on the mountain for many years without oversight. The proposed CC&R revisions introduce necessary regulation, which we believe will benefit both the HOA and the broader community by creating accountability and enabling fee collection.

With respect to the seasonal construction impact fee, the revised CC&Rs propose an initial cap of "up to \$10,000" and provide flexibility for the Board to make incremental adjustments to the fee as

needed. The Committee believes such fees are reasonable and necessary to offset road wear and environmental impacts caused by construction activity.

For your additional concerns that aren't necessarily related to the revised CC&Rs, we encourage you to reach out directly to the Board for further discussion.

Comment: Short-Term Rentals is a Deal-Breaker. It will only add to the chaos we already experience with non-resident speeding of cars, atv's and side-by sides, not to mention winter time and the 17%. I will be a hard "NO" if this is included in the changes.

CC&R Committee Response: The CC&R Committee believes that the most practical and effective approach to short-term rentals is strict regulation, not outright prohibition. Short-term rentals have operated in our community for many years without oversight, offering no direct benefit to the HOA or the neighborhood as a whole. The revised CC&Rs have specific provisions requiring Owners of short term rental units to ensure that guests are informed that they must travel in four-wheel drive vehicles at all times during the year, and carry chains during the winter months. We do not believe that short term rentals themselves will increase the use of ATVs and side-by-sides. The revised CC&Rs also establish a clear framework for regulating these rentals and collecting appropriate fees, which can be reinvested into the community. Owners who operate short-term rentals would be required to comply with county and state laws, pay HOA-imposed fees, and follow all CC&R rules and Board-established policies. The Board is prepared to monitor compliance and enforce these regulations in the interest of maintaining community standards.

Comment: Would the reinvestment fee apply to all changes of ownership? If so, what about retitling, e.g. into or out of a family trust? Glad to have the option of short-term rental. Document is vague as to how much the HOA fee would be.

CC&R Committee Response: The Committee acknowledges the concern regarding conveyance of a property into or out of a family trust. The reinvestment fee is not intended to apply to such conveyances. The Committee will revise this section to provide an exception to the investment fee in this scenario. Regarding the fee collected by the HOA for short-term rentals, we believe that the language is concise and correct as set forth in the revised CC&Rs, and provides flexibility for the Board to set the actual fee amount within the designated parameters.

Comment: Instead of a generic survey designed to give your desired outcome why don't you post ccr and revision and let ppl comment on individual real issues.

CC&R Committee Response: The survey is provided as a starting point to solicit feedback from our community. A blank space is provided within the survey to let Owners comment on any issue that they please, the comments of which the Committee is carefully reviewing and addressing. We would also be happy to receive your direct comments via email if that is your preferred method of communicating.

Comment: I like having rules to protect the integrity of the community but not to invade an owners freedoms

CC&R Committee Response: Thank you for your feedback. Overall, the approach of the Committee has

been to honor individual property rights as much as possible, while at the same time, providing a framework for upholding the beauty and solace of Cedar Highlands.

Comment: Article III – Property Rights Section 4 Encroachments. As written, it seems that an owner of a lot next to mine can build a structure which encroaches upon my property and, as long as the construction of such structure is permitted (i.e., licensed by the county), then an easement is granted, thereby removing my right to my property for as long as the structure stands?

CC&R Committee Response: This language was carried over from the old CC&Rs. The Committee agrees to review in more depth and possibly remove this section pending consultation with the HOA's attorney.

Comment: DO NOT LET GRANDSTANDERS GRANDSTAND IN FRONT OF AN AUDIENCE(MEETINGS), TAKE THEM TO A SMALL AUDIENCE. ESPECIALLY WHERE THIS ISSUE IS CONCERNED.. THANKS

CC&R Committee Response: Thank you for your comment.

Comment: Just to make sure that any changes are approved by the percentage of home/lot owners stipulated in the current CC&Rs. Thank you for your hard work!

CC&R Committee Response: Thank you very much. It has been a lot of hard work and we appreciate your acknowledgment. And yes, the revised CC&Rs must be approved by 2/3 of Lots to take effect.

Comment: It seems the CCR's were designed for the Developers from 1991. The CCR's do need to be updated to reflect and suit the needs of the Cedar Highlands community not necessarily that of state laws.

CC&R Committee Response: We agree that the revised CC&Rs should directly suit the needs of our community, and our combined efforts are aiming to ensure that result. It is also imperative that the CC&R provisions are aligned with and comply with state and county laws.

Comment: The summary that was posted today do not provide enough details regarding the changes, and trying to read through without some sort of track changes enabled is excessively cumbersome. For example the summary document it states changes to CC&R's now will allow short-term rentals for a fee, but the actual draft I read through does not stipulate what that fee will be. No percentages or amounts are listed. The draft I reviewed of the CC&R gives way too much power to the HOA board when the only thing we need is to come together for snow plowing and road repair. Nothing else should be governed by the HOA. I can't disagree more with the proposed powers given to the HOA by the CC&Rs and short of going to meetings which I can't make I don't see where to give feedback to them or get a more detailed answer of what is being changed in the CC&Rs.

CC&R Committee Response: The summary is intended as a high-level outline of the changes. For specifics, the revised CC&Rs can be reviewed. The revised CC&Rs is essentially a new document given that the revisions are so extensive. A tracked-change version is virtually unreadable. We suggest carefully reviewing the revised CC&Rs if you wish to gain a complete understanding of the changes, which are set forth clearly and with high precision. Regarding fee-collection for short term rentals, the revised CC&Rs set forth concise parameters. The actual fees will be determined by the Board consistent within these parameters. Regarding the amount of power given to the Board, the

Committee deliberated for over six months to carefully craft a balance between individual property rights versus powers vested in the Board. We feel that, overall, the revised CC&Rs shift the balance of power away from the Board and toward Owners, while maintaining a sufficient foundation of rules to ensure a safe and enjoyable community for all. The revised CC&Rs give primary emphasis to road maintenance, as we also feel that this is the primary purpose of the HOA.

Comment: Whoever doesn't agree with the changes should rewrite the section they disagree with and forward it to the CCR committee and let the committee address the proposed changes and see if they can be included or possibly just explain back to the member how it is covered by the new CCR revision

CC&R Committee Response: Thank you for your comment. We agree.

Comment: I feel that Cedar Highlands needs to adjust with The Times and reconsider short-term rentals in the area. I think it would provide long term benefit for all residents despite what many residents feel period..... With growth, there comes changes. However it will also lead to improved infrastructure as well as increased resources to the area

CC&R Committee Response: Thank you for your comment. We largely agree, and feel that short term rentals will exist (and have existed for years on the mountain) regardless of the outcome of this vote. The difference is that the Committee believes the situation can be greatly improved through explicit regulation and fee-collection that benefit the broader neighborhood, while reducing the chance of noise nuisances, inadequate vehicles, and other issues due to lack of oversight.

Comment: I'm certain there will be an improvement with the revised CCRs and the revisions will bring the HOA into compliance with current laws. But I'm hesitant and perhaps a little fearful that the revised CCRs will strongly reflect the current board's opinions and desired policies and to a much lesser extent the property owners.

CC&R Committee Response: The Committee is comprised of a cross section of Board members and other property Owners, from all walks of life. We have deliberated for many months to develop the revised CC&Rs, which are legally and operationally sound, and benefit all Owners and our entire community.

Comment: Enforcement of the governing documents has been performed by every iteration of the board, with some different approaches based on differing personalities and backgrounds, but all of them have been through a "doing the best they can with what they've got" approach. Do not vilify board members for doing their part and volunteering to help the community. If you wish to see change, step up and volunteer versus yelling from the bleachers.

CC&R Committee Response: Thank you for your comment. We agree.

Comment: Standards regarding new development and approval need revision.

CC&R Committee Response: The revised CC&Rs significantly streamline the process for approving architectural improvements, simplifying the procedure for Owners and the Architectural Committee.

Comment: I fully support the revised CC&Rs to align community rules with current legal standards and modern needs.

CC&R Committee Response: Thank you for your comment.

Comment: The board has been unwilling or unable to enforce the current CC&R's so there is little hope that they will enforce new CC&R's.

CC&R Committee Response: The Committee strongly feels that the revised CC&Rs simplify enforcement of the rules for both the Board and by individual Owners (who are also given express authority to enforce the rules through specified channels).

Comment: Yes, the Board (and community) should do every thing in it's power to limit/control/disincentivize short term rentals. Short term rentals have the potential to cause havoc and destroy the character of our neighborhood.

CC&R Committee Response: Short-term rentals have existed on the mountain for years and will likely continue regardless of the outcome of this vote. The Committee believes the important distinction is in how they are managed. Under the status quo, short term rentals are unregulated and represent a cost burden on the HOA, and a significant legal challenge in terms of enforcement. By introducing clear regulations and a structured fee system, the proposed CC&R revisions would allow the HOA to reduce the likelihood of noise complaints, inadequate vehicles, and other disruptions, while also generating resources that benefit the entire community.

Comment: The overall structure and content of the CC&R's needs a refresh. Inconsistent decisions from the BOD in the past necessitates we try to revise this document.

CC&R Committee Response: Thank you for your comment. We strongly agree that the current CC&Rs are in need of an update to bring greater consistency to Cedar Highlands. The revised CC&Rs are designed to help future-proof our community while providing the clarity and structure that residents have long felt was lacking.

Comment: I have a suggested change in the new version of the CC&Rs. This is regarding Cedar Highlands Subdivision being a PUD, Planned Unit Development. Since this was not on the original CC&Rs, and I had never heard this, I checked with Reed Erickson, Iron County Planner. He said that we are not a PUD and have never had that designation.

CC&R Committee Response: Thank you for your comment. We will have legal counsel review the designation of PUD, Planned Unit Development and if appropriate modify this section to remove.