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**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
SUNSET HILLS PHASE 2**

Arbor/Gardner/Plum Sunset Hills, L.L.C.
Declarant

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**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
SUNSET HILLS PHASE 2**

This Declaration of Covenants, Conditions, Restrictions, and Easements for Sunset Hills Phase 2 (“**Declaration**”) is executed as of May 16, 2014, by ARBOR/GARDNER/PLUM SUNSET HILLS, L.L.C., a Utah limited liability company (“**Declarant**”).

BACKGROUND

A. Declarant owns certain property located in West Valley City, Salt Lake County, Utah, and legally described on Exhibit A (“**Land**”). Declarant intends to develop the Land into a planned unit development to be known as Sunset Hills Phase 2.

B. The Land and all improvements constructed thereon will be held, operated, and conveyed subject to the following covenants, conditions, restrictions, and easements, which will run with the land and will be binding upon and inure to the benefit of all parties having or acquiring any right, title, or interest in or to the Land or the Development.

**Section 1
DEFINITIONS**

As used in this Declaration, the terms set forth below will have the following meanings:

1.1 Act.

The Community Association Act, as set forth in the U.C.A. Section 57-8a-101 et seq.

1.2 Additional Land.

Property that is made subject to this Declaration from time to time in accordance with Section 13. Additional Land will not be subject to this Declaration unless and until it is annexed to the Development in accordance with Section 13.

1.3 Applicant.

Any Owner seeking to construct improvements on its Lot who submits an Application to the Architectural Control Committee.

1.4 Application.

Defined in Section 9.4.

1.5 Approval.

Unless otherwise specified in this Declaration: (a) with respect to Declarant, the Association, the Board, or the Architectural Control Committee: advance written approval; and

(b) with regard to Members (other than Declarant): approval by the requisite percentage of votes entitled to be cast by the Members participating in a duly called meeting in person, by proxy, by written ballot, or by action without a meeting. This definition will apply to other forms of the word "approval" as well, whether capitalized or not.

1.6 Architectural Guidelines.

The architectural, design, and construction guidelines and review procedures adopted in accordance with Section 9, as amended.

1.7 Architectural Control Committee.

The committee appointed in accordance with Section 9.

1.8 Articles.

The articles of incorporation of the Association, as amended.

1.9 Assessments.

All assessments and other charges, fines, and fees imposed by the Association on an Owner in accordance with the Governing Documents, including General Assessments, Special Assessments and Individual Assessments.

1.10 Association.

The Sunset Hills Phase 2 Homeowners Association, Inc., a Utah nonprofit corporation (and its successors and assigns). The Association is not a cooperative.

1.11 Board.

The Board of Directors of the Association.

1.12 Bylaws.

The bylaws of the Association, as amended. The initial bylaws of the Association are attached hereto as Exhibit C.

1.13 City.

West Valley City, Utah.

1.14 Common Areas.

Those parcels (and any improvements on such parcels) intended for the common use and enjoyment of the Owners and their Tenants and Guests, including the areas designated as "Common Areas" on the Plat or established by this Declaration or any Supplemental Declaration. Common Areas do not include any publicly dedicated streets. To the extent the Association agrees to contribute to the cost of maintaining the Phase I Common Areas, for

purposes of establishing Assessments only, Common Areas shall include the Phase I Common Areas.

1.15 Common Expenses.

The actual and estimated costs and expenses incurred, or anticipated to be incurred, by the Association in carrying out its powers and obligations under the Governing Documents, including any reasonable reserve, and including any items specified as Common Expenses in this Declaration.

1.16 County.

Salt Lake County, Utah.

1.17 Declarant.

ARBOR/GARDNER/PLUM SUNSET HILLS, L.L.C., a Utah limited liability company; and its successors and assigns if the successor or assignee acquires Declarant's interest in the Development, or less than all of Declarant's interest in the Development if a recorded instrument executed by Declarant assigns to the assignee all of Declarant's rights under this Declaration.

1.18 Declarant Control Period.

The period beginning on the date this Declaration is recorded in the official records of the County, and ending at the first to occur of the following:

(a) 90% of the Lots have been conveyed to Purchasers; or

(b) Declarant records a written statement in the official records of the County voluntarily terminating the Declarant Control Period, effective as of the date set forth in the statement.

1.19 Development.

As used in this Declaration, the term "**Development**" will refer to the Land, any Additional Land made subject to this Declaration from time to time in accordance with Section 13, and the improvements constructed thereon.

1.20 Director.

A member of the Board.

1.21 Eligible Mortgagee.

Any Mortgagee of a Lot (or any insurer or guarantor of a Mortgage on a Lot) who has provided a written request to the Association (such request to state the name and address of such Eligible Mortgagee and the street address of the Lot to which its Mortgage relates), to be notified of any of the events listed in Section 12.1.

1.22 General Assessment.

Defined in Section 8.5.

1.23 Governing Documents.

This Declaration, the Articles, the Bylaws, the Architectural Guidelines, the Rules and Regulations, the fine schedule adopted in accordance with Section 11.2, and any other document, rule, or regulation adopted by the Association in accordance with the Governing Documents.

1.24 Guest.

Any person who is a visitor or invitee and who (a) is accompanied by an Owner or a Tenant, or (b) has been granted permission by an Owner to occupy its Residence for a time.

1.25 Individual Assessment.

Defined in Section 8.7.

1.26 Lot.

Each parcel designated for private ownership and for the construction of a Residence as shown on the Plat and including any Additional Land designated as a Lot on a Supplemental Plat or in a Supplemental Declaration.

1.27 Member.

Any Person, including Declarant, holding a membership in the Association in accordance with Section 2.2.

1.28 Mortgage.

Any mortgage, deed of trust, or other document pledging any Lot or interest therein as security for payment of a debt or obligation.

1.29 Mortgagee.

Any Person named as a mortgagee or as a trustee or beneficiary under any Mortgage and any successor to the interest of any such Person under a Mortgage.

1.30 Owner.

Any Person having a fee ownership interest in a Lot. "Owner" does not include a Tenant or a Person holding less than a fee interest in a Lot. The rights, obligations, and other status of being an Owner commence upon acquisition of the fee interest in a Lot and terminate upon disposition of that interest, but termination of ownership will not discharge an Owner from obligations incurred before termination.

1.31 Person.

A natural person, a corporation, a partnership, a limited liability company, a trust, or any other legal entity.

1.32 Phase I Common Areas.

Shall mean the "Common Areas" as such term is defined in the Phase I Declaration.

1.33 Phase I Declaration.

That certain Declaration of Covenants, Conditions and Restrictions for Sunset Hills P.U.D., dated May 28, 2009 and recorded as document number 10715287 in Book 9729 at Page 2751, as such document may be amended from time to time.

1.34 Plat.

(a) the plats entitled "Sunset Hills P.U.D. Phase 2B" and "Sunset Hills P.U.D. Phase 2C", subdividing the Land, and recorded on or around the date of this Declaration in the official records of the County;

(b) any plat subdividing the Land in the future that is recorded in the official records of the County; and

(c) any plat subdividing Additional Land and recorded concurrently with a Supplemental Declaration in accordance with Section 13.

1.35 Purchaser.

A Person other than Declarant who acquires a fee simple interest in a Lot.

1.36 Reserve Fund.

A fund established for the replacement of Common Area improvements, as described in Section 8.10.

1.37 Residence.

A building located on a Lot and designated for single-family residential occupancy.

1.38 Rules and Regulations.

Those rules and regulations adopted by the Board governing the conduct of persons on, and the operation and use of, the Common Areas, if any.

1.39 Special Assessment.

Defined in Section 8.6

1.40 Supplemental Declaration.

Defined in Section 13.1(a).

1.41 Supplemental Plat.

Defined in Section 13.1(b).

1.42 Tenant.

Any Person who is leasing or renting a Residence.

1.43 Turnover Meeting.

The meeting called by Declarant to turn over administrative responsibility for the Development to the Members, as described in Section 3.2.

**Section 2
MEMBERSHIP IN THE ASSOCIATION**

2.1 Organization.

The Association will be a Utah nonprofit corporation and will have the property, powers, and obligations set forth in this Declaration for the benefit of the Development and all Owners. The Articles will provide for the Association's perpetual existence, but if the Association is at any time dissolved, whether inadvertently or deliberately, it will automatically be succeeded by an unincorporated association of the same name. In that event all of the property, powers, and obligations of the incorporated association existing immediately before its dissolution will automatically vest in the successor unincorporated association, and such vesting will thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association will be governed by the Articles and Bylaws as if they were the governing documents of the unincorporated association.

2.2 Membership.

Every Owner of one or more Lots within the Development will be a Member of the Association. Membership will begin automatically when a Person becomes an Owner and will continue until the Person is no longer an Owner, at which point the membership will expire automatically.

2.3 Voting Rights.

Each Member will be entitled to one vote for each Lot owned, except that no more than one vote may be cast with respect to any one Lot. When a Lot is owned by multiple Owners, all such Persons will be Members and the vote for such Lot will be exercised as the Owners among themselves determine. However, if the Owners of a Lot cannot agree on how to exercise their vote with respect to a pending matter, any such Owner may deliver notice of such disagreement

to the Association before the vote is finalized, and the vote will then be disregarded with respect to such matter.

Section 3
MANAGEMENT OF THE ASSOCIATION

3.1 Board of Directors.

The affairs of the Association will be conducted by the Board and by such officers as the Board may elect or appoint in accordance with the Articles and Bylaws. During the Declarant Control Period, the Board will consist of three Directors, appointed by Declarant in its sole discretion. Directors appointed by Declarant will serve until replaced by Declarant or until their successors take office at the Turnover Meeting, whichever occurs earlier. Effective as of the Turnover Meeting, the Board will be composed of five Directors, who will be elected by the Members and whose terms and qualifications will be set in accordance with the Bylaws.

3.2 Turnover Meeting.

Declarant will call a meeting (“**Turnover Meeting**”) of the Association for the purpose of turning over administrative responsibility for the Development to the Members sometime before the expiration of the Declarant Control Period. At the Turnover Meeting, the Members will elect Directors to replace the Directors appointed by Declarant. The newly elected Directors will take office, and the Directors appointed by Declarant will resign, effective as of the expiration of the Declarant Control Period or such earlier date as Declarant may specify. If Declarant fails to call the Turnover Meeting, any Member or Mortgagee may call the meeting by giving notice as provided in the Bylaws.

3.3 Liability.

A Director or officer of the Association will not be liable to the Association or any Member for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, except for acts of gross negligence or intentional misconduct. If any Director or officer of the Association is made a party to any proceeding because the individual is or was a Director or officer of the Association, the Association will indemnify such individual against liability and expenses incurred, to the maximum extent permitted by law.

Section 4
POWERS AND OBLIGATIONS OF THE ASSOCIATION

4.1 General Powers and Obligations.

The Association will have, exercise, and perform all of the following powers, duties, and obligations:

(a) The powers, duties, and obligations granted to the Association by this Declaration and the Act.

(b) The powers, duties, and obligations of a nonprofit corporation under the Utah Revised Nonprofit Corporation Act.

(c) Any additional powers, duties, and obligations necessary or desirable for the purpose of carrying out the functions of the Association and promoting the general welfare of the Owners, all in accordance with this Declaration.

4.2 Specific Powers and Duties.

The specific powers and duties of the Association will include the following:

(a) **Maintenance.** The Association will maintain the Common Areas, if any, in an attractive condition and in a good and workmanlike manner so as to carry out the purpose for which the Common Areas are intended. The Association will also perform the maintenance specified in Section 7.1. As of the date hereof, the parties recognize that there are no Common Areas for the Association to maintain.

(b) **Services.** The Association may provide or contract for such services as the Board may reasonably deem to be of benefit to the Development, including garbage removal and security services for the Development. The Association may also create various classes of service and levy appropriate Individual Assessments against the Owners and Lots benefiting from such services, without being required to render such services to Members who do not agree to pay such charges.

(c) **Insurance.** The Association will obtain and maintain at least \$2,000,000 of commercial general liability insurance and all such other insurance and in such amounts as may be required by the Act. The Association may obtain property insurance insuring the Association against casualty damage to the Common Area improvements in an amount deemed necessary by the Board.

(d) **Rulemaking.** The Association may make, establish, promulgate, amend, and repeal Rules and Regulations governing the Common Areas.

(e) **Assessments.** The Association will adopt budgets and impose and collect Assessments as provided in Section 8.

(f) **Enforcement.** The Association will enforce the Governing Documents in accordance with Section 11.

(g) **Employment of Agents, Advisers, and Contractors.** The Association may employ the services of any Person as manager; hire employees to manage, conduct, and perform the business, obligations, and duties of the Association; employ professional counsel and obtain advice from landscape architects, recreational experts, architects, planners, lawyers, accountants or other advisers; and contract for or otherwise provide for all services necessary or convenient for the management, maintenance, and operation of the Development.

(h) **Acquiring, Holding, and Conveying Property.** The Association may acquire, hold, and convey, with or without consideration, real and personal property and interests

therein, including easements across all or any portion of the Common Areas, and will accept any real or personal property interests within the Development conveyed to the Association by Declarant.

(i) **Transferring, Dedicating, and Encumbering the Common Areas.** Subject to Section 6.4, the Association may sell, transfer, or encumber all or any portion of the Common Areas to a Person, whether public or private, and dedicate or transfer all or any portion of the Common Areas to any public agency, authority, or utility for public purposes.

4.3 **Implied Rights and Obligations.**

The Association may exercise any other power reasonably implied by, or necessary to carry out, an express power given to the Association under this Declaration.

Section 5 PROPERTY RIGHTS IN LOTS

5.1 **Use and Occupancy.**

Each Lot Owner will be entitled to the exclusive use and benefit of its Lot, but the Lot will be bound by, and the Owner will comply with, the Governing Documents.

5.2 **Easements Reserved.**

In addition to any utility and drainage easements shown on the Plat, Declarant hereby reserves the following easements for the benefit of Declarant and the Association:

(a) **Maintenance.** The Association will have an easement over and across the Lots as necessary to perform the maintenance obligations set forth in Section 7.1.

(b) **Right of Entry.** The Association may at any reasonable time, upon reasonable notice to the Lot Owner, enter upon any Lot (i) to determine whether the use or improvements of the Lot comply with the Governing Documents or (ii) to enforce the Governing Documents in accordance with Section 11. No such entry will be deemed to constitute a trespass or otherwise create any right of action in the Owner of the Lot.

Section 6 PROPERTY RIGHTS IN COMMON AREAS

6.1 **Easement of Enjoyment.**

Subject to Section 6.3, each Owner will have a nonexclusive right and easement of use and enjoyment in and to the Common Areas. Such right and easement will be appurtenant to and will pass with the title to each Lot. Any Owner may delegate this right and easement to its Tenants or Guests.

6.2 Title to Common Areas.

Title to the Common Areas will be conveyed to the Association by Declarant, free and clear of monetary liens, before the expiration of the Declarant Control Period.

6.3 Limitations on Easement of Enjoyment.

The right and easement of use and enjoyment in and to the Common Areas will be subject to the easements shown on the Plat, and to the following easements and limitations:

(a) the right of the Association to suspend the right of an Owner to use the Common Areas in accordance with Section 11.

(b) the right of the Association to adopt, amend, or repeal Rules and Regulations governing the conduct of persons on, and the operation and use of, the Common Areas as it deems necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Common Areas in accordance with the Governing Documents. A copy of the Rules and Regulations, as amended from time to time, will be promptly delivered to each Owner by the Board and will be binding upon the Owners as of the date of delivery.

(c) an easement for ingress and egress to and from the Lots, Common Areas, and streets, in favor of Declarant, the Association, and the Owners.

(d) an easement in favor of Declarant for the purpose of carrying out activities related to the sale and construction of the Development.

(e) an easement in favor of Declarant and the Association for ingress and egress to and from the Common Areas for the installation, maintenance, and repair of wires, lines, and conduits connected with the transmission of electricity, gas, water, communications, and other utilities.

(f) an easement in favor of Declarant and the Association for ingress and egress to and from the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to the construction and maintenance of new and existing improvements on the Common Areas or any other real property owned by Declarant, as long as Declarant and the Association do not unreasonably interfere with any Owner's use and enjoyment of its Lot.

(g) an easement over the Common Areas in favor of police, fire, and other public officials in the performance of their official duties.

(h) the right of Declarant to establish easements, reservations, exceptions, and exclusions consistent with the ownership of the Development and the best interests of the Owners and the Association.

6.4 Alienation of the Common Areas.

The Association may not abandon, partition, subdivide, encumber, sell, or transfer the Common Areas without the approval of at least 67% of the Members and, during the Declarant Control Period, the approval of Declarant.

6.5 Phase I Common Areas.

The Land is not subject to the Phase I Declaration, and accordingly, the Owners are not, by this Declaration, granted rights to use the Phase I Common Areas; provided, the foregoing does not terminate or otherwise modify the rights of the Owners to use the Phase I Common Areas pursuant to any other agreement. The Lots may in the future be subject to the Phase I Declaration, or Owners may be entitled to use the Phase I Common Area pursuant to another agreement entered into after the date hereof, provided (a) during the Declarant Control Period, the Declarant agrees to subject the Land to the Phase I Declaration or enter into such other agreement, or (b) after the Declarant Control Period, at least 67% of the Members approve subjecting the Land to the Phase I Declaration or entering into such other agreement. If the Land becomes subject to the Phase I Declaration, the Association shall continue to be in full force and effect, but shall apply only to the Land.

Section 7 MAINTENANCE

7.1 Association's Responsibilities.

The Association will be responsible for maintaining, repairing, and replacing the Common Areas, if any, in accordance with City standards. The cost and expense incurred by the Association in performing the obligations set forth in the previous sentence will be a Common Expense.

7.2 Owners' Responsibilities.

Maintenance of each Lot and all improvements on the Lot will be the sole responsibility of the Lot Owner, who will maintain its Lot and improvements in a clean, sanitary, attractive, and marketable condition and in good repair at all times. Such maintenance will include repair and replacement of irrigation systems, utility lines, roofs, gutters, leaders, downspouts, exterior building surfaces, glass surfaces, walks, and other exterior improvements. Trees, shrubs, grass, flowers, and other landscaping will be neatly trimmed and properly cultivated. Lots will be kept free of trash, weeds, and other unsightly material at all times. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes will be repaired by the Owner within a reasonable period of time.

Section 8 ASSESSMENTS

8.1 Purpose of Assessments.

The Assessments levied by the Association will be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Development and for the improvement, operation, and maintenance of the Common Areas. Additionally, the Association may establish and collect assessments that would be assessed against the Lots if the Land were subject to the Phase I Declaration (even if the Land is not subject to the Phase I Declaration); provided, such collection shall not exceed one (1) year of assessments that would be payable under the Phase I Declaration.

8.2 Types of Assessments.

The Association may levy General Assessments, Special Assessments, and Individual Assessments, all as more particularly described below.

8.3 Apportionment of Assessments.

Lots owned by Declarant will not be subject to Assessments until such time as the Lot is occupied for residential use. Each other Lot will be assessed its pro rata share of the General Assessments and Special Assessments as soon as it is conveyed to an Owner other than Declarant. The pro rata share will be calculated by dividing the total dollar amount of each such Assessment by the total number of Lots subject to assessment.

8.4 Annual Budget.

The Board will prepare an annual budget for the Association each fiscal year, taking into account the Common Expenses, contributions to be made to the Reserve Fund, any surplus from previous years, and any income expected from sources other than Assessments. During the Declarant Control Period, the annual budget will be prepared and adopted by the Board. After the Declarant Control Period expires, the annual budget will be prepared by the Board but must be approved by the Members. The fiscal year will be as provided in the Bylaws.

8.5 General Assessments.

Based on the annual budget, the Board will determine the amount of the General Assessment, which will be apportioned among the Lots as provided in Section 8.3. At the closing of the sale of each Lot, the Owner purchasing the Lot will pay an amount equal to the prorated portion of the General Assessment and any Special Assessment due for the month or year (depending on whether Assessments installments are paid monthly or annually) in which the closing occurs. An Owner who sells its Lot will not be entitled to a refund from the Association of any Assessments paid in advance. However, the purchasing Owner will be entitled to a credit for any Assessments paid in advance by a previous Owner, and the selling Owner may seek a corresponding credit from the purchasing Owner. The manner of billing and collecting Assessments will be as provided in the Bylaws.

8.6 Special Assessments.

In addition to the General Assessments authorized in Section 8.4, the Board may levy during any fiscal year a Special Assessment applicable to that year only, for the purpose of deferring all or any part of the cost of structural improvements, landscaping improvements, unbudgeted expenses, expenses in excess of those budgeted, or other unanticipated, extraordinary, or emergency expenses. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to 15% of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by at least 67% of the Members and, during the Declarant Control Period, Declarant. Special Assessments will be apportioned as provided in Section 8.3 and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board.

8.7 Individual Assessments.

The cost of any service benefiting less than all of the Lots may, in the discretion of the Board, be assessed exclusively against the Lots benefited as an Individual Assessment. Individual Assessments will also include fines imposed for violation of the Governing Documents and charges against a Lot to reimburse the Association for costs incurred in bringing the Lot or its Owner into compliance with the Governing Documents. Unless otherwise provided by the Board, an Individual Assessment will be due 30 days after the Board has notified the Owner subject to the Individual Assessment.

8.8 Appointment of Trustee.

The Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to Meridian Title Company, a Utah corporation, with power of sale, the lot and all improvements to the lot for the purposes of securing the payment of assessments under the terms of the declaration. In the event Meridian Title Company, or any successor trustee appointed under this Section 8.8, becomes unqualified or is unwilling to act as a trustee pursuant to U.C.A. Section 57-1-21(1)(a)(i) or (iv), as applicable, the Board shall have the right to appoint a new trustee by in accordance with U.C.A. Section 57-1-12.

8.9 Assessment of Lots Created on Additional Land.

A Lot created on any Additional Land will become subject to Assessments as soon as it is (a) conveyed to an Owner other than Declarant or (b) occupied for residential use. Upon annexation of Additional Land, the Board will revise the annual budget to account for the Additional Land and recompute Assessments for all Lots, including the new Lots subject to Assessments, for the balance of the fiscal year. However, a declaration annexing Additional Land may provide that the Additional Land does not have the right to use particular Common Areas or particular facilities located on such Common Areas, in which case such Additional Land will not be assessed for the costs of operating, maintaining, repairing, replacing, or improving such Common Areas or facilities.

8.10 Reserve Fund.

The Association may establish a Reserve Fund for replacement of Common Area improvements provided such reserve fund is adopted in accordance with applicable laws. When budgeting for the Reserve Fund, the Board will take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repairs or replacement cost and conduct such assessments as may be required by the Act. The Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from General Assessments or Special Assessments. The Association may prudently invest the Reserve Fund.

8.11 Assessment Lien.

Declarant covenants, and each Lot Owner is deemed to covenant, for each Lot owned by it within the Development, to pay to the Association all Assessments as may be fixed, established, and collected from time to time in accordance with this Declaration. Such Assessments, together with any interest, expenses, or attorneys' fees imposed in accordance with Section 11.4, will be a continuing lien upon the Lot against which each such Assessment or charge is made. However, no lien will attach to any Lot owned by Declarant until the Lot is subject to Assessment in accordance with Section 8.3. Assessments will be the personal obligation of the Person who was the Owner of the Lot at the time the Assessment was assessed.

Section 9 ARCHITECTURAL CONTROL

9.1 General.

No improvements of any kind, including the construction of any Residence, garage, outbuilding, parking area, driveway, tennis court, walkway, swimming pool, outdoor hot tub or spa, fence, wall, curb, pool, trampoline, swing set or playground equipment, satellite dish or antenna, solar panel, outside air conditioning equipment, or any other permanent structure may be constructed, erected, or installed on a Lot without the approval of the Architectural Control Committee ("**Committee**"). No excavation, grading, filling, draining, landscaping, or planting or removal of existing vegetation may be performed without the approval of the Committee. No approval will be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint, or redecorate the interior of its Residence without approval by the Committee. However, modifications to the interior of screened porches, patios, or similar portions of a Lot visible from outside the structure will be subject to Committee approval. All Residences constructed on the Lots will be designed by and built in accordance with the plans and specifications of a licensed architect. This Section will not apply to Declarant's activities.

9.2 Composition of Architectural Control Committee.

The Committee will consist of at least three individuals, appointed by the Board in its discretion.

9.3 Architectural Guidelines.

The Committee will prepare Architectural Guidelines that establish standards, rules, regulations, restrictions, and guidelines, in addition to those set forth in this Declaration, with respect to design features, architectural styles, exterior colors and materials, details of construction, location and size of structures, landscaping, and other matters requiring approval by the Committee. The Architectural Guidelines will also specify the content of the Application that must be submitted to the Committee by an Owner seeking approval to construct improvements and will establish the procedures for submitting the Application. If there is a conflict between the Architectural Guidelines and this Declaration, this Declaration will prevail. During the Declarant Control Period, the Committee may amend the Architectural Guidelines in its sole discretion. Upon the expiration of the Declarant Control Period, the Committee may amend the Architectural Guidelines subject to the approval of the Board. The Architectural Guidelines will be binding on all Owners and their respective architects, design professionals, builders, contractors, and agents. However, amendments to the Architectural Guidelines will be applied prospectively only and will not be applied so as to require modifications to or removal of improvements previously approved once construction of the approved improvements has begun. The Committee will make the Architectural Guidelines available to Owners who seek to construct improvements within the Development, but each Owner (and its architects, design professionals, builders, contractors, and agents) will be responsible for obtaining, understanding, and following the latest version of the Architectural Guidelines. Declarant may, in its sole discretion, record the Architectural Guidelines in the official records of the County, in which case the most recently recorded version will control if there is a dispute as to which version of the Architectural Guidelines was in effect at any particular time.

9.4 Application.

Any Owner seeking to construct improvements must submit an Application to the Committee for review, as specified in the Architectural Guidelines. The required Application materials may include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of the proposed improvements, as applicable. The Committee may require the submission of such additional information as may be reasonably necessary to consider any Application. The Committee may also waive certain Application requirements depending on the nature of the proposed improvements.

9.5 Standard.

The Committee will review each Application for compliance with this Declaration and the Architectural Guidelines, and may consider issues such as (a) whether the proposed improvements are consistent with the architectural character of the Development, considering the nature, shape, color, size, material, location, height, form, proportion, volume, and aesthetic quality of the proposed improvements; (b) whether the dimensions of the Lot can accommodate the proposed improvements; (c) whether the proposed improvements harmonize with the exterior design, topography, grade, and finished ground elevations of neighboring Lots, Common Areas improvements; (d) whether the proposed improvements will be adequately screened (if applicable); and (e) whether landscaping, drainage, utility service systems, and lighting are

adequate. Each Owner acknowledges that the decisions of the Committee will be based partly on subjective standards of appearance, and that an Application may be rejected entirely on aesthetic grounds. The Committee will have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations will not be subject to review so long as they are made in good faith and in accordance with the procedures set forth in this Section and in the Architectural Guidelines.

9.6 Approval Procedure.

The Committee will make a determination on each Application within 30 days after receipt of a completed Application and all required information. The Committee may (a) approve the Application, with or without conditions; (b) approve portions of the Application and disapprove other portions; or (c) disapprove the Application. The Committee will notify the Applicant of its decision within ten days of making the decision. In the case of disapproval, the Committee will specify the reasons for disapproval or offer suggestions for curing any objections. If the Committee fails to render its decision within 30 days after receipt of a completed Application, approval will not be required, and the Applicant will be deemed to have fully complied with this Section.

9.7 Appeal.

Any Owner adversely affected by an action of the Committee may appeal such action to the Board. Appeals must be made in writing within ten days of the Committee's action and must contain specific objections to the Committee's decision or mitigating circumstances justifying overturning the Committee's decision. A final, conclusive decision will be made by the Board within 30 days after receipt of the appeal.

9.8 Fees.

The Committee may collect a fee for reviewing an Application ("**Review Fee**") and may require the Review Fee to be paid in full before the Committee reviews an Application. The Review Fee may include the reasonable cost of having the Application reviewed by architects, engineers, or other professionals whom the Committee may employ as it deems necessary to perform the review. The Board may change the amount of the Review Fee from time to time to cover increasing costs. No Review Fee will be charged which is in excess of the fee permitted by the Act.

9.9 Enforcement.

The Committee will notify the Board of any Applicant who fails to comply with this Section. The Board may then enforce such violation in accordance with Section 11.

9.10 Majority Action.

Except as otherwise provided in this Declaration, a majority of the members of the Committee will have the power to act on behalf of the Committee, without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee.

Committee decisions will be rendered in writing and will set forth the actions taken by the consenting Committee members.

9.11 Liability.

No Committee member will be liable to any Owner, occupant, builder, or developer for any damage, loss, or prejudice suffered or claimed because of any act or omission of the Committee or a member of the Committee, as long as the Committee member has acted in good faith.

9.12 Nonwaiver.

Consent by the Committee to any matter will not be deemed to be a precedent or waiver preventing the Committee from withholding consent to any similar matter.

9.13 Effective Period of Consent.

The Committee's consent to any Application will automatically be revoked one year after issuance unless Owner has begun construction of the proposed improvements or has applied for and received an extension of time from the Committee.

9.14 Estoppel Certificate.

Within 30 days after written request is delivered to the Committee by any Owner, and upon payment to the Committee of a reasonable fee fixed by the Board to cover costs, but not in excess of the amount permitted by the Act, the Committee will provide such Owner with an estoppel certificate executed by a member of the Committee, certifying with respect to any Lot owned by the Owner that as of the date of the certificate, either: (a) all improvements located on the Lot comply with this Declaration, or (b) certain improvements do not comply with this Declaration, in which event the certificate will also identify the noncomplying improvements and specify the nature of the noncompliance. In addition, the Committee shall provide such other certifications as may be required by the Act. Any purchaser of the Owner's Lot and any Mortgagee or other lienholder will be entitled to rely on the estoppel certificate, which will be conclusive as between the Owner, the Committee, the Association, and such purchaser, Mortgagee, or other lienholder.

**Section 10
RESTRICTIONS**

10.1 Further Subdivision, Lot Line Adjustments, Property Restrictions, Rezoning.

No Lot may be further subdivided or otherwise separated into smaller parcels by any Owner, and no portion less than all of any Lot, nor any easement or other interest therein, will be conveyed or transferred by any Owner without the approval of the Board. Lot line adjustments are prohibited without the approval of the Board and all Owners of the affected Lots. Except as provided herein with respect to the Phase I Declaration, no further covenants, conditions, restrictions, or easements will be recorded by any Owner or other Person against any Lot without the approval of the Board. No application for rezoning of any Lot and no applications for

variances or use permits will be filed with any governmental authority unless the proposed use of the Lot has been approved by the Board and the proposed use otherwise complies with this Declaration.

10.2 **Common Areas.**

Dumping of trash, rubbish, debris, dirt, yard rakings, construction materials, or other unsightly material onto the Common Areas is prohibited. There will be no obstruction of the Common Areas, nor will anything be kept or stored on the Common Areas, nor will anything be altered or constructed or planted in or removed from the Common Areas without the approval of the Board.

10.3 **Permitted Use.**

(a) **Residential Use.** Subject to Section 10.3(b), the Lots will be used for single-family residential purposes only.

(b) **Commercial Use Restricted.** No trade, craft, business, profession, or commercial activity will be conducted within the Development, nor will any goods, equipment, vehicles, materials, or supplies used in connection therewith be kept or used within the Development. However, the previous sentence will not prohibit: (i) activities relating to the rental or sale of Lots; (ii) the right of Declarant, the Association, or any contractor to construct improvements on a Lot or to store construction materials and equipment on a Lot in the normal course of construction, (iii) Declarant's right to use any Residence as a sales or rental office or as a model home for sale or rental purposes; and (iv) the right of an Owner to maintain its professional library, records, or accounts, or to communicate with professional associates, clients, or customers in its Residence, as long as there is no external evidence thereof.

10.4 **Permitted Structures.**

No structures will be erected or permitted to remain on any Lot except Residences—and structures normally accessory to Residences—that comply with the Architectural Guidelines and are approved by the Architectural Control Committee.

10.5 **Exterior of Residence.**

The exterior of all Residences must be constructed in accordance with the Architectural Guidelines.

10.6 Setbacks.

Minimum setbacks will be as required by the City.

Section 11 ENFORCEMENT

11.1 General.

The Board will notify any Member of any violation of the Governing Documents for which the Member is responsible, including violations caused by a Tenant or Guest of the Member, and will specify any necessary remedial action. If the Member (1) has not begun and diligently pursued the remedial action within 10 days of notification; (2) the Member and the Association cannot agree to a mutually acceptable solution consistent with the Governing Documents; and (3) the Association has given the Member reasonable opportunity to be heard; then the Association may do any or all of the following:

(a) subject to the additional requirements of Section 11.2, impose reasonable fines as an Individual Assessment upon the Member;

(b) suspend the Member's voting rights and right to use of recreational facilities and utility for the period that the violation remains uncured to the extent permitted by U.C.A. 57-8a-309;

(c) where applicable, enter the offending Member's Lot and remove the cause of the violation, or alter, repair, or change the item which is in violation of the Governing Documents in such a manner as to make it conform thereto, in which case the Association may assess the cost of the remedy as an Individual Assessment against the Member and the Member's Lot;

(d) bring suit or action against the Member to enforce the Governing Documents;

(e) pursue any other remedy available at law or in equity.

Nothing in this Section will authorize the Association to deprive any Member of access to and from its Lot.

11.2 Fines.

The Board may assess a fine against a Member only for a violation of a rule, covenant, condition, or restriction that is specifically listed in the Governing Documents. A fine must be in the amount specifically provided for in the Governing Documents for the specific type of violation, or in an amount commensurate with the nature of the violation. A fine shall only be assessed in accordance with the requirements of the Act. The Board will prepare and publish from time to time a fine schedule listing the various offenses and the corresponding fine amounts. Any Member assessed a fine may request an informal hearing before the Board to protest or dispute the fine within 14 days from the date the fine is assessed ("**Hearing**"). The

Hearing will be conducted in accordance with the standards set forth in the Bylaws. No interest or late fees may accrue on a fine until after the Hearing has been conducted and a final decision has been rendered, unless the fined Member fails to request a Hearing within the 14-day time period.

11.3 Enforcement of Assessment Lien.

The Association will have a lien against each Lot for any Assessment levied against the Lot and the Owner thereof under the Governing Documents from the date on which the Assessment is due. If a Member fails to pay an Assessment levied under the Governing Documents within 30 days of its due date, the Association may enforce the lien pursuant to the Act, bid on the Lot at such foreclosure sale and may acquire, hold, lease, mortgage, or convey the Lot. The Association may bring an action to recover a money judgment for unpaid Assessments without foreclosing or waiving the lien described in this Section. Recovery on any such action, however, will operate to satisfy the lien, or the portion thereof, for which recovery is made.

11.4 Interest, Expenses, and Attorneys' Fees.

Any Assessment or other amount not paid to the Association when due in accordance with this Declaration will bear interest from the due date (unless the Assessment is a fine and a Hearing is timely requested, in which case no interest or late fees may accrue until after the Hearing has been conducted and a final decision has been rendered) until paid at a rate 3 percentage points per annum above the prime rate published in the *Wall Street Journal* at the time, or such other rate as may be established by the Board, but not to exceed the lawful rate of interest under Utah law. A late charge may be levied for each delinquent Assessment in an amount established from time to time by the Board, as long as the late charge does not exceed 20% of the Assessment. If the Association files a notice of lien, the lien amount will also include the recording fees associated with filing the notice and a fee for preparing the notice of lien, which fee will be established from time to time by the Board. If the Association prevails in any procedure to enforce the Governing Documents, the Association is entitled to an award of its costs and reasonable attorneys' fees associated with the action.

11.5 Remedies Cumulative.

An election by the Association to pursue any remedy provided for in this Declaration will not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this Declaration are not exclusive but will be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law. Failure by the Association to enforce the Governing Documents will not be deemed a waiver of the right to do so thereafter. Any aggrieved Member may bring an action against another Member or the Association to recover damages or to enjoin, abate, or remedy any violation of the Governing Documents by appropriate legal proceedings.

Section 12
MORTGAGEE PROTECTIONS

12.1 Notification of Eligible Mortgagees.

Each Eligible Mortgagee will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Lot subject to a Mortgage held by the Eligible Mortgagee.

(b) any delinquency in the payment of Assessments owed by a Lot subject to a Mortgage held by the Eligible Mortgagee, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or its Tenants which is not cured within 60 days; and

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

12.2 Reimbursement of Mortgagees.

Mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a lien against any Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for such Common Areas. Mortgagees making such payments will be promptly reimbursed by the Association upon written request.

Section 13
ADDITION OR WITHDRAWAL OF PROPERTY

13.1 Annexation of Additional Land.

Declarant may from time to time and in its sole discretion annex to the Development as Additional Land any real property now owned or hereafter acquired by it, and may also from time to time and in its sole discretion permit other holders of real property to annex the real property owned by them to the Development. The annexation of such real property will be accomplished as follows:

(a) The owner or owners of such real property will record a "**Supplemental Declaration**" which will be executed by or bear the approval of Declarant and will, among other things, describe the real property to be annexed, establish land classifications for the Additional Land, establish any additional limitations, uses, restrictions, covenants, and conditions applicable to such property, and declare that such property is held and will be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to this Declaration.

(b) Concurrently with the supplemental declaration, the owner or owners of such real property will record a "**Supplemental Plat**", which will be executed by or bear the

approval of Declarant and will, among other things, depict the real property to be annexed and establish land classifications for the Additional Land.

(c) The property included in any such annexation will thereby become a part of the Development and subject to this Declaration, and Declarant and the Association will have and will accept and exercise administration of this Declaration with respect to such property.

(d) There is no limitation on the number of Lots or the amount of Common Area which Declarant may create or annex to the Development, except as may be established by City ordinance.

(e) Upon annexation, additional Lots so annexed will be entitled to voting rights as set forth in Section 2.3.

(f) The manner of reallocating the Common Expenses if additional Lots are annexed is set forth in Section 8.9.

13.2 Withdrawal of Property.

Declarant may withdraw property from the Development only by duly adopted amendment to this Declaration, except that Declarant may withdraw all or a portion of any Additional Land at any time before the sale of the first Lot in such Additional Land. Such withdrawal will be effected by a declaration executed by Declarant and recorded in the official records of the County. If a portion of the Development is withdrawn, all voting rights otherwise allocated to Lots being withdrawn will be eliminated, and the Common Expenses will be reallocated as provided in Section 8.9.

Section 14 AMENDMENT AND REPEAL

This Declaration and the Plat may only be amended or repealed with the approval of at least 67% of the Members. However, (a) no amendment under this Section may create, limit, or diminish Declarant's rights without Declarant's approval; and (b) no amendment under this Section may change the boundaries of any Lot without the consent of the Board and all Owners of the affected Lots.

Section 15 MISCELLANEOUS PROVISIONS

15.1 Joint Owners.

Where two or more Owners share the ownership of any Lot, the responsibility of such Owners to comply with this Declaration will be a joint and several responsibility.

15.2 Tenants/Guests.

Tenants and Guests using the Development under rights derived from an Owner will comply with all applicable provisions of the Governing Documents. Each Owner will be

responsible for its Tenants' and Guests' compliance and will be liable for any failure of compliance by its Tenants or Guests in the same manner and to the same extent as if the failure had been committed by the Owner himself.

15.3 Construction; Severability; Number; Captions; Exhibits.

This Declaration will be liberally construed as an entire document to accomplish the purposes stated in the Background paragraphs. However, each provision of this Declaration will be deemed independent and severable, and the invalidity of any provision will not affect the validity of any other provision. As used in this Declaration, the singular includes the plural and the plural the singular, and the masculine and neuter include the masculine, feminine, and neuter, as the context requires. All captions used in this Declaration are intended solely for convenience of reference and will in no way limit this Declaration. The Background paragraphs and all exhibits attached to this Declaration are incorporated into this Declaration by reference.

15.4 Approvals, Notices, and Other Writings.

(a) Within 15 days after taking title to a Lot, the Owner of the Lot will provide the Association with the Owner's current mailing address (if other than the address at the Lot), phone number, and email address, and will provide the Association with a copy of the deed by which the Owner acquired title to the Lot. An Owner will notify the Association of any change in such Owner's contact information within 15 days after the change.


(b) All approvals, notices, and other writings required or permitted to be given under this Declaration must be delivered in person, by first-class United States mail, or by Federal Express, UPS, or other nationally recognized private commercial carrier, postage prepaid. Delivery of such approval, notice, or other writing will be deemed made two business days after having been deposited with the United States Postal Service or nationally recognized private commercial carrier, addressed to an Owner at the address provided under Section 15.4(a), or addressed to Declarant, the Association, or the Architectural Control Committee, at the following address (or at such other address as may be designated in writing from time to time):

Arbor/Gardner/Plum Sunset Hills, L.L.C.
c/o Arbor Commercial Properties, L.C.
126 West Segoe Lily Drive Suite 275,
Sandy, Utah 84070
Attention: President

Declarant has executed this Declaration to be effective as of the date first set forth above.

**ARBOR/GARDNER/PLUM SUNSET HILLS,
L.L.C.**, a Utah limited liability company,
by its manager

By: Arbor Residential Properties L.C., a Utah
limited liability company

By: 
Print Name:
Its: Manager

State of Utah)
) ss.
County of Salt Lake)

The foregoing instrument was acknowledged before me on May 16th, 2014, by Cony Gust, a Manager of Arbor Residential Properties L.C., a Utah limited liability company, a manager of **ARBOR/GARDNER/PLUM SUNSET HILLS, L.L.C.**, a Utah limited liability company

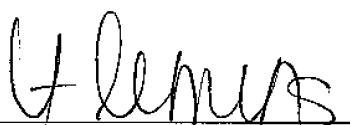

Notary Public



Exhibit A

Legal Description of the Land

**Arbor – Sunset Hills Phase 2
Subdivision Boundary**

**July 7, 2008
Revised June 3, 2010**

A part of the Northwest Quarter of Section 22 and the Northeast Quarter of Section 21, Township 2 South, Range 2 West, Salt Lake Base and Meridian, Salt Lake County, Utah:

Beginning at the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said Section 22, Said point being 1335.47 feet South $0^{\circ}06'45''$ East along the Section Line from the Northwest Corner of said Section 22 as established per John Stahl Survey on file with the Salt Lake County Surveyor's office, Document S1989-01-0017. Said Northwest Corner of said Section 22 also being 238.88 feet South $85^{\circ}21'44''$ East from an existing Salt Lake County monument as shown on the County Area Reference Plat and running thence South $89^{\circ}51'59''$ East 136.79 feet to the Northwest Corner of Sunset Hills P.U.D. – Phase 1 Amended as recorded in the Salt Lake County Recorder's Office.; thence Seventeen courses along the Westerly boundary of said Sunset Hills P.U.D. – Phase 1 as follows: South $32^{\circ}46'07''$ East 120.40 feet; Easterly, Southeasterly, and Southerly along the arc of a 55.00 foot radius curve to the right 135.55 feet (Central Angle equals $141^{\circ}12'42''$ and Long Chord bears South $52^{\circ}09'46''$ East 103.76 feet); South $71^{\circ}33'25''$ East 112.16 feet; South $35^{\circ}54'14''$ East 174.61 feet; South $22^{\circ}09'14''$ East 92.37 feet; South $53^{\circ}57'41''$ West 19.37 feet; South $36^{\circ}02'19''$ East 81.00 feet; Easterly along the arc of a 25.00 foot radius curve to the right 40.80 feet (Central Angle equals $93^{\circ}31'05''$ and Long Chord bears South $79^{\circ}16'47''$ East 36.42 feet); Southeasterly along the arc of a 713.00 foot radius curve to the left 43.78 feet (Central Angle equals $3^{\circ}31'05''$ and Long Chord bears South $34^{\circ}16'47''$ East 43.77 feet); South $36^{\circ}02'19''$ East 267.10 feet; Southeasterly along the arc of a 838.00 foot radius curve to the left 83.52 feet (Central Angle equals $5^{\circ}42'38''$ and Long Chord bears South $38^{\circ}53'39''$ East 83.49 feet); South $41^{\circ}44'58''$ East 48.22 feet; Southeasterly along the arc of a 762.00 foot radius curve to the right 75.95 feet (Central Angle equals $5^{\circ}42'38''$ and Long Chord bears South $38^{\circ}53'39''$ East 75.92 feet); South $36^{\circ}02'19''$ East 31.98 feet; Southeasterly along the arc of a 637.00 foot radius curve to the right 348.28 feet (Central Angle equals $31^{\circ}19'37''$ and Long Chord bears South $20^{\circ}22'31''$ East 343.96 feet); Southwesterly along the arc of a 25.00 foot radius curve to the right 41.38 feet (Central Angle equals $94^{\circ}49'43''$ and Long Chord bears South $42^{\circ}42'09''$ West 36.81 feet); and South $0^{\circ}07'01''$ West 38.42 feet to the Southwest corner of said Sunset Hills P.U.D. – Phase 1 Amended and the South line of said Northwest Quarter of Section 22; thence North $89^{\circ}53'49''$ West 1020.20 feet to the Southwest Corner of said Northwest Quarter of Section 22, thence North $89^{\circ}50'07''$ West 121.08 feet; thence North $0^{\circ}09'53''$ East 40.00 feet; thence Northeasterly along the arc of a 25.00 foot radius curve to the left 39.29 feet (Central Angle equals $90^{\circ}02'26''$ and Long Chord bears North $45^{\circ}08'40''$ East 35.37 feet); thence North $0^{\circ}07'27''$ East 96.94 feet; thence Northwesterly along the arc of a 15.00 foot radius curve to the left 28.30 feet (Central Angle equals $108^{\circ}05'18''$ and Long Chord bears North $53^{\circ}55'12''$ West 24.28 feet); thence North $11^{\circ}17'50''$ West 54.37 feet; thence Northeasterly and Northerly along the arc of a 15.00 foot radius

curve to the left 28.30 feet (Central Angle equals $108^{\circ}05'18''$ and Long Chord bears North $17^{\circ}59'30''$ East 24.28 feet); thence North $36^{\circ}03'09''$ West 133.27 feet; thence Northwesterly along the arc of a 153.00 foot radius curve to the left 8.58 feet (Central Angle equals $3^{\circ}12'45''$ and Long Chord bears North $37^{\circ}39'32''$ West 8.58 feet); thence North $50^{\circ}44'06''$ East 54.00 feet; thence Easterly along the arc of a 15.00 foot radius curve to the left 22.72 feet (Central Angle equals $86^{\circ}47'15''$ and Long Chord bears South $82^{\circ}39'32''$ East 20.61 feet); thence North $53^{\circ}56'51''$ East 85.33 feet; thence North $42^{\circ}41'25''$ West 85.57 feet; thence North $57^{\circ}40'43''$ West 48.99 feet; thence North $70^{\circ}49'11''$ West 104.02 feet; thence North $89^{\circ}51'03''$ West 177.38 feet; thence North $0^{\circ}08'57''$ East 154.00 feet; thence South $89^{\circ}51'03''$ East 39.29 feet; thence North $0^{\circ}08'57''$ East 100.00 feet; thence North $89^{\circ}51'03''$ West 80.00 feet; thence North $63^{\circ}05'18''$ West 38.76 feet; thence North $44^{\circ}38'20''$ West 55.26 feet; thence North $58^{\circ}43'40''$ West 95.39 feet; thence North $0^{\circ}08'57''$ East 148.02 feet; thence South $89^{\circ}51'03''$ East 21.56 feet; thence North $0^{\circ}08'57''$ East 255.81 feet; thence South $89^{\circ}50'07''$ East 615.69 feet to the point of beginning.

**Contains 1,413,240 sq. ft.
or 32.444 acres**

Exhibit B

Bylaws

**BYLAWS
OF
SUNSET HILLS PHASE 2 HOMEOWNERS ASSOCIATION, INC.**

**Section 1
DEFINITIONS**

1.1 **Declaration.** The Declaration of Covenants, Conditions, Restrictions, and Easements for Sunset Hills Phase 2, recorded in the official records of Salt Lake County, Utah, as may be amended from time to time.

1.2 **Other Definitions.** Any capitalized term used but not defined in these Bylaws will have the meaning attributed to it in the Declaration.

**Section 2
MEETINGS OF OWNERS**

2.1 **Annual Meetings.** The initial annual meeting of the Association will be held at a time and in a month specified by the Board. Subsequent annual meetings will be held during the same month each year. Annual meetings will be held for the purpose of electing Directors, approving the annual budget, and transacting such other business as may come before the annual meeting.

2.2 **Special Meetings.** A special meeting of the Association may be called at any time by the Board or the president of the Association, or upon the written request of at least 30% of the votes entitled to be cast by the Owners. A special meeting may only be held for the purposes set forth in the notice for that special meeting.

2.3 **Place of Meetings.** The Board may designate any place in Salt Lake County as the place for any annual or special meeting of the Association. Owners may participate in meetings by any means of electronic or telephonic communication through which all Owners and other participants may simultaneously hear one another during the meeting. Owners who participate in a meeting by such means will be considered present for all purposes, including the presence of a quorum.

2.4 **Notice of Meetings.**

(a) Notice of each meeting stating the place, date, and time of the meeting and the purpose or purposes for which the meeting is called, will be delivered to each Owner entitled to vote at the meeting, not less than 10 nor more than 60 days before the date of the meeting. Each notice will be in writing and will be sent via one of the following methods of delivery: (i) hand delivery to the Owner or an authorized agent of the Owner; (ii) United States first-class mail, postage prepaid, and addressed to the Owner at the address on file with the Salt Lake County Recorder (or at such other address as the Owner has designated in writing to the Association); (iii) nationally recognized delivery service, with all fees prepaid, and addressed to the Owner at the address on file with the Salt Lake County Recorder (or at such other address as the Owner has designated in writing to the Association); (iv) fax, sent to the Owner at the fax number the

Owner has designated in writing to the Association; or (v) email, sent to the Owner at the email address the Owner has designated in writing to the Association.

(b) A notice will be deemed to have been received as follows: (i) if the notice is delivered in person or sent by nationally recognized delivery service, upon receipt as indicated by the date and time on the signed receipt; (ii) if the notice is delivered by United States first-class mail, three business days after the notice is deposited in the mail; (iii) if the notice is sent by fax, upon receipt by the Association of an acknowledgment or transmission report generated by the machine from which the fax was sent indicating that the fax was sent in its entirety to the Owner's fax number; (iv) if the notice is sent by email, upon receipt by the Association of a reply email from the Owner acknowledging receipt of the email; (v) if the Owner rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change in mailing address, fax number, or email address for which the Owner failed to notify the Association, then upon the rejection, refusal, or inability to deliver; (vi) notwithstanding the foregoing, if a notice is received after 5:00 p.m. Mountain Time, or on a day that is not a business day in the State of Utah, then the notice will be deemed received at 9:00 a.m. on the next business day in the State of Utah.

(c) The Board may set a record date for determining the Owners entitled to notice. The Association will give notice at the Association's expense of any special meeting called by the Owners under Section 2.2.

Section 3 VOTING; QUORUM

3.1 Voting. Votes will be allocated as set forth in the Declaration and the Articles.

3.2 Voting Method. Votes may be cast (a) in person, (b) by proxy in accordance with Section 3.3, (c) by action without a meeting in accordance with Section 3.4, or (d) by written ballot in accordance with Section 3.5.

3.3 Action by Proxy. Every proxy must be executed in writing by the Owner or its duly authorized attorney-in-fact and filed with the secretary of the Association before or at the time of the meeting. No proxy will be valid after the expiration of one year from the date of its execution unless otherwise provided in the proxy.

3.4 Action Without a Meeting.

(a) Any action that may be taken at any annual or special meeting of the Association may be taken without a meeting and without prior notice if written consents setting forth the action taken are signed by Owners having at least the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners entitled to vote on the action were present and voted.

(b) Notice of any proposed Owner action without a meeting must be delivered at least ten days before the effective date of the action to every Owner entitled to vote on the matter and must (i) include a description of the proposed action sufficient to permit each Owner

to reach an informed decision on the matter and (ii) state the percentage of approvals necessary to approve the action.

(c) Action taken by the Owners pursuant to this Section 3.4 is effective as of the date the last written consent necessary to effect the action is received by the Association, so long as all written consents on which the Association relies for the taking of an action pursuant to this Section 3.4 are: (i) received by the Association within 60 days from the date the first consent is received and (ii) not revoked pursuant to Section 3.4(d).

(d) Any Owner may revoke its consent by a signed writing that (i) describes the action; (ii) states that the Owner's prior consent is revoked; and (iii) is received by the Association before the action becomes effective.

(e) A written consent under this Section 3.4 may be received by the Association by fax or email or other form of communication providing the Association with a complete copy of the written consent, including a copy of the signature to the written consent.

(f) Directors may not be elected pursuant to this Section 3.4 except by unanimous written consent of all Owners entitled to vote for the election of Directors.

(g) The record date for determining the Owners entitled to take action without a meeting is the date the first Owner delivers to the Association a written consent to the action.

(h) Action taken pursuant to this Section 3.4 will have the same effect as action taken at a meeting.

3.5 Action by Written Ballot.

(a) Any action that may be taken at any meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. Such written ballot will set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot will be valid only when the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot. Owners submitting a written ballot will be considered to have participated in the meeting for all purposes.

(b) All solicitations for votes by written ballot must: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the date by which a written ballot must be received by the Association in order to be counted (which date may not be less than 15 days after the date on which the ballots are delivered); and (iv) be accompanied by written information sufficient to permit each Owner casting a written ballot to reach an informed decision on the matter.

(c) The number of votes cast by written ballot will constitute a quorum for action on the matter.

(d) Action by written ballot will have the same effect as action taken at a meeting. A written ballot may also be used in connection with any meeting of the Association, thereby allowing Owners the choice of either voting in person or by written ballot delivered by an Owner to the Association in lieu of attendance at such meeting. A valid written ballot will be counted equally with the votes of Owners in attendance at any meeting for every purpose.

(e) A written ballot may not be revoked.

3.6 **Majority Vote.** The affirmative vote of a majority of the votes entitled to be cast by the Owners participating in a meeting in person, by proxy, or by written ballot will be the act of the Owners, unless the vote of a greater number is required by law, the Declaration, the Articles, or these Bylaws.

3.7 **Quorum.** The number of Owners participating in a meeting in person, by proxy, by action without a meeting, or by written ballot will constitute a quorum.

3.8 **Greater Quorum or Voting Requirements.** Any amendment to these Bylaws that adds, changes, or deletes a greater quorum or voting requirement must meet the same quorum requirement and be adopted by the same vote required to take action under the greater of the quorum and voting requirements then in effect or proposed to be adopted.

Section 4 BOARD

4.1 **Declarant Control Period.** During the Declarant Control Period, the Board will consist of three Directors, who will be appointed by Declarant in its sole discretion and will serve until replaced by Declarant or until the expiration of the Declarant Control Period, whichever occurs earlier. Declarant will have the exclusive right to appoint, remove, and replace all Directors during the Declarant Control Period. Sections 4.2 through 4.9 are subject to this Section 4.1.

4.2 **Number, Election, Term of Directors.** The Board will consist of three Directors. Directors will be elected at the annual meetings of the Association by a majority of the votes allocated to the Owners. Subject to Sections 4.3 and 4.4, each Director will hold office for a term of one year.

4.3 **Removal and Replacement.** A Director may be removed before the expiration of his term with the consent of 67% or more of the votes allocated to the Lots. Upon the removal of a Director, the Owners will appoint a replacement Director to serve until his successor is elected.

4.4 **Resignation or Death.** A Director may resign before the expiration of his term by giving written notice to the president or to the secretary of the Association. Such resignation will take effect on the date specified in the notice. Upon the resignation or death of a Director, the remaining Directors will appoint a replacement Director to serve until his successor is elected.

4.5 **Meetings.** Meetings of the Board will be held at least annually, and at any time when called by the president of the Association or by two or more Directors, upon the giving of

at least five days' prior notice of the time and place of the meeting to each Director by hand-delivery, prepaid United States mail, fax, email, or telephone. Any business may be transacted at a Board meeting. No notice of a Board meeting need state the purposes for holding the meeting, and no notice of any adjourned Board meeting will be required.

4.6 Place of Meetings. The Board may designate any location convenient to the Directors in which to hold a Board meeting. Directors may participate in any Board meeting by means of any electronic or telephonic communication by which all participants may simultaneously hear one another during such meeting. Directors who participate in a Board meeting by such means will be considered present for all purposes, including the presence of a quorum.

4.7 Quorum. A majority of Directors will constitute a quorum for the transaction of business, but a lesser number may adjourn any Board meeting from time to time. When a quorum is present at any Board meeting, a majority of the Directors in attendance will decide any question brought before such meeting.

4.8 Waiver of Notice. Before, at, or after any Board meeting, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving of such notice. Attendance by a Director at a Board meeting will constitute a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business based on a claim that the meeting was not duly called or convened.

4.9 Informal Action by Directors. Any action required or permitted to be taken at a Board meeting may be taken without such meeting if a written consent setting forth the action so taken is signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent will have the same force and effect as a unanimous vote of the Directors.

Section 5 OFFICERS AND AGENTS

5.1 General. The Officers of the Association will be a president (who will be chosen from among the Directors), a vice president, a secretary, and a treasurer. The Board may appoint such other Officers, assistant Officers, committees, and agents, including assistant secretaries and assistant treasurers, as it may consider necessary or advisable, who will be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any Officer, agent, or employee are not prescribed by these Bylaws or by the Board, such Officer, agent, or employee will follow the orders and instructions of the president.

5.2 Removal of Officers. The Board may remove any Officer, with or without cause, and elect a successor at any Board meeting.

5.3 Vacancies. A vacancy in any office will be filled by the Board for the unexpired portion of the term.

5.4 **President.** The president will be the chief Officer of the Association. The president will preside at all Association meetings and Board meetings. The president will have the general and active control of the affairs and business of the Association and general supervision of its Officers, agents, and employees. The president is designated as the Officer with the power to prepare, execute, certify, and record amendments to the Declaration and the Articles on behalf of the Association.

5.5 **Vice President.** The vice president will assist the president and will perform the duties assigned to him by the president or the Board. In the absence of the president, the vice president will have the powers and perform the duties of the president.

5.6 **Secretary.** The secretary will:

(a) keep the minutes of the proceedings of Association meetings and Board meetings;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws and the Declaration;

(c) maintain the records of the Association, including a record containing the names and registered addresses of all Owners, the designation of the Lot owned by each Owner, and, if a Lot is Mortgaged, the name and address of each Mortgagee; and

(d) perform all other duties incident to the office of secretary and the duties assigned to him by the president or the Board.

5.7 **Treasurer.** The treasurer will be the principal financial Officer of the Association and will have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association. The treasurer will receive and give receipts and acquittances for moneys paid in on account of the Association and will pay out of the funds on hand all bills, payrolls, and other just debts of the Association upon maturity. The treasurer will perform all other duties incident to the office of treasurer and, upon request of the Board, make such reports to it as may be required at any time. The treasurer will, if required by the Board, give the Association a bond for the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money, and other property in his possession or under his control belonging to the Association. The treasurer will have such other powers and perform such other duties assigned to him by the president or the Board.

Section 6

PROOF OF OWNERSHIP; CONTACT INFORMATION; ASSOCIATION ADDRESS; MORTGAGES

6.1 **Proof of Ownership.** Each Owner will furnish to the Association a copy of the recorded instrument vesting that Owner with an ownership interest in the Lot. Such copy will remain in the records of the Association. An Owner who fails to satisfy this requirement will not be deemed an Owner in good standing and will not be entitled to vote at any Association meeting.

6.2 **Contact Information.** Each Owner is required to register a mailing address, a phone number, and an email address with the Association within ten days after becoming an Owner. The contact information of each Owner will be kept in the records of the Association. Owners must notify the Association of any change in contact information within ten days after the change. Any notice mailed to an Owner's registered address or—if the Owner fails to register an address with the Association—to the address on file with the Salt Lake County Recorder will be deemed duly delivered.

6.3 **Address of the Association.** The initial principal address of the Association will be c/o Arbor Commercial Properties, L.C., 126 West Segoe Lily Drive Suite 275, Sandy, Utah 84070. The Association's address may be changed from time to time upon written notice to all Owners and all Eligible Mortgagees.

6.4 **Mortgages.** Any Owner who Mortgages its Lot will give the Association written notice of the name and address of the Mortgagee and will file true, correct, and complete copies of the note and security instrument with the Association.

Section 7
SECURITY INTEREST IN MEMBERSHIP

An Owner will have the right to appoint the Mortgagee of its Lot as its true and lawful attorney-in-fact to exercise any and all rights, privileges, and powers that the Owner has as a Member of the Association by filing a proxy with the secretary of the Association. A release of the Mortgage covering the Lot will operate to revoke the proxy. An Owner who appoints its Mortgagee as attorney-in-fact will not be relieved of its duties and obligations as an Owner, nor will the appointment impose upon the Mortgagee the duties or obligations of an Owner.

Section 8
AMENDMENT


These Bylaws may be amended with the approval of at least 67% of the votes allocated to the Lots and, during the Declarant Control Period, the approval of Declarant.

[Remainder of Page Intentionally Left Blank – Signature Page Immediately Follows]

The undersigned incorporator has executed these Bylaws to be effective as of May 16, 2014.

**ARBOR/GARDNER/PLUM SUNSET HILLS,
L.L.C.**, a Utah limited liability company,
by its manager

By: Arbor Residential Properties L.C., a Utah
limited liability company

By: 

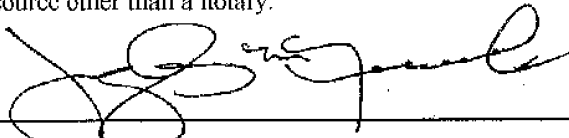
Print Name:
Its: Manager

Notary's Copy Certification

On this 19th day of May 2014, I certify that the document identified as

Simplifile Document Number 133CE08D-9EA2-C3E9-1785-C176C247A017,

is a true, exact, complete and unaltered scanned image made by me of "CCRs" presented to me by the document's custodian, Meridian Title Company, and that, to the best of my knowledge, said electronically scanned image is neither a public record nor a publicly recorded document, certified copies of which are available from an official source other than a notary.



Douglas M. Newell

64 East 6400 South, Suite 100

Murray, UT 84107

Notary Public

State of Utah

My commission number is 664043.

My commission expires on March 6, 2017.

Seal:

