

WHEN RECORDED MAIL TO:

Paxton R. Guymon, Esq.  
Miller Guymon, P.C.  
165 Regent Street  
Salt Lake City, Utah 84111



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ERNEST D ROWLEY, WEBER COUNTY RECORDER  
16-JUL-13 1202 PM FEE \$83.00 DEP JKC  
REC FOR: TIMOTHY PATRICK CHARLWOOD

**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR**

**THE SANCTUARY**

Weber County  
Utah

~~May~~ JULY 2013

**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE SANCTUARY  
WEBER COUNTY, UTAH**

This Declaration of Covenants, Conditions and Restrictions for The Sanctuary hereinafter referred to as the "Declaration," is made and executed this 16 day of ~~May~~ June, 2013, by Timothy Patrick Charlwood, an individual, hereinafter referred to as the "Declarant." Declarant is the owner of the real property located in Weber County, Utah, known as "The Sanctuary," referred to herein as the "Project," which property is more fully described in the attached Exhibit "A."

**RECITALS**

Declarant intends, by this Declaration, to create a unique and exclusive residential mountain community oriented for outdoor recreation and related uses, including, without limitation, helicopter skiing, equestrian uses, hiking, preservation of open space, and conservation of wildlife habitat. The Project will consist, initially, of six (6) single-family lots, each at least forty (40) acres in size, two (2) of which (Lots #4 and #5) are at least eighty (80) acres in size and may be subdivided in the future to create two (2) additional lots (for a total of eight (8) lots). The Project may also be expanded to include additional property, sometimes referred to as the "remainder parcel," consisting of at least two hundred (200) acres, which may be subdivided and developed in the future to contain no more than five (5) additional lots (which would increase the overall Project density to a total of thirteen (13) lots, as approved by Weber County, Utah).

The Project is located within the mountain areas east of Pineview Reservoir in Weber County, State of Utah, and is encumbered by, and subject to, the terms and provisions of that certain Amended Conservation Easement Agreement (the "Conservation Easement"), dated December 10, 2012, and recorded in the official records of the Weber County Recorder's Office as Entry No. 2609969. The Conservation Easement was executed by Declarant and the Ogden Valley Land Trust.

Accordingly, the Project is and shall be governed and controlled not only by the conditions, covenants, restrictions and provisions of this Declaration, but also by the terms and provisions of the Conservation Easement. All Owners in the Project shall be required to comply with the terms and provisions of the Conservation Easement and this Declaration. Accordingly,

any and all persons interesting in acquiring an ownership interest in the Project are encouraged to read and understand the restrictions, requirements, covenants and conditions of the Conservation Easement and this Declaration before becoming an Owner. The covenants, conditions, and restrictions contained in this Declaration shall be enforceable equitable servitudes and shall run with the land, and shall be binding on all existing and future Owners.

NOW, THEREFORE, for the foregoing purposes, the Declarant adopts the following covenants, conditions and restrictions to govern the development, use, maintenance and management of this Project:

#### **DEFINITIONS**

Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings:

“**Act**” shall mean the Community Association Act (Title 57, Chapter 8a, Utah Code, as amended).

“**Additional Land**” shall mean the remainder parcel, as depicted on the map attached hereto as Exhibit “B,” consisting of at least two hundred (200) acres, which may be subdivided, developed and added to the Project in the future in accordance with the provisions of Section 2.4 of this Declaration and as approved by Weber County planning and zoning authorities. The Additional Land may not include more than five (5) additional Lots.

“**Articles**” shall mean the Articles of Incorporation of The Sanctuary Owners Association, Inc., as such Articles may be amended from time to time.

“**Association**” shall mean The Sanctuary Owners Association, Inc., a Utah nonprofit corporation.

“**Board**” shall mean the Board of Directors of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

“**Bylaws**” shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit “C,” as amended from time to time.

“**Common Areas and Facilities**” shall mean those portions of the Project, other than the Units, described in this Declaration. The Common Areas and Facilities shall include all of the private roadways within the Project (excluding private driveways), the Recreational Facilities (defined below), and any and all other areas and features designated as Common Areas and Facilities in this Declaration or on the Plat.

**“Common Assessments”** shall mean those assessments described in Section 1.8 (including the subsections thereof) to fund the Common Expenses, and include Regular Common Assessments and Special Assessments.

**“Common Expense Account”** shall mean one or more deposit or investment accounts of the Association into which are deposited the Common Assessments.

**“Common Expenses”** shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities and all other expenses denominated as Common Expenses by this Declaration or by the Act. Common Expenses shall also include all costs and expenses incurred by the Association to maintain the Recreational Facilities, as well as all costs of snow-plowing, snow-removal, maintenance and repair of the private roads within the Project.

**“Conservation Easement”** shall mean the Amended Conservation Easement Agreement, dated December 10, 2012, and recorded in the official records of the Weber County Recorder’s Office as Entry No. 2609969, executed by Declarant and the Ogden Valley Land Trust.

**“Declarant”** shall mean Timothy Patrick Charlwood and his successors and assigns.

**“Declarant Affiliate”** means any person directly or indirectly controlling, controlled by or under common control with Declarant, and shall include, without limitation, any general or limited partnership, limited liability company, limited liability partnership or corporation in which Declarant (or another Declarant Affiliate) is a general partner, managing member or controlling shareholder.

**“Exempt Lot(s)”** shall mean each Lot in the Project while owned by Declarant or a Declarant affiliate, until the earliest to occur of (i) the acquisition of title to the Unit by a person or entity other than Declarant or a Declarant Affiliate, or (ii) the one hundred eightieth (180<sup>th</sup>) day after the municipal authority having jurisdiction thereover issues a certificate of occupancy for a Unit on the Lot owned by Declarant or a Declarant Affiliate.

**“First Phase”** shall mean Lots 1, 2, 3, 4, 5 and 6, as shown on the final approved and recorded Plat of the Project, together with the private roads and facilities that are constructed within the Project to provide access to said Lots, and any and all other Common Areas and Facilities pertaining to said Lots.

**“Lease”** shall mean any agreement for the leasing or rental of any Unit or Lot.

**“Lot”** shall mean each of the tracts of land designated as a “lot” on the Plat. The Plat depicts six (6) initial Lots. The Project may be expanded to include more than the initial six (6) Lots in accordance with the terms and provisions of this Declaration, and as approved by Weber County. Ownership of the Lot and the Unit (when constructed on the Lot) shall be inseparable.

Any conveyance of a Lot shall operate to convey title to the Unit thereon. Likewise, any conveyance of a Unit shall operate to convey title to the Lot on which the Unit is located.

**“Manager”** shall mean the person, firm or company, if any, designated from time to time by the Association to manage the affairs of the Association and the Project. Initially, the Manager is Timothy Patrick Charlwood.

**“Owner”** shall mean any person or entity at any time owning in fee simple a Unit within the Project as such ownership is shown by the records of the County Recorder of Weber County, State of Utah. The term “Owner” shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

**“Plat”** shall mean the plat for Phase 1 of The Sanctuary, as approved by Weber County and recorded in the Weber County Recorder’s Office. The Plat may be amended only in accordance with the ordinances of Weber County. One or more additional Plats or Plat amendments may be approved by Weber County and recorded against the Project to increase the total Project density to no more than thirteen (13) Lots.

**“Project”** shall mean the First Phase (including, without limitation, the land, improvements, and Common Areas and Facilities included within the First Phase), together with any and all Additional Land and Additional Units that may be added to the Project in accordance with the terms and provisions of this Declaration. It is intended that this Declaration will be recorded, initially, against only the Lots in the First Phase. If and when the Project is expanded to include additional Lots/Units, an instrument will be recorded against such additional Lots/Units subjecting them to the terms and provisions of this Declaration and making them part of the Project.

**“Property”** shall mean the real property situated in Weber County, State of Utah, against which this Declaration is recorded, and shall include such portions of the Additional Land that are added to the Project by recorded instrument (if and when the Project is expanded to include such portions of Additional Land).

**“Recreational Facilities”** shall mean and include (i) the helicopter pad and related improvements and facilities for heli-skiing, all of which are located on Lot #6; (ii) the equestrian facilities and improvements located on Lot #3; (iii) the private trails located throughout the Project as designated on the Plat(s); and (iv) the yurt (temporary structure) which may be located in certain areas of the Project, as determined by the Manager, for use by Owners and their guests. All Recreational Facilities shall be and are part of the Common Areas and Facilities to be maintained and operated by the Association (and any contractors or Managers which the Association may hire for such purposes). All Owners (and their family members and guests) shall have the right to access and make use of the Recreational Facilities, except for Owners who are delinquent in the payment of their Assessment obligations whose rights to use the

Recreational Facilities may be suspended or terminated in accordance with the provisions of the Act.

**“Regular Common Assessments”** shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses, which assessments may be collected quarterly or monthly, as determined by the Board.

**“Special Assessments”** shall mean assessments, which the Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

**“Unit”** shall mean each single-family dwelling constructed within the designated buildable area of a Lot within the Project.

## ARTICLE I

### ASSOCIATION MEMBERSHIP, GOVERNANCE AND POWERS

The purpose of this article is to establish that the Association shall be responsible for the use and governance of the Project, which is owned by the Declarant and the Owners who have purchased Lots. It further establishes the power of the Association to assess the Owners for all expenses related to the maintenance, regulation and preservation of Common Areas and Facilities, including, without limitation, the private roadways and the Recreational Facilities.

1.1 **Formation.** The Association shall be a nonprofit Utah corporation known as The Sanctuary Owners Association, Inc., and is charged with the duties and invested with the powers prescribed by law and as set forth in its Articles, Bylaws and this Declaration. The Association shall govern and manage all property owned or conveyed by the Declarant and have broad powers to enforce the provisions of this Declaration. Neither the Articles nor Bylaws of the Association shall be changed or interpreted so as to be inconsistent with this Declaration.

1.2 **Membership.** The 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 of Lots in the Project.

1.3 **Governance; Authority.** The affairs of the Association shall be conducted by a Board of Trustees and such officers as the Board may elect or appoint. Until the sales of 80% of the Lots have been closed to Owners who are not Declarants or Declarant Affiliates (the **“Sales Threshold”**), the Declarant shall have full and exclusive authority to appoint and remove all members of the Board. Once said Sales Threshold has been reached, the period of Declarant control shall cease, and the Declarant (or its designee) shall call for election of at least three Trustees for terms of three years or until their successors have been elected. Trustees will draw lots to divide themselves into terms of one, two and three years, and they may serve consecutive terms if duly

reelected. Declarant, in its sole discretion, may choose to relinquish its right to appoint and remove members of the Board prior to reaching the Sales Threshold, and may expand the Board to include interested and involved Owners so as to broaden and enable an orderly transition in Association governance. Except as otherwise provided herein, the Board shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

1.3.1 To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units.

1.3.2 To carry out through a Manager those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association or Board, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Board, be authorized to perform any of the functions or acts required or permitted to be performed by the Board itself.

1.3.3 To engage the services of accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefore, and to appoint committees as determined by the Board.

1.3.4 To operate, maintain, repair, improve and replace the Common Areas and Facilities.

1.3.5 To determine and pay the Common Expenses.

1.3.6 To assess and collect the proportionate share of Common Expenses from the Owners, as set forth in this Declaration.

1.3.7 To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

1.3.8 To open bank accounts on behalf of the Association and to designate the signatories therefor.

1.3.9 To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Board.

1.3.10 To obtain insurance for the Association with respect to the Common Areas and Facilities, as determined by the Board.

1.3.11 To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board and to the operation of the Project.

1.3.12 To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws.

1.3.13 To do all other acts necessary for the operation and maintenance of the Project, including the maintenance and repair of the Common Areas and Facilities.

1.3.14 To prepare, adopt, amend and disseminate budgets and other information from time to time.

1.4 Protections for Board Members. Members of the Board, the officers and any assistant officers, agents and employees of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; and (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such. When a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Board who so acted.

1.5 Owners Meetings. The Association will have an Annual Meeting in a manner and time determined by the Board. It may also have Special Meetings. Notice of any meeting shall be sent to Owners at their last known postal, fax or e-mail address not less than 15 days in advance of the meeting and will state the purpose, time, date, and place or electronic coordinates for the meeting. A quorum at any meeting for binding decision-making will exist if notice was properly given and at least 50% of Owners are present in person, by proxy or electronically. If a quorum is not present, a meeting may be held but no binding decisions shall be made until a future time within 30 days when a quorum is present or a majority of Owners subsequently approve any proposed decisions. The President of the Board will call and chair meetings of the Owners. Special Meetings of the Owners may be called by the President, Trustees or by petition of at least 40% of the Owners. Minutes of meetings will be available to all Owners.



1.6 Voting. The affirmative vote of a majority of all Owners entitled to vote on any question shall constitute approval except for matters which specifically require more than a majority vote under the terms of this Declaration or the Bylaws of the Association. Each Lot that is part of this Project at the time of the vote shall be entitled to one vote. For each Lot owned by multiple Owners, such Owners must only cast one vote for the Lot. Subject to the right of Declarant to appoint and remove members of the Board, as set forth above, in any election of the Board, every Owner entitled to vote (multiple Owners of one Lot being entitled collectively to one vote only) shall have the number of votes for each Lot owned times the number of Board members to be elected. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be deemed elected. Until the Sales Threshold is reached or the Declarant relinquishes control of the Association, the Declarant's vote shall be definitive on any matter. Declarant or subsequent Board powers and control of the Association notwithstanding, it is the intention of this Declaration that Owners be regularly advised and consulted on all material matters of Association business.

1.7 Powers of the Association. Each Owner agrees that the Association has all of the powers granted to it by this Declaration and by the Act, as the same may be amended. Such powers shall include those identified elsewhere in this Declaration as well as, without limitation: levying Assessments; imposing liens on Lots for any unpaid or uncollected Assessments or penalties, and foreclosing any such liens, including liens resulting from non-conformity to the provisions of this Declaration. The Board shall represent and exercise all powers on behalf of the Association in ordinary matters and refer extraordinary questions to Special Meetings of the Owners.

1.7 Association Rules. By a majority vote of the Board, the Association may from time to time adopt, amend or repeal individual Rules and Regulations ("Rules"). The purpose of the Rules shall be to implement, supplement or otherwise carry out the purposes of this Declaration. The Rules shall be consistent with, and shall not contradict, this Declaration.

#### Assessments

1.8 Assessments. In order to fund its purposes and activities, the Association shall have the power to determine and levy Annual Assessments beginning each July first against each Lot to meet the approved expenditures of the Association. Notice of the Annual Assessment, including the forthcoming year's proposed budget, will be given in advance along with the notice of the annual meeting of the Association. The Association may also levy Special Assessments to cover unanticipated expenses, for example, but not by way of limitation, the cost of any reconstruction, repair or replacement of an existing improvement that is part of the Common Areas and Facilities. The making and collection of Common Assessments by the Association from Owners of Units for their share of Common Expenses shall be subject to the following provisions:

1.8.1 Each Owner, other than Declarant, by becoming an Owner of a Unit is deemed to covenant and agree to pay Assessments to the Association in accordance with this Declaration. Each Lot in the Project (except for Exempt Lots) shall be liable for an equal share of the Common Expenses of the Association. Two separate and distinct funds shall be created and maintained hereunder: one for operating expenses, and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments shall be deposited into the Common Expense Account and used only for the purposes authorized in this Declaration.

1.8.2 Common Assessments shall include both Regular Common Assessments and Special Assessments. Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Unit annually.

1.8.3 In addition to the Regular Common Assessments, the Association may levy Special Assessments. However, in any fiscal year, except as otherwise provided in this Declaration, the Board shall not, without the vote or written assent of Owners, casting a majority of the Owners at a meeting or by written ballot, levy Special Assessments which in the aggregate exceed 20% of the budgeted gross expenses of the Association for that fiscal year. All Units within the Project, except Exempt Lots, shall pay an equal portion of any Special Assessment. The Board shall provide notice by first class mail to all Owners of any Special Assessments not less than fifteen (15) nor more than sixty (60) days prior to the date such Assessment is due. Special Assessments shall be paid as determined by the Board and the Board may permit Special Assessments to be paid in installments extending beyond the fiscal year in which the Special Assessment is imposed.

1.9 Assessments on Lots Owned by Declarant. No annual dues or assessments shall be levied against Lots owned by Declarant or a Declarant Affiliate.

1.10 Lot Transfer Fee. A fee of Five Thousand Dollars (\$5,000.00) shall be paid to the Association by the first purchaser of a Lot who is not the Declarant or a Declarant Affiliate. This Fee shall be paid in addition to the purchase price paid for the Lot. The purpose of this Fee is to assist in the initial funding of the Association. Not Lot transfer fees are required for subsequent sales or conveyances of the Lots.

1.11 Annual Donations to the Trust. As set forth in Section 13.4 of the Conservation Easement, each Owner shall make an annual donation to the Trust of at least \$250.00 to assist in funding the maintenance and enforcement of the Conservation Easement. The Association shall have the right to collect such annual donations from the Owners as part of the annual Association budget, with full rights of assessment lien enforcement. Upon collection of said donations from the Owners, the Association will forward the donations to the Trust.

1.12 Assessments as Liens, Mortgagee Protection. Any assessment by the Association shall constitute a lien against the affected Lot in the Project. The Association shall have the right to foreclose on a lien against any affected Lot pursuant to the procedures available for judicial or non-judicial foreclosure for mortgages and/or trust deeds in the state of Utah whenever any assessment remains unpaid and is therefore in default for a period of more than 90 days. The lien of the Association against any Lot shall have priority from the date that the first Notice of Assessment Lien (or similar instrument) on a specific Lot is recorded in the office of the Weber County Recorder and is subordinate to any previously recorded liens or encumbrances filed against that Lot, specifically including any purchase money mortgage or trust deed. Notwithstanding the lien rights of the Association, the obligation to pay any assessments is a personal obligation of the Owner of each Lot, and the Association may proceed to collect against the Owner, or the prior Owner of any Lot (in the event of a sale) without any obligation to first take recourse against the Lot and Unit to which the lien has attached. The legal and administrative costs of any foreclosure or non-judicial proceeding, interest on all amounts due and owing, and all late fees shall be added to the assessment amount past due and shall constitute part of the assessment. Interest may, at the discretion of the Declarant or Association, be charged on overdue assessments at a rate of 1.5% per month, beginning 30 days after such amount is due. In addition, a late fee of 5% of the assessment amount may be charged for each assessment installment paid 30 days or more after the installment is due. No Mortgagee or Beneficiary under a Trust Deed who takes title by foreclosure or non-judicial sale, or accepts a deed in lieu of foreclosure or non-judicial sale, shall be held liable for the unpaid assessments of the Owner whose Lot was acquired by the Mortgagee or Beneficiary under a Trust Deed. However, all other successor Owners shall be deemed to assume the obligation to pay unpaid assessments on the Lot.

1.13 Ownership, Operation, and Maintenance of Association Property. The roads, Recreational Facilities, and all other Common Areas and Facilities shall, at all times, be owned, operated, and maintained by the Association consistent with the provisions of this Declaration in trust for the use, benefit and enjoyment of the Owners of all Lots and their families, guests and invitees. With respect to Lot 3 (where the equestrian facilities are located) and Lot 6 (where the helicopter-skiing pad and related improvements are located), the Owners of said Lots will retain title to the underlying land, but the Association shall own and retain title to all of the improvements comprising or relating to the equestrian facilities and the helicopter-skiing pad and improvements, and such facilities and improvements shall not, under any circumstances, be deemed to be owned by or become part of the underlying fee title of the Owners of said Lots.

1.14 Limited Liability. Neither the Declarant, the Association, nor any of their past, present or future officers or directors, employees, agents, or Committee members shall be liable to any Owner or other person for any damage, act, inaction, simple negligence or other act taken in good faith and without malice except for gross negligence. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall be deemed to be in good faith and without malice. The Association will maintain

appropriate insurance coverage to indemnify the officers, agents and trustees of the Association against any and all claims arising against them personally which are a result of the good faith exercise of the powers, duties and responsibilities of their offices under this Declaration.

## ARTICLE II

### DEVELOPMENT RATIONALE, LAND USES AND EASEMENTS

This article describes the Project land, common facilities constructed upon it, trails and easements across it, open spaces contained within it and the responsibilities of Declarant, Owners and the Association for the management, maintenance and preservation thereof.

2.1 Development of the Project. Declarant reserves the right for itself and its agents, employees and contractors to do or change whatever it deems necessary in connection with work to be performed for the completion of development of the Project, including without limitation, the water system, fire protection, drainage, ponds, irrigation, utilities, roads, driveways, landscaping, buildings and temporary structures necessary to facilitate such development.

2.2 Open Space Uses, Restrictions and Maintenance. On each Lot, as depicted on the Plat(s), there shall be a designated building area within which a Unit and related improvements may be constructed by the Lot Owner, in accordance with the requirements of Weber County. No Owners shall construct any improvements outside of the designated building area on the Lots, nor shall they take any actions designed to change the natural landscape of the areas located outside of the designated building areas on their Lots. All such areas located outside of the building areas are governed, and the use of the same is restricted by, the Conservation Easement. The areas within each Lot that are located outside of the designated building area are referred to herein as "Open Space." The Open Space areas within the Project are for the use and the enjoyment of the Owners, and their guests, family members and invitees, so long as they comply with the terms and restrictions of the Conservation Easement. Reference is made to the Conservation Easement for additional information regarding permissible uses and activities within the Open Space, and applicable restrictions. The Declarant or the Association may install a yurt or other temporary structure for the use and enjoyment of the Lot Owners, subject to the approval of Weber County. Other than at the approved yurt location, no camping, fires or wood cutting is permitted.

2.3 Security Gates and Security Devices. Devices designed to limit access and provide more privacy for Owners may be constructed, modified, removed, or relocated from time to time within the Project, as approved by Weber County. Any and all access gates or other security devices shall be part of the Common Areas and Facilities to be maintained and operated by the Association. While Declarant will endeavor to take reasonable measures to ensure the safety and security of Owners, Declarant makes no representation regarding and shall have no liability for the adequacy or degree of security or protection provided by any security gate or other device constructed as part of the Project.

2.4 Annexation of Additional Land. The Project is expandable and may include the development and subdivision of any or all of the Additional Land. The Declarant (and its successors and assigns) shall have the right to annex and make subject to this Declaration all or any part of the Additional Land without the consent of any Owner. The term of Declarant's option to expand the Project shall be twenty (20) years beginning on the date this Declaration is recorded, and cannot be terminated at any time, except by Declarant. Declarant can add any portion of the Additional Land to the Project at any time and from time to time as determined by Declarant in its sole and absolute discretion, so long as any and all required approvals are obtained from Weber County. All Units on the Additional Land shall be restricted to residential use in accordance with, and subject to, the use restrictions described in this Declaration and the Conservation Easement. No part of the Additional Land shall be deemed to subject to the terms and provisions of this Declaration (nor shall any Owner of any portion of the Additional Land be considered a Member of the Association) until and unless Declarant or its agent records a written instrument submitting such Additional Land (or part of it) to the terms and provisions of this Declaration. Such written instrument may be labeled as a "Declaration of Inclusion" or similar name, and shall not be effective unless and until it is recorded against such Additional Land (or part of it) with the Weber County Recorder's Office.

2.5 Maintenance and Repair of Roads and Driveways. The Association shall be responsible for snow-plowing, maintenance and repair of the roads within the Project. Each Owner shall be responsible for removal of snow from his or her own driveway, and for the maintenance and repair of his or her own driveway.

2.6 Private Trail System. A private trail system will exist in the Project, as such trails may be depicted on the Plat(s) or otherwise designated as trails in compliance with the Conservation Easement. All Owners (and their family members, guests and invitees) shall be allowed unrestricted access to and use of the trails, so long as their use complies with the restrictions of the Conservation Easement. The trails are intended to remain private, and not open for general public use. Owners, members of their families and guests or invitees assume all risk in connection with use of the trails and related amenities.

2.7 Helicopter Skiing. The Project is intended to provide helicopter skiing services to Owners and their family members, guests and invitees, all of whom shall have access to the heliport facilities located on Lot 6. Parking for vehicles of those who make use of the heli-skiing services will be designated on the side of the lower entrance road, with signs designating the parking areas. All Owners who purchase a Lot shall be deemed to consent to, and shall not make any objections regarding, the helicopter skiing activities conducted from Lot 6, including, without limitation, the noise and traffic generated in relation to such helicopter skiing activities.

#### Easements

2.8 Utility Easements. In addition to rights reserved within the recorded Plat, the Association hereby reserves the right to grant nonexclusive easements for underground utilities. Without the consent of the Association, utility companies shall have no right to easements over the Project to serve adjacent properties. During the period of Declarant control

the Declarant shall be entitled to any consideration paid for such easement. Where necessary, Declarant shall have the right, without obtaining the consent of any Owner, Mortgagee or the Association, to amend the Plat as applicable to reflect any relocation of existing easements shown thereon or the granting of new easements for any purpose.

2.9 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other public safety and emergency response agencies to enter upon all roads, driveways or other property in the Project. Other security arrangements made by Owners must first be approved by the Association.

2.10 Road Easements. The Association and Declarant dedicate all roads for the use, benefit and enjoyment of all Owners, their family members, guests and invitees and for use by Declarant and the Association. There is reserved to the Association and Declarant an easement, over all Roads shown on the Plat, for this purpose. Relative to the construction and maintenance of any roads, Declarant and the Association shall have the right to install signage, speed bumps, culverts, guardrails and the like. There is further reserved to Declarant and the Association the right to enlarge the width of any road shown on the Plat.

2.11 Operations Easements. There is also hereby reserved to Declarant, the Trust (as designated in the Conservation Easement), and the Association the right to enter reasonably upon Lots or any other portions of the Project to perform without limitation: any cutting of trees and shrubs to enhance wildlife habitat, controlled burning, spring, seep, drainage or pond maintenance, ditch or fence maintenance to serve the Project or any other actions reasonably required to implement wildlife, agricultural, weed control or livestock control or other Association-approved operations; for inspection of the Lots in order to verify compliance of all items of maintenance and repair for which they are responsible; for inspection, maintenance, repair and replacement of portions of the Common Area and Facilities accessible only from such Lots; for review, inspection, correction, and mitigation of emergency conditions on one or more Lots or on portions of the Common Areas and Facilities accessible only from such Lots; and for inspection of the Lots in order to verify that the Owner and their guests are complying with the provisions of this Declaration and the Conservation Easement.

### ARTICLE III

#### SITE, DWELLING AND USE CONSIDERATIONS

3.1 Building Activity Envelope. Lots within the Project have been carefully designed to optimize views, facilitate driveway access, and assure that development conforms to the natural terrain. Within each Lot, a building area (or building envelope) has been located as shown on the Plat(s). In accordance with the Project's overall minimal disturbance concept, development activity and changes in natural conditions of any lands are not allowed outside the designated building areas on the Lots.

3.2 Septic System; Wells. Given its remoteness, the Project is designed for individual septic systems. Lot Owners must abide by all jurisdictional requirements for the approval and installation of these systems. It is intended that there will be individual septic systems and wells on each Lot.

3.3 Driveways, Entry Feature and Gates. Driveway design, location, surfacing material and construction methods must be approved in advance by the Board before construction may commence, and each Owner shall be responsible for the maintenance and repair of the driveway area inside their Lot.

3.4 Fences. A particularly important design philosophy of The Project is the preservation of visually large open spaces and gateways. The absence of fences in fields gives surrounding lots a sense of increased openness. Therefore, fencing outside of the designated building areas is prohibited. In addition, any and all fencing installed within the designated building areas shall be wood fencing, and the design and color must be approved by the Board in advance of installation.

#### **Dwelling Considerations**

3.5 Number of Units. Only one primary dwelling (Unit) may be constructed on each Lot. Owners shall be responsible, at their own cost, for the construction and maintenance of all improvements within the designated building areas of their Lots. Owner shall keep the exterior features of their dwellings in good condition and repair. Each Unit shall have an attached garage not more than 2,000 ft<sup>2</sup> in size. Recreational vehicles shall be garaged.

3.6 Timing of Unit Construction; Fine for Non-Compliance. Upon purchase of a Lot, the Owner shall begin construction of a Unit no more than two (2) years from the date of closing of the Owner's purchase of the Lot, and construction of the Unit must be completed (as evidenced by issuance of a Certificate of Occupancy) within three (3) years from the date of closing of the Owner's purchase of the Lot. Owners who fail to comply with these deadlines shall be assessed a fine of \$2,000.00 per month for each month of noncompliance, payable to the Association. The fine shall be secured by the Association's assessment lien against the Lot/Unit, and may be enforced in the same manner as provided in this Declaration or the Act for enforcement of assessment liens by the Association.

3.7 Maximum and Minimum Sizes of Dwellings. Dwellings shall have a maximum and minimum habitable floor area. "Habitable Space" is defined as all areas within the exterior wall foot-print of the Unit, excluding garage space and mechanical areas. Unfinished basement or other storage areas shall be counted toward the maximum square foot calculation unless the Board determines in its reasonable discretion that such areas could not be easily converted to living space. The maximum Unit size shall be 6,500 ft<sup>2</sup> of Habitable Space. The minimum Unit size is 3,500 ft<sup>2</sup> of Habitable Space. On Lots where a Guest House is permitted by Weber County, the maximum size is 2,500 ft<sup>2</sup> of Habitable Space.

### **Use Considerations**

3.8 **Sounds.** In consideration of others, no amplified sound systems may be used outdoors without the express permission of the Association. External sounding security alarm systems are not permitted.

3.9 **ATVs and Snowmobiles.** No All-Terrain Vehicles, snowmobiles, or motorized off-road vehicles other than as needed by the Association or permitted by the Conservation Easement may be operated within the Project.

3.10 **Animals.** With the exception of designated equestrian lot area, no animals other than ordinary household pets may be kept on any Lot. Structures for any pet shall not be visible from neighboring property or roads, and such structures must be submitted to and approved by the Board prior to their installation. All pets shall be demonstrably within the control of the Owner or leashed when not on the Owner's property.

3.11 **Signs.** No signs will be permitted on any Lot or within the Project, except for traffic control signs placed by the County, Declarant or Association. Only the Declarant may erect sales information signs within the Project.

3.12 **Hazardous Activity.** No activity may be conducted on any Lot that would be considered by a reasonable person to be dangerous or hazardous.

3.13 **Repair Following Damage.** In the event of casualty loss or damage to the Unit or other improvements on a Lot, the Owner will be entitled to reconstruct the Unit and improvements as they existed prior to the damage or loss without advance review or approval by the Board. Alterations or deviations from the originally approved plans will require advance approval of the Board.

3.14 **Zoning Regulations.** The zoning regulations of Weber County, and all applicable building, fire, and health codes are in full force and effect in the Project, and no Lot may be occupied or used in a manner that is in violation of any such statute, law, or ordinance. No Lot may be subdivided without the advance approval of the County.

3.15 **Approval Standards.** For all actions or improvements requiring the advance approval or consent of the Board or the Association, the Board shall not unreasonably withhold such approval or consent, but may deny the same if there are reasonable grounds for doing so to promote and protect the unique characteristics of this Project. Furthermore, the Board shall make reasonable efforts to respond to requests for advance consent or approval in a prompt manner, and in no event shall the Board require more than thirty (30) days to response to any such request. If the Board fails to respond to a request within such 30-day period (measured



from the date the request is received by the President of the Board in written form), the request shall be deemed to have been denied.

## ARTICLE IV

### GENERAL PROVISIONS

4.1 Notices. All notices under this Declaration are to be sent to the last known postal or electronic address of the Owner. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Project is deemed to have notice of this Declaration and its contents and to have consented to the application and enforcement of each of these Covenants, Conditions and Restrictions, whether or not there is any reference to this Declaration in the deed to the Lot.

4.2 Amendment. This Declaration may be amended by the Declarant at its sole discretion until the Sales Threshold has been reached. Thereafter, any Amendment to this Declaration will require a vote of 67% of the Owners. No amendment will be retroactively binding upon the holder of any mortgage or trust deed, nor may any amendment may be made to this Declaration which violates the provisions of the Conservation Easement without the written approval of the parties to the Conservation Easement (or their respective successors/assigns).

4.3 Binding Effect. Each Owner, their families and guests, the heirs, successors or assigns of an Owner, or any Mortgagee, shall be bound by and strictly comply with the provisions of this Declaration, the Conservation Easement, and all rules, regulations and agreements lawfully made by the Association.

4.4 Enforcement and Remedies. Any violation of this Declaration is deemed a legal nuisance. The Association or any Owner shall each have the right to bring suit for relief for any lack of compliance with any provisions of this Declaration or rules or decisions of the Board. In addition, the Association shall have the right to impose monetary fines on any Owner and obtain injunctive relief for any lack of compliance with provisions of this Declaration or rules promulgated by the Board and to collect such fines through an assessment lien. In any court proceedings so instituted, the prevailing party shall be entitled to reimbursement of its costs and expenses, including reasonable attorneys' fees. The failure of the Association or Declarant to insist upon the strict performance of any such provisions, take enforcement action, serve any notice or institute any action after any time period has elapsed shall not be a waiver or a relinquishment for the future of any such provisions or the enforcement thereof.

4.5 Leases. Any Lease agreement between an Owner and lessee for a Unit shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under the Lease. All such Lease agreements shall be in writing and a copy of the Lease shall be filed with the Association. Other than the foregoing, there is no restriction on the right of any Owner to

lease his or her Unit. An Owner shall be responsible and liable for any damage to the Project caused by the Owner's tenant.

4.6 Limited Liability. Neither the Declarant, the Board members, nor any Owner shall have personal liability to any other Owner for actions or inactions taken so long as such actions or inactions are the result of the good faith exercise of their judgment or authority without malice under this Declaration. This provision does not relieve any Owners from their personal liability for payment of all assessments and fines validly levied by the Association.

4.7 Severability. Each of the Covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining Covenants shall remain in full force and effect.

4.8 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform development within the Project. Paragraph headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter.

4.9 Inherent Risks of the Project. By taking title to a Lot, the Owner shall be deemed to be aware of and have agreed to, and shall be deemed to have explained and made known to said Owner's spouse, children, other relatives, visitors and invitees that: the Project is a rural development the roads of which are designed to preserve the rural environment as much as feasible; that there are risks and hazards of wildfire, and the response time for the nearest fire protection station is extended due to the remote location of many of the Lots; that the Project encourages the presence of wildlife and horses within the Project; that winding roads, remote locations, and the presence of wildlife pose inherent risks of danger and injury, including, without limitation, death, physical or emotional injury or damage to person, property or third parties, all of which injuries or damage may require costly emergency medical care; and that eliminating the risks of living in an environment such as the Project would be contrary to and reduce the benefits of the Owner's decision to live in the Project. Therefore, every Owner and other person shall be deemed, by virtue of coming onto the Project to have made the voluntary decision to confront and assume the risks posed by the existence of country roads, remote locations, wildlife, horses, helicopter skiing activities, porcupines, snakes, skunks, mice and to have accepted and assumed all of the risks posed by the existence of such roads, locations, wildlife, activities, and assorted predators within the Project.

4.10 Release and Indemnification. Every Owner by taking title to a Lot shall be deemed to have released and forever discharged and to have agreed to indemnify and hold harmless Declarant, Declarant Affiliates, and the Association from any and all claims, demands, losses, damages, injuries or causes of action, which are in any way connected with or result from the design of winding roads or Lots in remote locations, or the involvement or contact with wildlife, predators, snakes or mice within the Project, including any such claims, demands or

causes of action which allege negligent acts or omissions of the Declarant, the Association, or the Project; to have released Declarant, Declarant Affiliates, and the Association from any duty that they may have to protect the Owner from these risks, which risks Owner, by taking title to a Lot, has acknowledged he or she does not want eliminated because of the detrimental impact on the benefits of the Project that would result from eliminating such risks; and to have indemnified and held harmless Declarant, Declarant Affiliates, and the Association from any and all claims or causes of action with respect to any matters similar to those from which the Owner has released and indemnified Declarant, Declarant Affiliates and the Association pursuant to the previous provisions of this paragraph. The releases and indemnifications contained in this paragraph shall include an indemnification of Declarant, Declarant Affiliates, and the Association by an Owner from any and all attorneys' fees and costs incurred by either of them in a successful enforcement of their rights under the provisions of this Section.

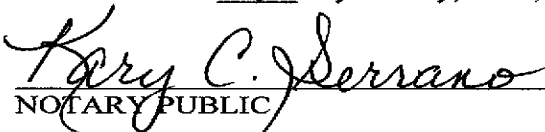
IN WITNESS WHEREOF, the Declarant has executed this instrument this 16<sup>th</sup> day of ~~January~~ <sup>July</sup>, 2013.

DECLARANT:

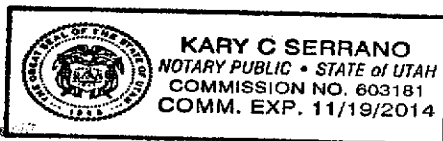
  
Timothy Patrick Charlwood

STATE OF UTAH                    )  
  :SS.  
COUNTY OF Weber            )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of ~~May~~ <sup>July</sup>, 2013, by Timothy Patrick Charlwood.

  
NOTARY PUBLIC

SEAL:



**EXHIBIT "A"**

(Legal Description of Project)

THE SANCTUARY

**EXHIBIT "B"**

(Legal Description and/or Map of Remainder Parcel – Additional Land)

**REMAINDER PARCEL DESCRIPTION**

A PART OF THE NORTHWEST QUARTER OF SECTION 3 AND A PART OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 6 NORTH, RANGE 2 EAST AND A PART OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 7 NORTH RANGE 2 EAST OF THE SALT LAKE BASE AND MERIDIAN. BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 34 BEING A G.L.O BRASS CAP MONUMENT AND RUNNING THENCE NORTH 00°56'06" EAST 2644.52 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 34 BEING A G.L.O. BRASS CAP MONUMENT; THENCE SOUTH 89°26'15" EAST 2646.20 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER; THENCE SOUTH 01°01'43" WEST 2649.69 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER BEING A G.L.O. BRASS CAP MONUMENT; THENCE SOUTH 89°15'21" EAST 102.68 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE SOUTH 00°07'17" WEST 415.11 FEET ALONG THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 90°00'00" WEST 3941.24 FEET TO THE WEST LINE OF LOT 4 OF SAID SECTION 4; THENCE NORTH 01°22'54" EAST 456.50 FEET TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE SOUTH 89°34'23" EAST 1185.04 FEET ALONG THE NORTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING. CONTAINING 200.20 ACRES. TOGETHER WITH A PRIVATE ACCESS ROAD AND P.U.E. DESCRIBED AS FOLLOWS: A PART OF THE WEST HALF OF SECTION 3, TOWNSHIP 6 NORTH, RANGE 2 EAST OF THE SALT LAKE BASE AND MERIDIAN. BEGINNING AT THE CENTERLINE OF AN EXISTING DIRT ROAD LOCATED NORTH 00°07'17" WEST 1821.12 FEET ALONG THE MONUMENTED CENTER OF SAID SECTION 3 AND NORTH 90°00'00" WEST 636.48 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 3 AND RUNNING ALONG THE CENTERLINE OF SAID EXISTING DIRT ROAD THE FOLLOWING COURSES: SOUTH 88°41'02" EAST 10.00 FEET; THENCE NORTH 27°22'33" EAST 144.76 FEET ;THENCE NORTH 44°13'49" EAST 33.81 FEET; THENCE NORTH 56°20'9" EAST 155.59 FEET; THENCE NORTH 45°39'39" EAST 82.85 FEET; THENCE NORTH 18°44'54" EAST 159.46 FEET; THENCE NORTH 18°56'50" WEST 136.13 FEET; THENCE NORTH 8°23'42" EAST 195.09 FEET; THENCE NORTH 21°59'16" WEST 178.99 FEET; THENCE NORTH 1°23'52" WEST 129.17 FEET; THENCE NORTH 22°4'21" EAST 169.85 FEET; THENCE NORTH 27°1'9" WEST 124.33 FEET; THENCE NORTH 9°7'17" EAST 138.38 FEET; THENCE NORTH 22°18'37" EAST 76.6 FEET; THENCE NORTH 34°21'27" WEST 62.37 FEET; THENCE NORTH 74°21'1" WEST 168.13 FEET; THENCE NORTH 47°33'31" WEST 177.46 FEET; THENCE NORTH 36°14'41" WEST 171.04 FEET; THENCE NORTH 52°25'55" WEST 228.99 FEET; THENCE NORTH 39°58'18" WEST 167.22 FEET; THENCE NORTH 13°36'53" WEST 127.37 FEET; THENCE NORTH 2°32'50" EAST 38.54 FEET TO A POINT ON THE NORTH BOUNDARY OF THE SANCTUARY SUBDIVISION AND THE POINT OF TERMINATION BEING LOCATED 1147.11 FEET NORTH 90°00'00" WEST FROM THE NORTHEAST CORNER OF SAID SUBDIVISION.

**EXHIBIT "C"**

(Bylaws of the Association)

**BYLAWS**  
**OF**  
**THE SANCTUARY OWNERS ASSOCIATION, INC.**

**ARTICLE I**

NAME. The name of the corporation is The Sanctuary Owners Association, Inc., hereinafter referred to as the "Association."

**ARTICLE II**

**DEFINITIONS**

Section 1. "Act" shall mean and refer to the Community Association Act, Utah Code Ann. 57-8a-101, *et seq.*

Section 2. "Association" shall mean and refer to The Sanctuary Owners Association, Inc., its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors, with all powers as stated in the Articles of Incorporation, the Declaration and these Bylaws. The Board of Directors may be referred to in the Declaration as the Board of Trustees and the Board of Directors and the Board of Trustees are one and the same.

Section 4. "Board Members" shall mean and refer to those individuals or entities who are members of the Board and may be referred to as Directors. Board Members/Directors may be referred to in the Declaration as "Trustees" and Board Members, Directors and Trustees are one and the same.

Section 5. "Declarant" shall mean and refer to the entity identified as the "Declarant" in the Declaration, and his successors and assigns.

Section 6. "Declarant's Control Period" shall mean and refer to the period of time during which the Declarant controls the Association, as described in Section 1.3 of the Declaration, unless the Declarant determines in its sole discretion to shorten such time period and relinquish control of the Association earlier.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for The Sanctuary, recorded with the Weber County Recorder's Office on \_\_\_\_\_ 2013, as entry number \_\_\_\_\_, in book \_\_\_\_\_, at page \_\_\_\_\_.

Section 8. "Lot" shall have the same definition set forth in the Declaration.

Section 9. "Manager" shall have the same definition set forth in the Declaration.

Section 10. "Nonprofit Corporation Act" shall mean the Utah Revised Nonprofit Corporation Act, Utah Code Ann. §§ 16-6a-101 et seq., as the same may be amended.

Section 11. "Owner" shall have the same definition set forth in the Declaration. The terms "Owner" and "Member" are used interchangeably in these Bylaws and may be used interchangeably in other documents governing or pertaining to the Association and its Members.

Section 12. "Properties" shall mean and refer to all real property encumbered by the Declaration including any "Additional Land," as such term is defined in the Declaration.

Section 13. Any other capitalized terms used in these Bylaws, but not otherwise defined, shall have the meaning give to them in the Declaration.

### ARTICLE III

#### MEMBERSHIP IN ASSOCIATION; MEETING OF OWNERS; VOTING

Section 1. Membership in Association. Every Owner shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot.

Section 2. Voting. Each Lot shall be entitled to one vote. The vote for such Lot shall be exercised by the Owner or Owners, as they determine; however, multiple Owners of a given Lot must identify one Owner to vote at each meeting of Owners (the "Voting Owner"), or such vote will be disregarded for such meeting. The President of the Association shall have sole authority to determine if the Owners of a given Lot have adequately identified the Voting Owner for such Lot, at any given meeting of Owners. Subject to the voting requirements for the election of Directors set forth in Article IV Section 2 below, the affirmative vote of a majority of all Owners entitled to vote on any question shall constitute approval except for matters that specifically require more than a majority vote under the terms of the Declaration or these Bylaws.

Section 3. Annual Meeting. The Association shall hold an annual meeting of the Owners. Each annual meeting of Owners shall be held on such date and time as determined by the Board, and at such location as determined by the Board.

Section 4. Special Meetings. Special meetings of the Owners may be called by the President, the Board or by petition of at least 40% of the Owners.

Section 5. Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, facsimile or email at least fifteen (15) days before such



meeting to each Owner entitled to vote, addressed to the Owner's address, facsimile number or email last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and the electronic coordinates for the meeting. Meetings may be held and Members may attend electronically (i.e. video or telephone conference).

Section 6. Quorum. The presence at the meeting of at least 50% of the Owners, in person or by proxy, shall constitute a quorum for any action. However, during the Declarant's Control Period, the Declarant must be present for a quorum to exist. The Declarant is present by the presence of one or more of its authorized representatives, including employees. If a quorum is not present or represented at any meeting, the Owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. However, during the Declarant's Control Period, the presence of the Declarant or the Declarant's authorized representatives, including Declarant's employees, shall be sufficient to constitute a quorum for any action.

Section 7. Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his or her Lot.

#### ARTICLE IV

##### BOARD; SELECTION; TERM OF OFFICE; COMMITTEE MEMBERS

Section 1. Board Members; Nomination/Tenure. During the Declarant's Control Period and until such period ends, the Declarant shall have sole authority to nominate, appoint, and remove all Board Members, who may be, but do not have to be, Owners. Once Declarant's Control Period ends the Declarant (or its designee) shall call for election of at least three Directors for terms of three years or until their successors have been elected. Directors will draw lots to divide themselves into terms of one, two and three years, and they may serve consecutive terms if duly reelected. Declarant, in its sole discretion, may choose to relinquish its right to appoint and remove members of the Board prior to the end of Declarant's Control Period, and may expand the Board to include interested and involved Owners so as to broaden and enable an orderly transition in the governance of the Association. Except as otherwise provided herein, the Board shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act and/or the Declaration.

Section 2. Election. During the Declarant's Control Period, the Declarant shall have sole authority to nominate, appoint, and remove all Board Members. In any election of the Board, every Owner entitled to vote (multiple Owners of one Lot being entitled collectively to one vote only) shall have the number of votes for each Lot owned times the number of Board members to be elected. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be deemed elected. Until the Declarant's Control Period ends, the

Declarant's vote shall be definitive on any matter including the election of Directors.

Section 3. Number of Board Members. The Board shall consist of not less than three (3) Members. An odd number of Board Members shall be required at all times. The number of Board Members may be increased or decreased by resolution of the Board Members, so long as the number is not less than three (3).

#### ARTICLE V

##### MEETINGS OF BOARD MEMBERS.

Section 1. Regular Meetings. Regular meetings of the Board shall be held as frequently as the Board deems appropriate, but at least annually, at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Board Members (or a majority of Board Members if there are more than 3), after not less than three (3) days notice to each Board Member.

Section 3. Quorum. A majority of the number of Board Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board Members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### ARTICLE VI

##### POWERS AND DUTIES OF THE BOARD; APPLICABILITY OF THE ACT

Section 1. Powers. The Board shall have power and the authority to:

A. Adopt and publish reasonable rules and regulations, and to establish penalties for the infraction thereof, so long as such rules, regulations, and penalties are not directly in conflict with any provisions of the Declaration;

B. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Owners by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

C. Exercise the powers, duties and responsibilities as are now or may hereafter be provided in the Act, the Non Profit Corporation Act, the Declaration, including under Section 1.3 of the Declaration, and these Bylaws; and

D. Employ a Manager, an independent contractor, or such other employees or agents

as they deem necessary, and to prescribe their duties subject, in the case of the Manager, to the provisions of Section 1.3.2 of the Declaration. The initial Manager shall be Timothy Patrick Charlwood.

Section 2. Duties. It shall be the duty of the Board to:

A. Cause to be kept records of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Owners, or at any special meeting when such statement is requested in writing by the Owners;

B. Supervise all officers, agents and employees of this Association and see that their duties are properly performed;

C. As more fully provided in the Declaration, to cause the Association:

1. Fix the amount of the annual Regular Common Assessments against each Lot and give notice thereof to the Owners at least thirty (30) days in advance of each annual assessment period, which will begin each July first;

2. To levy Special Assessments and determine the amounts of any such Special Assessments subject to the requirements and limitations set forth in the Declaration

3. Send written notice to every Owner subject thereto (i) of Regular Common Assessments at least thirty (30) days in advance of each annual assessment period, and (ii) of any Special Assessment at least fifteen (15) days in advance, but not more than sixty (60) days in advance, of the date such Special Assessment is due ; and

4. Foreclose the lien (at the option of the Board) against any property for which assessments are not paid within ninety (90) days after the due date in accordance with Section 1.12 of the Declaration or to bring an action at law (at the option of the Board) against the Owner personally obligated to pay the same.

D. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Common Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

E. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and,

F. Take any other actions authorized by the Declaration or the Act.

Section 3. Applicability of the Act. The provisions of the Act and the Declaration shall apply and govern the Association's rights with respect to levying of assessments, collection of assessments, and remedies that apply in the event of non-payment of assessments.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be as the Board may from time to time by resolution determine or create. During the Declarant's Control Period, any officers of the Association may be appointed and removed directly by and at Declarant's discretion.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Owners.

Section 3. Term. Any officers of the Association shall hold office for as long as the Board determines unless they shall sooner resign, or shall be removed, or are otherwise disqualified to serve.

Section 4. Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. Any or all offices may be held by the same person.

Section 8. Duties. The duties of the officers, if appointed, are as follows:

President

A. The President, if any, shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

B. The Vice-President, if any, shall act in the place and stead of the President in the-

event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

C. The Secretary, if any, shall record the votes and keep the minutes of all things and proceedings of the Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the Owners of the Association together with their addresses, and shall perform such other duties as required by the Board. If no secretary is appointed, the Board shall designate some other person to keep and maintain records as required by the Nonprofit Corporation Act.

Treasurer

D. The Treasurer, if any, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the ownership at its regular annual meeting, and deliver a copy of each to the Owners.

ARTICLE VIII

INDEMNIFICATION

Section 1. Scope of Indemnification. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director or officer of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association. The Association shall fully indemnify such persons to the fullest extent permissible under, and in accordance with the provisions of, Sections 16-6a-901 et seq. of the Nonprofit Corporation Act.

Section 2. Payment in Advance of Final Disposition. To the fullest extent permissible under the indemnification provisions of the Nonprofit Corporation Act, the Association shall pay for, advance, or reimburse the reasonable expenses incurred by a former or current director or officer who is a party to a proceeding in advance of final disposition of the proceeding.

Section 3. Members of Committees. The indemnification protections set forth in this Article shall apply as well to members serving on any committee that may be appointed by the Board.

Section 4. Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a director or an officer of the Association, or member of any committee of the Association, against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as a director, officer, or committee member.

ARTICLE IX

COMMITTEES

The Board may appoint committees as deemed appropriate in carrying out its purposes. During Declarant's Control Period, Declarant may directly appoint any such committee.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. All requests to inspect records, information and reports of the Association shall be made and responded to in compliance with the provisions of Section 16-6a-1601 et seq. of the Nonprofit Corporation Act, as the same may be amended. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As set forth in the Declaration, each Owner is obligated to pay to Common Assessments (both Regular Common Assessments and Special Assessments) that are secured by a continuing lien upon the Owner's Lot. Any assessments that are not paid when due shall be delinquent. If any Common Assessment is not paid within thirty (30) days after the due date, the Common Assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum (1.5% per month), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. In addition, a late fee of 5% of the Common Assessment amount may be charged for each Common Assessment installment paid 30 days or more after the installment is due. Any fines or penalties reasonably imposed by the Board for violations of the Declaration, the Bylaws or any Rules and Regulations shall be secured by the same lien as Common Assessments, and shall be enforced in the same manner.

ARTICLE XII

AMENDMENTS

Section 1. Declarant has adopted these Bylaws as of the date set forth below. During the Declarant's Control Period, Declarant may amend these Bylaws without the approval or vote of any other Owners. Thereafter, these Bylaws may be amended, at a regular or special meeting of the Owners, by a vote of a two-thirds (2/3) majority of a quorum of Owners present in person or by proxy. No such amendment shall conflict with the Declaration in any respect.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

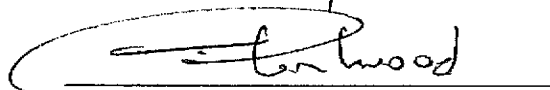
ARTICLE XIII

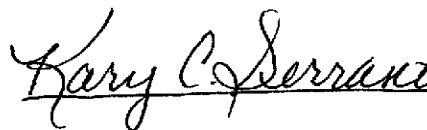
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

To the extent any matter regarding the affairs or governance of the Association is not addressed in the Declaration or these Bylaws, the same shall be governed by the provisions of the Nonprofit Corporation Act and/or the Act, as the case may be.

IN WITNESS WHEREOF, the undersigned officers of The Sanctuary Owners Association, Inc. have hereunto set his hand this 16 day of July 2013.

  
Declarant

 7/16/2013



**ARTICLES OF INCORPORATION  
OF  
THE SANCTUARY OWNERS ASSOCIATION, INC.**

I, the undersigned person, who is of the age of eighteen or more years, for the purpose of organizing a corporation pursuant to the Utah Revised Nonprofit Corporation Act, adopt the following Articles of Incorporation for such corporation:

**ARTICLE I  
NAME**

The name of the corporation is THE SANCTUARY OWNERS ASSOCIATION, INC.

**ARTICLE II  
EXISTENCE**

The existence of the corporation shall be perpetual, unless otherwise dissolved according to law.

**ARTICLE III  
PURPOSES**

The purpose of the corporation shall be to conduct any lawful business for which corporations may be organized under the Utah Revised Nonprofit Corporation Act as from time to time authorized by the corporation's Board of Directors, which shall conform to the purposes stated in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE SANCTUARY, recorded with the Weber County Recorder's Office (the "Declaration"), including without limitation, to engage in all business necessary to operate as an owners association for the residential project identified in the Declaration. In pursuit of its purposes, which shall be interpreted in the broadest possible way, the corporation shall have all the powers and authority granted to it or allowed by law.

**ARTICLE IV  
MEMBERSHIP AND VOTING**

The corporation shall not issue shares of stock evidencing membership. The corporation shall have one class of membership and its members shall have voting rights. Each member shall be an "Owner" of a "Lot" as defined and described in the Declaration and each such Owner shall have one vote for each Lot that it owns.



**ARTICLE V**  
**REGISTERED OFFICE, REGISTERED AGENT, AND PLACE OF BUSINESS**

The street address of the corporation's initial registered office and the name and address of the initial registered agent for the corporation are:

Paxton R. Guymon, Esq.  
Miller Guymon, P.C.  
165 South Regent Street  
Salt Lake City, Utah 84111

The street address of the principal place of business for the corporation, where records will be maintained pursuant to the Utah Revised Nonprofit Corporation Act, is:

The Sanctuary Owners Association, Inc.  
c/o Secretary  
9793 N Basin Canyon Road  
Park City UT 84098

**ARTICLE VI**  
**BOARD OF DIRECTORS**

The affairs of the corporation will be conducted and managed by a Board of Directors of at least 3 Directors. In accordance with the Declaration, the Directors shall be appointed, removed and replaced by Timothy Patrick Charlwood, the Declarant under the Declaration, until such time as the Declarant's period of control over the corporation terminates in accordance with the provisions of Section 1.3 of the Declaration. After the period of Declarant's control terminates, the Owners shall elect the Directors, in accordance with the Corporation's bylaws and the Declaration. The Board of Directors may be referred to in the Declaration as the Board of Trustees and the Board of Directors and the Board of Trustees are one and the same.

**ARTICLE VII**  
**BY-LAWS**

The Declarant or the Board of Directors may adopt, amend, and repeal at will such bylaws as are not inconsistent with law, the Declaration, or these Articles of Incorporation. If no Directors have been elected, the Declarant under the Declaration may adopt initial bylaws. The bylaws may be amended in such manner as may be prescribed in the bylaws.

**ARTICLE VIII**  
**INVALIDATION**

Any article, sub-paragraph, or any part or provision of these Articles of Incorporation or amendments thereto that may be at any time declared and adjudged by any Court of competent

jurisdiction to be a violation of any provision of law, shall not invalidate any of these Articles, amendments to them, sub-paragraphs of them or a part or provision of them, not so declared and adjudged to be invalid.

**ARTICLE IX**  
**INDEMNITY OF OFFICERS AND DIRECTORS**

A. The corporation shall to the fullest extent allowable by law to indemnify officers and Directors on terms and conditions to be set forth in the Declaration and the Bylaws, and as allowed by law.

B. The bylaws and the Declaration may define procedures concerning, extend the protections of, or grant, the indemnification of Directors, officers, employees, agents, fiduciaries and others the corporation has authority to indemnify under law, but nothing in the bylaws the Declaration or in any action by the Board of Directors or members shall limit or reduce the indemnification rights of Directors from the corporation or the indemnification duties of the corporation to the Directors, which rights and duties shall always provide the maximum protection to Directors allowable by law. This Article shall not be amended to reduce any protection for Directors without the concurrence of (i) 85% of the Directors then serving and (ii) 67% of the votes of all members entitled to vote. Any future amendment or repeal of this Article or change in the law shall not have the effect of limiting any indemnification right of any person entitled to indemnification from the corporation with respect to any prior acts, omissions, or occurrences where indemnification was to be provided at the time of such acts, omissions, or occurrences.

**ARTICLE X**  
**DIRECTOR LIABILITY**

To the full extent provided by present or future law no Director shall be liable to the corporation or its members for monetary damages for any breach of fiduciary duty or for any action taken or any failure to take action, as a Director, except only for the liabilities specified by law as not being subject to such limitation or prohibition. This Article shall not be amended to reduce any protection for Directors without the concurrence of (i) 85% of the Directors then serving and (ii) 67% of the votes of all members entitled to vote. Any future amendment or repeal of this Article, or the adoption of any provision in these Articles of Incorporation inconsistent with this Article, or any change in the law, shall not have the effect of limiting or reducing the protections afforded to Directors under this Article or of imposing any liability for prior acts, omissions, or occurrences, where such liability was limited or prohibited under this Article at the time of such acts, omissions, or occurrences.

**ARTICLE XI**  
**INCORPORATOR**

The name and address of the incorporator of this corporation is:

Paxton R. Guymon, Esq.  
Miller Guymon, P.C.  
165 South Regent Street  
Salt Lake City, Utah 84111

DATED this 15 day of July 2013.

INCORPORATOR:

Signature: Paxton R. Guymon  
Printed Name: Paxton R. Guymon

I agree to serve as Registered Agent:

Signature: Paxton R. Guymon  
Printed Name: Paxton R. Guymon

STATE OF UTAH                    )  
  )ss.  
COUNTY OF SALT LAKE        )

On this 15<sup>th</sup> day of July, 2013, personally appeared before me Paxton R. Guymon, who duly acknowledged to me that he executed this instrument.

SEALED  YVONNE MAHONEY  
NOTARY PUBLIC - STATE OF UTAH  
My Comm. Exp. 04/20/2015  
Commission # 607519

Yvonne Mahoney  
NOTARY PUBLIC