

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
BRIDGESTONE**

**A Planned Unit Development in
Utah County**

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This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRIDGESTONE ("Declaration") is adopted by the Bridgestone Homeowners Association ("Association") and is effective as of the date it is recorded in the office of the Utah County Recorder.

RECITALS

A. The *Declaration of Covenants, Conditions and Restrictions of the Bridgestone Homeowner's Association* was recorded in the Utah County Recorder's Office on June 2, 1998 as Entry No. 55377 in Book 4657 and beginning on page 609 (the "Enabling Declaration").

B. The *Amended Declaration of Covenants, Conditions and Restrictions of the Bridgestone Homeowner's Association* was recorded in the Utah County Recorder's Office on April 14, 1999 as Entry No. 42821 in Book 5046 and beginning on page 749.

C. The *Articles of Amendment to the Amended Declaration of Covenants, Conditions and Restrictions of the Bridgestone Homeowner's Association* was recorded in the Utah County Recorder's Office on September 8, 2000 as Entry No. 70908:2000.

D. The *Bridgestone Homeowners Association Revised Declaration of Covenants, Conditions, & Restrictions for Bridgestone Homeowners Association* was recorded in the Utah County Recorder's Office on October 11, 2002 as Entry No. 120761:2002.

E. The *Bridgestone Homeowners Association Amended and Restated Declaration of Covenants, Conditions, & Restrictions for Bridgestone Homeowners Association* was recorded in the Utah County Recorder's Office on March 25, 2004 as Entry No. 33495:2004.

F. The *Bridgestone Homeowners Association Amended and Restated Declaration of Covenants, Conditions, & Restrictions for Bridgestone Homeowners Association* was recorded in the Utah County Recorder's Office on January 24, 2005 as Entry No. 7448:2005.

G. The *Bridgestone Homeowners Association Amended and Restated Declaration of Covenants, Conditions, & Restrictions for Bridgestone Homeowners Association* was recorded in the Utah County Recorder's Office on April 6, 2006 as Entry No. 41501:2006.

H. The *Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bridgestone Homeowners Association* was recorded in the Utah County Recorder's Office on August 26, 2011 as Entry No. 60212:2011.

I. The *Bridgestone Homeowners Association Amended and Restated Declaration of Covenants, Conditions, & Restrictions* was recorded in the Utah County Recorder's Office on June 27, 2012 as Entry No. 53182:2012.

J. The *Bridgestone Homeowners Association Amended and Restated Declaration of Covenants, Conditions, & Restrictions 31 December 2012* was recorded in the Utah County Recorder's Office on January 22, 2013 as Entry No. 6181:2013 (the "2013 Declaration").

K. This *Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Bridgestone* is adopted to: (1) clarify and define the rights of the Association and the Owners, in and to the Project, (2) conform to changes to the Utah Community Association Act and other Utah law, (3) provide for a general plan for managing the Project, and (4) in furtherance of the effort to efficiently and economically provide a quality living environment and protect and enhance the value of the Project.

L. This Declaration, which (along with and subject to any future amendments) shall be the sole declaration for the Project and shall completely replace and supersede in all respects the Enabling Declaration, and all prior declarations and amendments thereto, (whether recorded or not, properly adopted or not, or referenced in this Declaration or not), prior to the date of the recording of this Declaration.

M. This Declaration affects the real property situated in Utah County, Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated in this Declaration by reference (the "Project") and shall be binding on all parties having or acquiring any right, title, or interest to the Project or any part thereof.

N. The Bylaws of the Association attached hereto as Exhibit B supersede and replace any previous bylaws of the Association and any amendments thereto.

O. Pursuant the amendment requirements contained in Article VIII, Section J of the 2013 Declaration, the undersigned hereby certifies that this Declaration and Bylaws were approved by Owners holding at least sixty-seven (67%) of the total votes of the Association.

NOW, THEREFORE, pursuant to the Recitals set forth above and incorporated herein and subject to the covenants set forth below, the Association hereby adopts this Declaration. This Declaration, together with the Plat, Bylaws, and Rules adopted by the Association, shall define and govern the rights of the Owners and the Association related to the Project.

ARTICLE I. DEFINITIONS

The capitalized terms used in this Declaration shall have the meanings set forth in this Article 1. Unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

1.1. **Act** shall mean the Utah Community Association Act, codified beginning at Section 57-8a-101, Utah Code Annotated, as the same may be amended from time to time.

1.2. **Architectural Control Committee** or **ACC** shall mean and refer to the Board or, if so appointed by the Board, a committee having architectural control powers as further described in Article X.

1.3. **Articles** shall mean the Articles of Incorporation for the Association, as amended and restated from time to time.

1.4. **Assessments** shall mean any monetary charge imposed or levied by the Association against Owners as provided for in this Declaration.

1.5. **Association** shall mean and refer to the Bridgestone Homeowners Association, a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in the dissolution of the Association. The Association may renew or reinstate its corporate status without Owner approval.

1.6. **Benefited Owner** shall mean an Owner of a Lot that is benefited by unique services from the Association that are not provided to other Owners, or who is benefited by a Limited Common Area of such Owner or group of Owners to which such Limited Common Area is adjacent to, or which such Limited Common Area is required for access to the Benefited Owner's Lot.

1.7. **Board** or **Board of Directors** shall mean and refer to the Board of Directors of the Association as duly elected in accordance with the terms and conditions of the Articles of Incorporation and Bylaws of the Association. The Board is the governing body of the Association.

1.8. **Board Member** shall mean a duly qualified and elected or appointed individual member of the Board of Directors of the Association.

1.9. **Bylaws** shall mean and refer to the Bylaws of the Association attached as Exhibit B as the same may be amended from time to time. No amendment to the Bylaws shall be effective until it is recorded.

1.10. **Common Areas** shall mean all land and the improvements situated thereon, within the Project that are designated as open space or Common Areas on the Plat or other recorded instrument and other real property which the Association now or hereafter owns in fee for the benefit of Owners for as long as the Association is the owner of the fee, which may include without obligation or limitation: the clubhouse, maintenance buildings, Association signs or monuments, walkways, trails, landscaped areas, street signage, sidewalks, parking areas, private lanes, and other similar improvements; and any real property or improvements within the Project that the Association has the obligation to maintain, repair, or replace for the common benefit of the Owners, as the Board shall determine in its sole and exclusive discretion, including utility and service lines and similar improvements, whether public or privately owned, intended to serve more than one Lot, whether located on a Lot or within the Common Area. Common Area shall not include exteriors of the Residences.

1.11. **Common Expenses** shall mean all sums lawfully assessed against Owners including expenses of administration, maintenance, management, operation, repair and replacement of the Common Areas which are maintained by the Association; expenses agreed upon as common expenses by the Association or its Board of Directors; expenses authorized by the Governing Documents or the Act as common expenses; payments for common utilities; and any other expenses necessary for the common benefit of the Owners.

1.12. **Declaration** shall mean and refer to this *Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Bridgestone*, as may be amended from time to time.

1.13. **Design Guidelines** shall mean the requirements governing the location, color, materials, and architectural design of Residences, structures, landscaping and improvements within the Project.

1.14. **Governing Documents** shall mean and refer to the Declaration, Articles of Incorporation, Bylaws, Plat, and any Rules adopted by the Board.

1.15. **Limited Common Area** shall mean a portion of the Common Area specifically designated in this Declaration or the Plat for the exclusive use of Owners of one or more Lots to the exclusion of other Owners. Conveyance of a Lot includes the use of the Limited Common Area designated for the use of the Owner of the Lot. The Board shall have the sole discretion to determine the boundaries of each Lot's Limited Common Area.

1.16. **Lot** shall mean and refer to each of the individual Lots or building pads within the Project, as shown on the Plat, with the exception of the Common Areas. A Lot shall include all improvements, including the Residence.

1.17. **Manager** shall mean a person, persons, or entity, if any, selected by the Board to manage the affairs of the Association and Project.

1.18. **Member** shall mean and refer to a Lot Owner.

1.19. **Mortgage** shall mean any and refer to a mortgage, deed of trust, or trust deed or the act of encumbering any Lot or any property by a mortgage, trust deed, or deed of trust.

1.20. **Mortgagee** shall mean and refer to any person or entity named as a mortgagee of a mortgage or beneficiary under or holder of a deed of trust.

1.21. **Occupant** shall mean and refer to any Person, other than an Owner, living or staying in a Residence. This includes, but is not limited to, all lessees, tenants, guests, and the family members, agents, and representatives living, or staying in a Residence. Occupants shall be bound by the Restrictions in this Declaration and shall be liable for any fines that are assessed for violations of the Governing Documents.

1.22. **Owner** or **Lot Owner** shall mean and refer to the record owner, whether one or more Persons, of a fee simple title to any Lot which is a part of the Project, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.23. **Party Wall** shall mean and refer to a wall, including without limitation a foundation wall and a wood framed wall, that forms part of a Residence and is located on or adjacent to a boundary line between two or more adjoining Lots owned by more than one (1) Owner and is used or is intended to be used by the Owners of the benefitted Residences, which wall may be separated by a sound board between two or more Residences.

1.24. **Person** shall mean and refer to a natural individual, corporation, business entity, estate, partnership, trustee, association, joint venture, government, governmental subdivision, or agency or other legal entity capable of holding title to real property.

1.25. **Plat** shall mean and refer to all official subdivision plats of the Bridgestone Planned Unit Development (including amendments if any), filed and recorded in the official records of the Utah County Recorder's Office.

1.26. **Project** as hereinbefore defined shall at any point in time mean, refer to the Bridgestone Planned Unit Development, and shall include the real property legally described in Exhibit A, together with the buildings, improvements, and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.27. **Residence** shall mean and refer to an attached dwelling unit designed and intended for use and occupancy as a single-family residence, together with all improvements in connection with such Residence. The Residence shall include, without limitation, the attached garage, any mechanical equipment located outside said Residence but designed to serve only that Residence, and all utility lines or installations serving only the Residence. The exterior elements of all Residences including, but not limited to exterior walls, roofs, siding, soffits, fascia, gutters, doors, and windows shall be part of the Residence and these exterior elements are not Common Areas.

1.28. **Restrictions** shall mean the covenants, conditions, assessments, easements, liens, and restrictions set forth in this Declaration.

1.29. **Rules** shall mean and refer to the Rules, resolutions, regulations, policies, architectural guidelines, etc. adopted by the Board.

1.30. **Service Area** shall mean a geographical area in the Project in which the Benefited Owners within that area receive special benefits or services from the Association that the Association does not provide to all Lots or Owners within the Project.

ARTICLE II. PROJECT DESCRIPTION

2.1. **Submission.** The Project (as described with particularly on Exhibit A attached hereto and incorporated herein by this reference) is hereby submitted to the Act. The Project and all of the Lots shall be held, conveyed, transferred, sold, mortgaged, encumbered, occupied, used, and improved subject to the Restrictions, which Restrictions shall constitute covenants and conditions running with the land and shall be binding upon and inure to the benefit of the Association and each Owner, including their respective heirs, successors, and assigns.

2.2. **Name.** The Project, as submitted to the provisions of this Declaration, shall be known as the Bridgestone Planned Unit Development. The Project is not a condominium and is not a cooperative.

2.3. **Description of Improvements.** The improvements contained in the Project will be located upon the properties within the Bridgestone Plats. The major improvements contained in the Project include a clubhouse and one hundred and three (103) single family Lots with Residences and appurtenant improvements, sidewalks, private lanes, RV parking area, and open lawn areas on the Common Area. The main roads through the Project are publicly and privately owned and maintained. All improvements have been and shall continue to be constructed in a style and of materials architecturally compatible with the other improvements on the Project. The Lots, their locations, and approximate dimensions are indicated on the respective Plats.

2.4. **Common Areas.** The Common Areas of the Project shall be as identified on the Plats and as defined in Article 1, Section 1.9 above.

(a) **Clubhouse.** Clubhouse hours, rules and scheduling are to be determined by the Board. Keys to the Clubhouse event room will be kept by the Clubhouse Committee (if appointed) and issued to Owners prior to the scheduled event. All residents are responsible for the safety and supervision of their own family and guests. An adult resident must be present during Clubhouse use and insure supervision of children. No Owner, their family members, guests or invitees shall use skateboards, bikes, scooters, in or around the Clubhouse. Pets are prohibited in the Clubhouse. The Board may adopt additional Rules governing the use and access to the Clubhouse.

2.5. **Limited Common Areas.** The Limited Common Area of each Lot shall consist of the areas identified on the Plat as Limited Common Area, if any, that are spatially associated with that Lot. If not otherwise identified on the Plat, the Limited Common Areas of each Lot shall generally include, porches storage areas, parking spaces, common garages, hall spaces, elevators, and driveways that are outside the boundaries of the Lot. The right to the exclusive use of the Limited Common Area shall be appurtenant to each respective Lot where so identified and may not be severed from the ownership of the Lot. All installations or modifications of Limited Common Areas shall be approved by the Association and shall be subject to the provisions in this Declaration and the Design Guidelines. The Board shall have the authority to assign Limited Common Areas not otherwise depicted on the Plat.

2.6. **Lots.** Subject to further specification herein, each Lot consists generally of all structures on or within the boundary of the Lot, including, but not limited to: (1) all interior and exterior walls, wall surfaces, floors, ceilings, roofs, foundations, and fixtures; and (2) in all walls shared with or abutting another Lot, the Lot shall extend to the center of the wall, which shall form the boundary of the Lots sharing that wall. Subject to dividing lines between Lots, any above-ground structure that extends beyond the vertical plane of the ground-level boundary of the Lot is part of the Lot if it: (1) is part of and an integral part of the Lot's structure (such as bay windows, pop-outs, eaves, etc., not to include fences, or other appurtenant structures that merely connect to the Lot structure); or (2) was constructed as part of the original construction of the Lot. All pipes, wires, conduits, chutes, flues, ducts, shafts, public utility, water or sewer lines, or any other similar fixtures lying inside the designated vertical boundaries of a Lot, shall be part of the Lot. All exterior and interior doors, door jams, windows, window sills, window frames and all components therein, skylights, garages, and garage doors, in or on the boundary of any Lot are part of the Lot.

2.7 **Service Area.** The Association, may create and place Lots into one or more Service Areas in which the Lots share Limited Common Areas or receive special benefits or services from the Association that it does not provide to all Lots within the Project. The creation of a Service Area, the designation of Lots subject to a Service area, and the scope of services to be performed for a Service Area shall be set forth in a Board resolution, or similar Association document. A Lot may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Lots of more than one housing type and may include Lots that are not contiguous. The Association Board may, by a resolution, designate Service Areas and assign Lots to them upon the affirmative vote of Benefited Owners exceeding sixty-seven percent (67%) of the Lots affected by the proposed designation.

The Owners of Lots within each Service Area may (but shall not be required to) elect a "Service Area Committee" of no more than three (3) members to represent and act on behalf of the Benefited Owners with respect to the services and benefits that the Association provides to the Service Area. Service Area Committees are subordinate to the Board and shall only have the powers, duties, or responsibilities specifically assigned by the Board in a written resolution. Notwithstanding the foregoing, any assessment or action taken by the Association directed at or primarily affecting a Service Area shall be made in consultation with such Service Area Committee. The decisions or actions of a Service Area Committee may be overridden or vacated upon the affirmative vote of at least 51% of the Benefited Owners subject to the Service Area.

Upon the creation of a Service Area, the Association shall have the right to reallocate or reassign the maintenance obligations set forth in Exhibit C as they pertain to the Lots within the Service Area. However, any reallocation or reassignment of maintenance responsibilities must be approved by the affirmative vote of at least sixty-seven percent (67%) of the Benefited Owners affected by the modifications.

2.8. **Registered Agent.** The Registered Agent of the Association shall be as provided in the entity filings with the Utah State Department of Commerce, Division of Corporations and Commercial Code. The Board may change the Registered Agent without Owner vote or approval.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

3.1. **Membership.** Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

3.2. **Voting Rights.** Except as otherwise disallowed in this Declaration or the Bylaws, Owners shall be entitled to one (1) vote per Lot owned.

3.3. **Multiple Ownership Interests.** In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast by any of such Owners, whether in person or by proxy or by written ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made or if there are conflicting votes from the same Lot, the vote involved shall not be counted for any purpose other than to determine whether a quorum exists.

3.4. **Proxies.** An Owner may give his proxy, either specific or general, to another Owner, an immediate family member, their attorney, or to a contract purchaser or his Lot to vote on all matters coming before the Association for vote provided the same is in writing, signed by the Owner, and is presented to those Association officers conducting such vote or as may be further provided in the Bylaws.

3.5. **Record of Ownership.** Every Owner shall promptly file the conveyance document (or in the case of contract buyer, a copy of the sales contract) for his Lot with a Board Member or the Manager of the Association who shall maintain a record of ownership of the Lots. Any cost incurred by the Association in obtaining the information about an Owner as specified herein which is not furnished by such Owner shall nevertheless be at the expense of such Owner and shall be reimbursed to the Association as an "Individual Assessment" in accordance with the provisions of Article V.

ARTICLE IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. **Easement of Enjoyment.** Each Member shall have a right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any family member, tenant, lessee, or contract purchaser who resides on such Member's Lot. With respect to the Limited Common Areas within the Project, this right of easement shall only extend to the Limited Common Area appurtenant to the Member's Lot and not to other Limited Common Areas.

4.2. **Title to Common Areas.** The Association shall hold the title to the various Common Areas within the Project.

4.3. **Limitation on Easement.** A Member's right and easement for the use and enjoyment of the Common Areas shall be subject to the following:

- 1) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;
- 2) The right of Utah County and any other governmental or quasi-governmental body having jurisdiction over the Project to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Project for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service;
- 3) The right of the Association to suspend voting rights and right to use the Common Areas by an Owner for any period during which any Assessments against his Lot remain unpaid, and for a period not to exceed sixty (60) days for any infraction of the Rules;
- 4) The right of the Association to dedicate or transfer all or any part of the Common Areas, and any sewer, water and storm drain lines to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer must, however, be assented to by sixty-seven percent (67%) of all of the Lot Owners.

4.4. **Delegation of Use.** Any Owner may delegate his right of use and enjoyment to the Common Areas to family members, tenants, or contract purchasers who reside in the Project. The rights and privileges of such delegee or assignee shall be subject to suspension in the same manner and to the same degree as those of an Owner, as described in above Section.

4.5. **Association Easement.** The Association, its Board, employees, agents, and contractors shall have non-exclusive easements to use the Common Areas to perform their duties as assigned by the Governing Documents.

4.6. **Easement for Utility Services.** The Project is subject to a blanket easement over, across, above, and under it for ingress, egress, installation, maintenance, repair, and replacement of roads and utilities. Utilities include, without limitation, water, sewer, gas, telephone, electricity, data, video, and cable.

4.7. **Easements for Encroachments.** If any portion of a Common Area structure or improvement encroaches upon any Lot, or if any structure or improvement of a Lot encroaches upon any other Lot or the Common Area as a result of the manner in which the improvements were initially approved and constructed or due to settling, shifting, alteration, replacement, repair, or restoration by the Association, a valid easement for encroachment, and maintenance of such encroachment, shall exist for the life of the improvement or structure.

4.8. **Party Wall Easement.** Each Owner hereby acknowledges and agrees that a Party Wall may presently encroach upon or overlap the Owner's Lot. Each Owner hereby grants to the Association, and the adjoining Owner of the other Lot that shares the Party Wall, an easement over and upon its Lot for the purpose of maintaining the Party Wall. By accepting a deed to a Lot, each Owner hereby covenants and agrees not to do anything or to erect any barrier that will hinder, delay or limit the maintenance of the Party Wall and the performance of each Owner's obligation to maintain and repair their Residence.

4.9. **Compliance with Restrictions and Rules.** Each Owner and Occupant shall comply with the Restrictions imposed by this Declaration. Further, each Owner, Occupant and guest shall fully and faithfully comply with the Association's Rules and restrictions and shall be jointly and severally liable for any violations thereof.

ARTICLE V. BUDGET AND ASSESSMENTS

5.1. **Annual Budget.** The Board shall prepare and adopt an annual budget for the Association. The annual budget shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management, and operation of the Association. The Board may revise the budget from time to time as the Board deems appropriate. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect until a new annual budget is adopted. The budget shall be made available to Owners within thirty (30) days after adoption. Owners may disapprove a budget according to the provisions of the Act.

The budget shall track and estimate the following Common Expenses in separate sub-categories within the total budget in order to allocate these expenses as set forth in Section 5.4 below.

1) **Building Type 1 Expenses.** The actual and estimated expenses incurred or to be incurred by the Association, which may include, but shall not be limited to: insurance, reserves, maintenance costs, utilities, landscaping, snow removal, etc., or any other expenses incurred that solely benefit the Lots within Bridgestone Plats A, B, D Amended, E, and F.

2) **Building Type 2 Expenses.** The actual and estimated expenses incurred or to be incurred by the Association, which may include, but shall not be limited to: insurance, reserves, maintenance costs, utilities, landscaping, snow removal, etc., or any other expenses incurred that solely benefit the Lots within Bridgestone Plat G and Plat H subdivisions.

3) **Building Type 3 Expenses.** The actual and estimated expenses incurred or to be incurred by the Association, which may include, but shall not be limited to: insurance, reserves, maintenance costs, utilities, landscaping, snow removal, etc., or any other expenses incurred that solely benefit the Lots within Bridgestone Plat C subdivision.

4) **Service Area Expenses.** The expenses associated with each designated Service Area (if any) incurred by the Association primarily for the benefit of the Lots within each designated Service Area which may include costs of snow removal, landscaping, construction, insurance, maintenance, and any repair and replacement of the Common Area facilities appurtenant to the Service Area, structures and adjacent areas. Service Area Expenses may include a reasonable administrative charge, provided that any such administrative charge is applied at a uniform rate per Lot among all Service Areas receiving the same or similar services. If the Service Area responsibilities require the maintenance or repair of long-term Common Area facilities, then the Service Area Expenses shall include contributions to a reserve fund for the repair and replacement of such facilities. Service Area reserves shall be accounted for and kept separate from the Association's primary reserve fund. Separate accounting and financial reporting shall be maintained for each Service Area. Each Service Area Committee shall be consulted in the determination of the budget for their respective Service Area.

5.2. **Covenant to Pay Assessments.** Each Owner of a Lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, hereby covenants and agrees with each other and with the Association to pay to the Association all Assessments, including without limitation, all Annual, Special, and Individual Assessments described below, and other fees, charges, levies, and fines as may be provided in the Governing Documents.

5.3. **Purpose of Assessments.** Assessments levied by the Association shall be used for the purpose of promoting the health, safety, and welfare of residents of the Project, including but not limited to the appearance and aesthetics of the Project. The use made by the Association of funds obtained from Assessments may include, but is not limited to: payment of the cost of taxes and insurance on the Common Areas; maintenance, repair, and improvement of the Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas; payment of common utility services such as garbage collection and sewer; and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under the Governing Documents.

5.4. **Annual Assessments.** Annual Assessments shall be made on a calendar year basis. The Board shall give written notice of each Annual Assessment not less than fifteen (15) days prior to the beginning of the next calendar year. Each Annual Assessment shall be due and payable in monthly installments on dates established by the Board. At least fifteen (15) days prior to the effective date of any change in the amount of the Annual Assessment, the Association shall give each Owner written notice of the amount.

The Annual Assessments for the Association shall be calculated as follows:

1) **Regular Assessment.** The regular assessment shall be paid by all Lots within the Project that are subject to assessment. The regular assessment shall be computed by subtracting the expenses that are unique to each of the three building types from the total Common Expenses of the Association and then allocating this figure equally to all Lots in the Project.

2) **Building Type 1 Assessment.** The Building Type 1 Assessment shall be paid by all Lots within Bridgestone Plats A, B, D Amended, E, and F in addition to the Regular Assessment. The amount of the Building Type 1 Assessment shall be determined by equally allocating the budgeted Building Type 1 Expenses described in Section 5.1(1) to all Lots within Bridgestone Plats A, B, D Amended, E, and F.

3) **Building Type 2 Assessment.** The Building Type 2 Assessment shall be paid by all Lots within Bridgestone Plats G and H in addition to the Regular Assessment. The amount of the Building Type 2 Assessment shall be determined by equally allocating the budgeted Building Type 2 Expenses described in Section 5.1(2) to all Lots within Bridgestone Plats G and H.

4) **Building Type 3 Assessment.** The Building Type 3 Assessment shall be paid by all Lots within Bridgestone Plat C in addition to the Regular Assessment. The amount of the Building Type 3 Assessment shall be determined by equally allocating the budgeted Building Type 3 Expenses described in Section 5.1(3) to all Lots within Bridgestone Plat C.

5.5. **Special Assessments.** The Board may levy a Special Assessment payable over such a period as the Board may determine for the purpose of defraying, in whole or in part any expense or expenses not reasonably capable of being fully paid with funds generated by Annual Assessments; the cost of any construction, reconstruction, or unexpected repair or

replacement of the Common Areas; or for any other expense incurred or to be incurred as provided in this Declaration. Special Assessments over one-thousand dollars per Lot (\$1,000) in a calendar year must be approved and assented to by a majority of the Members present in person or by proxy at a meeting duly called for such purpose. Notice in writing of the amount of any Special Assessments and the time for their payment shall be given as soon as is reasonably possible to the Owners. Payment shall be due on the dates and in the manner determined by the Board and provided in the notice.

5.6. **Individual Assessments.** In addition to Annual and Special Assessments authorized above, the Board may levy Individual Assessments against a Lot and its Owner for: (a) administrative costs and expenses incurred by the Board in enforcing the Governing Documents against the Owner or his/her Occupants; (b) costs associated with the maintenance, repair, or replacement of Common Areas caused by the neglect or actions of an Owner or his/her Occupants; (c) any other charge, fine, fee, expense, or cost designated as an Individual Assessment in the Governing Documents or by the Board, including, without limitation, action taken to bring a Lot and its Owner into compliance with the Governing Documents; (d) nonpayment of a Reinvestment Fee; (e) costs of providing services to the Lot upon request of the Owner; and (f) attorney fees, court or collection costs, fines, and other charges relating thereto as provided in this Declaration. In addition, Individual Assessments may be levied against a Lot and its Owner specifically benefited by any made at the written request of the Owner of the Lot to be charged. The aggregate amount of any such Individual Assessments shall be determined by the cost of such improvements, repairs, maintenance, or enforcement action, including all overhead and administrative costs and attorney fees, and shall be allocated among the affected Lots according to the special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be. Individual Assessments may be levied in advance of the performance of the work. If a special benefit arises from any improvement which is part of the general maintenance obligations of the Association, it shall not give rise to an Individual Assessment against the Lot(s) benefited, unless such work was necessitated by the Lot Owner's or his/her Occupants' negligence.

5.7. **Service Area Assessment.** The Service Area Assessment shall be paid by all Lots within a designated Service Area that are subject to assessment in addition to the Annual Assessment. There is no requirement that Service Area Assessments be uniform between Service Areas. The amount of the Service Area Assessment shall be determined by allocating the budgeted Service Area Expenses equally to all Lots within the Service Area that are subject to assessment. At no time shall a Service Area Assessment be charged or assessed to Lots outside of the designated Service Area. The amounts the Association collects as Service Area Assessments shall be held in trust for and expended solely for the benefit of the Service Area from which they were collected.

5.8. **Allocation of Assessments.** Except for Individual Assessments, Annual and Special Assessments shall be fixed at a uniform rate for all Lots, unless otherwise provided in the Governing Documents or in Section 5.4 above.

5.9. **Application of Excess Assessments.** In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments, or pay the excess to the Owners, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

5.10. **No Offsets.** All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount or withholding of any amount shall be permitted for any reason, including, without limitation, a claim that the Association owes the Owner money, or that the Association is not properly exercising its duties and powers as provided in this Declaration.

5.11. **Certificate Regarding Payment.** Upon the request of an Owner, prospective purchaser, mortgagee, or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not all Assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon. The Association may charge the requesting Owner, prospective purchaser, mortgagee, or encumbrancer of a Lot a reasonable fee of up to twenty-five dollars (\$25) or an amount greater if so provided in the Act.

5.12. **Personal Obligation and Lien.** All Assessments, together with any interest, late fees, collection costs, and attorney fees if collection efforts become necessary shall be, constitute, and remain: (a) a charge and continuing lien upon the Lot with respect to which such Assessment is made; and (b) the personal obligation of the person who is the Owner of such Lot at the time the Assessment falls due. No Owner may exempt himself or his Lot from liability for payment of Assessments by waiver of his rights concerning the Common Areas or by abandonment of his Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all such unpaid Assessments, late payment fees, interest, and costs of collection, including reasonable attorney fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.

5.13. **Billing and Collection Procedures.** The Board shall have the right to adopt Rules setting forth procedures for billing and collection of Assessments, provided that such procedures are not inconsistent with the provisions hereof. The failure of the Association to send an invoice to an Owner shall not relieve any Owner of liability for any Assessment or charge under this Declaration, but the Assessment lien therefore shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of the Association, of the Assessment or installment and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. A copy of such notice may also be provided to the Occupant(s) of the Owner if the Owner is not a resident at the Project.

5.14. **Due Date and Delinquency.** Assessments shall be paid in a timely manner. Payments are due in advance on the first day of the month or the first day of such other period established for the payment of Assessments. Payments are delinquent if received more than ten (10) days from the date that they became due. Whenever an Assessment is delinquent, the Board may at its option invoke any one or more options or all of the sanctions granted in this Article or the Act.

5.15. **Collection Charge.** If the Association does not otherwise adopt or establish billing and collection procedures in the Rules, the following shall apply. Delinquent accounts shall be charged a late fee of twenty-five dollars (\$25.00) each month until the Owner's account (including all collection charges, costs, and attorney fees) is paid in full. Interest may accrue on all unpaid balances at the rate of twelve percent (12%) per annum. Collection charges, interest, and late fees shall constitute part of the Assessment lien provided above until paid.

5.16. **Collection Action at Law.** The Association may exercise any or all of the following remedies to collect delinquent Assessments:

1) The Association may suspend such Owner's voting rights.

2) The Association shall have a lien against each Lot for any Assessment levied against the Lot and any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot from the date on which the Assessment, fine, or charge is due. This lien shall arise and be perfected as of the date of the recording of this Declaration. At any time, any Assessment or installment thereof is delinquent, the Association, by and through its Board or any Manager, may file a notice of lien in the deed records of Utah County against the Lot with respect to which the delinquency pertains. Once filed, such lien shall accumulate all future Assessments or installments, interest, late fees, penalties, fines, attorney fees, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time as allowed by law. The lien of the Association shall be superior to all other liens and encumbrances except: a lien or encumbrance recorded before the original Declaration was recorded; a first or second security interest on the Lot secured by a mortgage or trust deed that is recorded before the Association's notice of lien; or a lien for real estate taxes or other governmental assessments against the Lot. The Association through its duly authorized agents, may bid on the Lot at any foreclosure sale, and may acquire and hold, lease, mortgage, and convey the Lot.

3) The Association may bring an action to recover a money judgment for unpaid Assessments, fines, and charges under this Declaration against the Lot Owner without foreclosing or waiving the lien described above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

4) If a delinquent Owner is leasing his Lot or any portion thereof, the Board may, at its option, so long as an Assessment is more than sixty (60) days late, demand and receive from any tenant the rent due or becoming due and the payment of such rent to the Board shall discharge such tenant for rent due, and shall discharge the Owner for such Assessments to the extent of the amount so paid.

5) The Association may terminate utilities paid out of the Common Expense and the right to use the Common Areas.

6) Payments shall be credited first to collection costs (including attorney fees), then to interest and late fees, then to the oldest assessments, then the most recent assessments.

7) The Association shall have any other remedy available to it whether provided in the Governing Documents, the Act, or other law or in equity.

5.17. **Power of Sale.** The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially. Pursuant to Utah Code Sections 57-1-20 and 57-8a-302, an Owner's acceptance of an interest in a Lot constitutes a simultaneous conveyance of the Lot in trust, with power of sale, to the Association's attorney of record, as trustee, for the benefit of the Association, for the purpose of securing payment of Assessments under the terms of this Declaration. The Association may appoint a qualified successor trustee by executing and recording a substitution of trustee form.

5.18. **Reserve Account.** The Board shall establish a reserve account to fund long-term maintenance and replacement of Common Areas. The Board shall follow any statutory

requirement to conduct a reserve analysis and utilize such reserve analysis in making decisions regarding the funding of a Reserve Account. The Board shall not be personally liable for failure to fund the reserve unless willful or intentional misconduct is proven in a court of law.

5.19. **Reimbursement of Tax Collection by County Authorized.** It is recognized that under the Declaration that the Association will own the Common Areas, which may obligate it to pay property taxes or other fees to Utah County. Each Owner shall be required to reimburse the Association for its pro rata share of such taxes paid. Notwithstanding anything to the contrary contained in the Declaration, Utah County shall be authorized to collect such pro rata share of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot.

5.20. **Reinvestment Fee.** The Board shall have the right to establish from time to time (but shall not be required to establish) a Reinvestment Fee assessment in accordance with this Section and Utah Code section 57-1-46. If established by the Board, the following terms and conditions shall govern Reinvestment Fees.

1) Upon the occurrence of any sale, transfer, or conveyance of any Lot as reflected in the office of the County recorder, regardless of whether it is pursuant to the a sale of the Lot or not (as applicable, a "Transfer"), the party receiving title to the Lot (the "Transferee") shall pay to the Association a Reinvestment Fee in an amount to be established by the Board in the Rules, provided that in no event shall the Reinvestment Fee exceed the maximum rate permitted by law.

2) Notwithstanding anything to the contrary contained in this Section, the Association shall not levy or collect a Reinvestment Fee for any of the Transfers described below:

(a) Any Transfer to (a) the United States or any agency or instrumentality thereof, or (b) the State of Utah or any county, city, municipality, district or other political subdivision of the State of Utah.

(b) Any Transfer to the Association or its successors.

(c) Any Transfer, whether outright or in trust, that is for the benefit of the transferor or the transferor's relatives, but only if the consideration for the Transfer is no greater than 10 percent of the value of the Lot transferred.

(d) Any Transfer or change of interest by reason of death, whether provided for in a will, trust, or decree of distribution, except for a sale of the Lot by the estate of an Owner.

(e) Any Transfer made solely for the purpose of confirming, correcting, modifying, supplementing a Transfer previously recorded, or removing clouds on titles.

(f) Any lease of a Lot or portion thereof for a period of less than thirty (30) years.

(g) Any Transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation.

(h) Any Transfer in connection with (a) the foreclosure of a deed of trust or mortgage, or (b) a deed given in lieu of foreclosure.

(i) An involuntary transfer.

(j) A bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity.

3) The Reinvestment Fee shall be due and payable by the Transferee to the Association at the time of the Transfer giving rise to the payment of such Reinvestment Fee and shall be treated as an Individual Assessment for collection purposes.

5.21. **Account Payoff Information.** The Association may charge a fee for providing account payoff information in connection with the closing of an Owner's financing, refinancing, or sale of a Lot as provided for in Utah Code 57-8a-106. The Board may set forth the amount of the fee in the Rules, but such fee shall not exceed the maximum amount allowed pursuant to Utah law. If not otherwise set forth in the Rules, the Account Payoff Fee shall be fifty dollars (\$50.00).

5.22. **Association Responsibility after Foreclosure.** If the Association takes title to a Lot pursuant to a foreclosure (judicial or non-judicial), it shall not be bound by any of the provisions related to the Lot that are otherwise applicable to any other Owner, including but not limited to obligations to pay assessments, taxes, or insurance, or to maintain the Lot. By taking a security interest in any Lot governed by this Declaration, Lenders cannot make any claim against the Association for nonpayment of taxes, Assessments, or other costs and fees associated with any Lot if the Association takes title to a Lot related to a failure to pay Assessments.

5.23. **Homestead Waiver.** Pursuant to Utah Code section 57-8a-301, and to the extent any liens are created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, each Owner waives the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

ARTICLE VI. DUTIES AND POWERS OF THE ASSOCIATION

6.1. **Organization of Association.** The Association shall serve as the governing body for all Owners. The Association shall make provisions for the maintenance, repair, replacement, administration, and operation of the Common Area and Common Expenses, and other matters as provided in the Act, this Declaration, and the Bylaws. The Association shall have all rights and powers granted to it under the Act and in this Declaration, the Articles, and the Bylaws. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with this Declaration, the Articles, and the Bylaws. Except as specifically authorized in this Declaration, the Articles, or the Bylaws, no Owner or group of Owners shall have authority to take any action on behalf of the Owners, the Association, or the Board.

6.2. **Legal Organization.** The Association may be incorporated as a nonprofit corporation. In the event the nonprofit corporate status expires or is invalidated in any manner, the Board, in its sole discretion, may renew and/or reincorporate the Association. Any such expiration or invalidation shall not relieve any Owner from paying Assessments and abiding by all Restrictions contained in this Declaration.

6.3. **General Powers and Obligations.** The Association shall have, exercise, and perform the following powers, duties, and obligations:

1) The powers, duties, and obligations granted to the Association by this

Declaration, its Bylaws, and the Articles of Incorporation;

- 2) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Utah;
- 3) The powers, duties, and obligations of a homeowners association pursuant to the Utah Community Association Act, or any successor thereto;
- 4) The powers, duties, and obligations not reserved specifically to Lot Owners; and
- 5) Any additional or different powers, duties, and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Project.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged, or restricted by changes in this Declaration made in accordance with the provisions herein, accompanied by any necessary changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Utah.

6.4. **Specific Powers and Duties.** The powers and duties of the Association shall include, without limitation, the following:

1) **Maintenance and Services.** The Association shall provide maintenance and services for the Project as provided in Article VII and other provisions of this Declaration.

2) **Insurance.** The Association shall obtain and maintain in force policies of insurance as provided in this Declaration, the Act, or the Bylaws of the Association. The Association shall have no obligation to obtain or maintain any insurance covering the personal and real property of any Owner(s), and each Owner shall be responsible for obtaining and maintaining such personal and real property insurance.

3) **Rulemaking.** The Association, through its Board, shall make, establish, promulgate, amend, and repeal Rules governing the conduct of persons and the operation and use of the Project as it may deem necessary or appropriate in order to assure a clean, aesthetically pleasing, peaceful, and orderly use and enjoyment of the Project. Pursuant to Utah Code section 57-8a-218(15), the requirements of Utah Code section 57-8a-218(1) through (13), except subsection (1)(b)(ii), are hereby modified to not apply to the Association.

4) **Assessments.** The Association shall adopt budgets and impose and collect Assessments as provided in Article V of this Declaration.

5) **Enforcement.** The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of the Governing Documents of the Association. Owners, Occupants, guests, and family members shall be jointly and severally liable for any fines incurred for violations of the Governing Documents.

6) **Capital Improvements.** Capital improvements to the Project that do not exceed twenty thousand dollars (\$20,000) may be authorized by the Board of Directors alone. Capital improvements in excess of twenty thousand dollars (\$20,000) require the approval of a majority of Owners in attendance at a duly called member meeting pursuant to the provisions of the Bylaws.

7) **Title to Common Areas.** The Association shall hold title to all Common Areas

conveyed to it by its developer and pay all real property taxes and assessments levied upon any portion of the Common Areas, unless paid by the Owners, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

8) **Employment of Agents, Advisers, and Contractors.** The Association may employ the services of any person or corporation as managers, hire employees to manage, conduct, and perform the business, obligations, and duties of the Association, employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, community association managers, landscape architects, accountants, recreational experts, architects, planners, lawyers, reserve study specialists, or what is convenient for the management, maintenance, and operation of the Project. Any agreement with a Manager shall not exceed a term of two (2) years, renewable by agreement of the parties for a successive two (2) year term, and shall be terminable by the Association upon no more than sixty (60) days' advanced notice. The Board has no authority to enter into a management agreement or contract inconsistent with the terms of the Governing Documents or that provides for a termination fee or requirement for termination for cause.

9) **Litigation.** The Board may instigate litigation to enforce the provisions of this Declaration or any other Common Law or statutory right which the Association is granted. Other than litigation required for the collection of past due Assessments, the Association shall not commence any litigation without prior approval of a majority of the Members, if the litigation is expected to exceed the cost of fifteen thousand dollars (\$15,000) either in attorney fee expenses or in costs (including any expert reports).

6.5. **Liability.** A member of the Board or an officer of the Association shall not be liable to the Association or any Member thereof for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for intentional or willful bad acts or acts of recklessness. If a Board Member or any 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 shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law, except where the Board Member or officer is found by a court of law to have acted willfully or intentionally in carrying out his/her duties.

6.6. **Board of Directors.** The governing body of the Association shall be the Board of Directors. Except where a matter or vote is specifically reserved to the Owners, the Board shall act in all instances on behalf of the Association. Board Members shall be elected pursuant to the provisions set forth in the Bylaws which may set forth requirements for serving on the Board. Without limiting the generality of the foregoing, the Board may appoint one or more "Committees", and such Committees (which may consist of one or more members, as determined by the Board) shall have such authority and duties as may be determined from time to time by the Board relating to the budgeting, operation, financial management and administration of the Project. While any Committee established by the Board shall report to the Board regularly regarding its activities, the Board may by express directive relinquish and transfer all authority and responsibility with respect to such prior delegated duties.

6.7. **Registration with the State.** In compliance with Utah Code § 57-8a-105, the Association shall be registered with the Utah Department of Commerce and shall update its registration to keep any required information current as required by law.

ARTICLE VII. MAINTENANCE

7.1. **Association Maintenance.** The Association shall maintain, repair, and replace all Common Areas together with all improvements thereon and all easements appurtenant to the Common Area including, but not limited to landscaping on Common Area open space land. The Association shall maintain, replace, and repair the private lanes and common parking areas in the Project, but the Association shall have no responsibility to maintain or repair the public streets within or adjacent to the Project. The Association shall perform the snow removal on the private streets, sidewalks and driveways within the Project, but the Association shall have no obligation to remove snow from driveways or other areas in which cars or other vehicles are parked at the time of the performance of the snow removal. The Association shall also maintain, replace, and repair the exteriors of the Residences, which shall include all siding, roofing, fascia, gutters, downspouts, driveways, porches, decks, and all components necessary for the operation of these facilities. The Association shall not be responsible for the maintenance repair or replacement of garage doors, exterior doors, and windows.

The Common Areas and all facilities and structures thereon shall be maintained by the Association in a safe condition and in a good and workmanlike manner such as to carry out the purpose for which such areas are intended. The Board in its sole discretion shall determine the maintenance standard of the Common Areas.

A matrix of Maintenance Responsibilities has been attached hereto as Exhibit C which further defines and clarifies Association and Owner maintenance, repair, and replacement responsibilities. The delegation of responsibilities in Exhibit C shall override any contradictory provisions that may be contained within this Declaration or other Governing Documents. The Association shall have the authority to determine when/if an element needs to be repaired or replaced for any element in which the maintenance responsibility has been partially or fully delegated to the Association.

7.2. **Services.** The Association shall provide or contract for such services as the Board of Directors may reasonably deem to be of benefit to the Project, including, without limitation, landscaping, snow removal, and shared utilities (if any) for all Lots.

7.3. **Owner Maintenance.** Each Owner shall have the obligation to provide interior maintenance of their Lot and Residence, including but not limited to painting, repair, replacement, and care of all Residence components including structural foundations, floors, and walls (excepting therefrom the exterior cladding as described in Section 7.1 above). Owner's shall also be responsible for the maintenance, repair, and replacement of garage doors, exterior doors, porches, windows and all utility lines that solely service the Lot or Residence. If it becomes necessary to replace an exterior door or window, each Owner shall be required to obtain approval from the Board and to replace such facility per the standards and specifications set forth by the Board in the Rules or Design Guidelines. Owners are responsible for snow removal on their front porches and all side or rear entry porches, decks and related walkways. Other than snow removal, owners are responsible for the maintenance, repair, and replacement of any porch cap, steps, or walkway located on the Owner's Lot. Further descriptions of Owner maintenance, repair, and replacement responsibilities are contained in the matrix of Maintenance Responsibilities in Exhibit C. If an Owner maintained element causes damage to an Association maintained element, then the Owner is responsible for the damage caused thereby.

7.4. **Party Wall and Shared Roof Maintenance.** By acceptance of a deed to a Lot, each Owner hereby acknowledges, agrees, and understands that it is essential that the Party

Wall and shared roof be maintained in good condition and repair to preserve the integrity of the Residences as they are used and occupied by Owners. Each Owner hereby covenants and agrees not to do anything or to erect any barrier that will hinder, delay, or limit the maintenance of the Party Wall or shared roof. With respect to the surface components of the Party Wall, each Owner agrees to maintain and keep in good condition and repair, including the making of replacements as needed, all surface components which face into such Owners' respective Residence. With respect to pipes, conduits, ducts, and other utility service lines and connections which benefit only one or more, but fewer than all, of the Owners, the Owner(s) benefited solely thereby shall be fully and personally responsible for the cost of maintaining such items in good condition and repair, including the making of replacements as needed. If the need for maintenance or repair of the Party Wall or shared roof is caused through the willful or negligent act of any Owner or his/her Occupant, the cost of such maintenance or repairs shall be the sole and exclusive expense of such Owner. With respect to structural components of the Party Wall and shared roof, except as otherwise provided in the immediately preceding sentences, the Owners benefitted by the Party Wall and shared roof agree to share equally in the cost of maintenance and upkeep thereof in good condition and repair, including the replacement thereof as necessary. If there is a dispute over the responsibility for maintenance or repair of a Party Wall or shared roof, the Association may, but shall not be required to, intervene and determine each Owner's responsibility. The Association shall have the powers set forth in Section 7.5 below to remedy any neglect in performing Party Wall or shared roof maintenance responsibilities.

7.5. Owner Maintenance Neglect. The Association shall have the power and authority without liability to any Owner for trespass, damage, or otherwise, to enter upon any Lot for the purpose of maintaining and repairing a Residence or any improvement thereon; but only if the Owner fails to maintain and repair such Residence or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of this Declaration or any Rules of the Association. The Board shall have the sole authority and discretion to set maintenance standards and to decide whether an Owner has failed to meet its maintenance obligations. Except as necessary to prevent personal injury or property damage in an emergency, the Association shall first provide reasonable notice and an opportunity to cure before exercising the power granted herein. All costs incurred by the Association in remedying Owner maintenance neglect shall be an Individual Assessment against the Owner's Lot as provided in Article V.

The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoy any breach or threatened breach of this Declaration or any Rules promulgated by the Board, or to enforce by mandatory injunction or otherwise all the provisions of this Declaration and such Rules.

7.6. Common Area Maintenance Caused by Owner Negligence. If the need for maintenance or repair of Common Areas, fences, exterior walls, roofs, or other area is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests, tenants, or invitees of an Owner, the Board may cause such repairs to be made by the Association and the cost of such maintenance or repair work shall be added to and become an Individual Assessment to which such Lot is subject.

ARTICLE VIII. INSURANCE

NOTICE: The Association's insurance policy does not cover Owner or Occupants' personal property and contents of their Residence, nor the personal liability of Owners or their Occupants.

8.1. **Insurance.** The Board shall obtain insurance as required in this Declaration, the Act, or other applicable laws. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of, or in addition to, embedded, included coverage, or endorsements to other policies. Insurance premiums shall be a Common Expense.

8.2. **Property Insurance.**

1) The Association shall maintain a blanket policy of property insurance covering the Common Area and all attached Residences, Limited Common Areas, and any fixtures or equipment thereon that are the obligation of the Association to maintain. The Association may maintain broader coverage if afforded by the insurance contract.

(a) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in Common Areas or otherwise permanently part of or affixed to Common Areas or attached dwellings.

(b) At a minimum, the blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and (2) all perils normally covered by "special form" property coverage.

(c) The blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(d) The blanket policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost; and (2) a Replacement Cost Endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the Project's insurable replacement cost but not more. If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.

(e) Each property policy that the Association is required to maintain shall also contain or provide for the following: (i) "Inflation Guard Endorsement," if available, (ii) "Building Ordinance or Law Endorsement," (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction), and (iii) "Equipment Breakdown," if the project has central heating or cooling or other equipment or other applicable fixtures, equipment, or installation, which shall provide that the insurer's minimum liability per accident at least equals the lesser of one million dollars (\$1,000,000) or the insurable value of the building containing the equipment.

(f) The Association shall set aside an amount equal to the amount of the Association's property insurance deductible or, if the policy deductible exceeds \$10,000, an amount not less than \$10,000.

2) **Owner Responsibility for Payment of Deductible.** If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner:

- (a) The Association's policy provides primary insurance coverage, and:
 - i. the Owner is responsible for the Association's policy deductible; and
 - ii. the Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible.

(b) An Owner that has suffered damage to any combination of a Residence or a Limited Common Area appurtenant to a Residence ("Residence Damage") as part of a loss, resulting from a single event or occurrence, that is covered by the Association's property insurance policy ("a Covered Loss") is responsible for an amount calculated by applying the percentage of total damage resulting in a Covered Loss that is attributable to Residence Damage ("Residence Damage Percentage") for that Residence to the amount of the deductible under the Association's property insurance policy; and

(c) If an Owner does not pay the amount required under Subsection (b) above within 30 days after substantial completion of the repairs to, as applicable, the Residence or the Limited Common Area appurtenant to the Residence, the Association may levy an assessment against the Owner for that amount.

3) **Right to Not Tender Claims that are Under the Deductible.** If, in the exercise of its business judgment, the Board determines that a claim is likely not to exceed the Association's property insurance policy deductible: (a) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (b) an Owner who does not have a policy to cover the Association's property insurance policy deductible is responsible for the loss to the amount of the Association's policy deductible; and (c) the Association need not tender the claim to the Association's insurer.

4) **Notice Requirement for Deductible.** The Association shall provide notice to each Owner of the Owner's obligation under Subsection (2) above for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible in case of any loss. If the Association fails to provide notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.

(a) The Association shall have no obligation to obtain or maintain any insurance covering Owners' personal and real property, and each Owner shall be responsible for obtaining and maintaining such personal and real property insurance.

8.3. **Comprehensive General Liability (CGL) Insurance.** The Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for death of or injury to any one

person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligence acts of the Association or another Owner.

8.4. **Director's and Officer's Insurance.** The Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, (3) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims, and (4) provide coverage for defamation. In the discretion of the Board, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the Manager or any employees of the Manager.

8.5. **Insurance Coverage for Theft and Embezzlement of Association Funds.** The Association may obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three (3) months' regular assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for theft or embezzlement of funds by: (a) Officers and Board Members of the Association, (b) employees and volunteers of the Association, (c) any manager of the Association, (c) officers, directors, and employees of any manager of the Association, and (d) coverage for acts.

8.6. **Worker's Compensation Insurance.** The Board shall purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Board deems appropriate.

8.7. **Certificates.** Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association, and upon written request, to any Owner or Mortgagee.

8.8. **Named Insured.** The named insured under any insurance policy shall be the Association. Each Owner shall also be an insured under all property and CGL insurance policies.

8.9. **Right to Negotiate All Claims & Losses & Receive Proceeds.** Insurance proceeds for a loss under the Association's property insurance policy are payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any remaining proceeds after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Lots. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for negotiating all losses related thereto, including the collection, receipt of, and appropriate disposition of all insurance proceeds; the execution of

releases of liability; and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors, or assigns of the Owner.

8.10. **Insurance Trustee**. In the discretion of the Board or upon written request executed by Owners holding at least 50% of the entire voting interest of the Association, the Board shall hire and appoint an insurance trustee ("Insurance Trustee"), with whom the Association shall enter an insurance trust agreement, for the purpose of exercising such rights under this paragraph as the Owners or Board (as the case may be) shall require.

8.11. **Owner Act Cannot Void Coverage Under Any Policy**. Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association, an Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

8.12. **Waiver of Subrogation against Owners and Association**. All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.

8.13. **Applicable Law**. This Declaration is specifically subjecting the Association to the insurance requirements and provisions in Part 4 of the Act, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that any future changes to the insurance law applicable to community associations shall apply to this Association.

ARTICLE IX. USE RESTRICTIONS

9.1. **Use of Common Areas**. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots.

9.2. **Use of Lots**. All Lots shall have a single-family Residence and are restricted to such use unless approved by the Board to the contrary. No gainful occupation, business, trade, or other nonresidential use shall be conducted on any Lot without the prior written consent of the Board and applicable governmental entities. The Board shall approve commercial activities if the Board determines that: only normal residential activities would be observable outside of the Residence; the business activity does not involve persons coming on to the project who do not reside in the Project; the business activity does not involve the solicitation of Occupants or Owners; the business will not result in the increase of the cost of the Association's insurance; and that the activities would not be in violation of applicable local ordinances.

9.3. **Offensive or Unlawful Activities**. No noxious or offensive activities shall be carried on upon any Lot, or Common Area, nor shall anything be done or placed on any Lot or Common Area which interferes with or jeopardizes the quiet enjoyment of other Lots or the Common Areas, or which is a source of annoyance to residents. No unlawful use shall be made of a Lot or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No use shall be made of any Lot which would result in an increase in the cost of the Association's insurance or which would cause the improvements within the Project or any part thereof to be uninsurable against loss by fire or other perils included in insurance contracts, or cause such insurance to be canceled or suspected, or cause any company issuing such insurance to refuse renewal thereof.

9.4. **Recreational Vehicles.** Boats, trailers, ATVs, motorhomes, large trucks, commercial vehicles, or the like belonging to Owners or other residents of the Project shall be parked within the designated RV parking areas or within an Owners' enclosed garage. Such recreational vehicles may be parked in Owners' driveways for a period not to exceed seventy-two (72) hours to accommodate temporary loading and unloading. No motor vehicle of any kind shall be repaired, constructed, or reconstructed upon any Lot, public street, private lane, or other Common Areas, except for emergency repairs to vehicles. The Board is authorized to adopt Rules that vary or expand upon the restrictions set forth in this section.

9.5. **Pets.** The Board may adopt Rules and restrictions related to pets including but not limited to requirements for registration, the use of leashes, waste clean-up, and noise and barking limitations. All pets must abide by all pet Rules adopted by the Board and at no time shall a pet create a nuisance as determined in the sole discretion of the Board. Owners are fully responsible for any property damage or personal injury to others caused by their animals. If no pet Rules are adopted, the following shall apply. i) two (2) domestic pets per Residence are allowed; and ii) no pets, animals, livestock, or poultry of any kind shall be commercially raised or bred in, on, or about the Project.

9.6. **Machinery and Equipment.** No machinery or equipment of any kind shall be placed, used, operated, or maintained on or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the use, maintenance, or construction of a Residence or appurtenant structures.

9.7. **Nuisances.** No resident shall create, maintain or permit a nuisance in, on or about the Project. For purposes of this Section a "nuisance" includes any behavior which annoys, disturbs or interferes with other residents and interferes with their right to the quiet and peaceful enjoyment of their property. A nuisance includes, but is not limited to, the following:

- 1) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about a Lot or the Common Areas;
- 2) The storage of any item, property or thing that will cause any Lot or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;
- 3) The accumulation of rubbish, unsightly debris, garbage, equipment, or other things or materials that constitute an eyesore as reasonably determined by the Board;
- 4) The storage of any substance, thing or material upon any Lot or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;
- 5) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invites, particularly if the police or sheriff must be called to restore order;
- 6) Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature that diminishes or destroys the enjoyment of the Association by other residents, their guests or invitees;
- 7) Too much noise or traffic in, on or about any Lot or the Common Area, especially after 10:00 p.m. and before 7:00 a.m., or excessive use of outside speakers or amplifiers;
- 8) Allowing a pet to be unleashed while outside an Owner's Lot;

- 9) Continuous barking, meowing, or other animal noises;
- 10) Allowing a pet to urinate or defecate in the Common Areas or another Lot; or failing to clean up immediately any feces deposited by a pet in the Common Area or another Owner's Lot or Limited Common Area.

9.8. **Signs.** The Association may regulate and restrict signs in the Project to the extent permitted by law in the Rules. Unless otherwise designated in the Rules, lawn signs are prohibited, except "For Sale" or "For Rent" signs that may be placed in the front windows of Residences, or as directed by the Board. All other signs may only be erected or maintained in the Project, whether in a window or otherwise, with the prior approval of the Board. For Sale or For Rent signs may not exceed 24" x 24". Notwithstanding the foregoing, Occupants may display one reasonably sized American flag on the exterior of a Residence consistent with the Freedom to Display the American Flag Act of 2005, the Utah Display of Flag Act, and Utah Code § 57-8a-219. Flags, if displayed, must be displayed in accordance with United States Code Title 4, Chapter 1.

9.9. **Trash Collection.** All garbage and trash shall be placed and kept in covered containers of a type and style which shall be approved by the Board. Insofar as possible, such containers shall be maintained as not to be visible from the street view except to make them available for collection and then only for the shortest time necessary to effect such collection. The Association may adopt additional Rules for the storage and concealment of trash containers.

9.10. **Parking.** Parking spaces in Common Area garages shall be assigned by the Board as Limited Common Areas and governed by Association Rules. Exterior Common Area parking spaces shall also be governed by Association Rules and may be assigned to members, designated as visitor parking, or the Board may elect to charge fees for the use of the spaces. Storage in Common Area garages must not impede the parking of two vehicles. At no time shall any vehicle be parked in a manner that would block an entrance to a Residence or in front of a garage or walkway or at any other location within the Project, which would impair vehicular or pedestrian access, or snow removal. The Board may adopt additional Rules relating to the parking of vehicles within the Project, including, without limitation: the size and dimensions of the vehicles parked within the Project; the admission and temporary parking of vehicles within the Project; the right to remove or cause to be removed any vehicles that are improperly parked; the assessment of towing charges for the removal of vehicles improperly parked; and the assessment of fines to Owners and Occupants who violate, or whose invitees violate, such Rules.

9.11. **Unsightly Items and Storage.** No observable outdoor storage of any kind shall be permitted on front yards, porches, etc., which may be seen from the Association's roads or another Lot except for patio furniture and portable barbecue grills in good condition. Said patio furniture shall conform with standards set by the Architectural Control Committee. Junk, unlicensed cars, or other unsightly items shall not be maintained or stored on any Lot.

9.12. **Window Coverings.** Every Owner shall be obligated to ensure that window coverings are installed within their Residence within one month of purchasing or taking possession. Furthermore, the ACC is authorized to adopt and implement reasonable Rules pertaining to the type, color, material, etc. of window coverings.

9.13. **Leasing.** The leasing of a Residence is permitted. Any agreement for the leasing, rental, or occupancy of a Residence (hereinafter in this Section referred to as a "lease") shall be in writing, a copy of which shall be provided to the Board along with the name

and contact information for all adult tenants, vehicle information of the tenants, and any other information deemed necessary by the Board. No Owner shall be permitted to lease his/her Residence for transient, hotel, or seasonal purposes. All leases shall be for an initial term of no less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his or her entire Residence, unless the Owner is also living in the Residence. All leases shall provide that the tenant is subject to and shall abide by the Governing Documents and the tenant's failure to do so shall constitute a breach of the lease agreement. The Board may adopt additional Rules governing the leasing of Residences including additional fees for Residences being leased. Within 10 days after delivery of written notice of the creation of a nuisance or violation of the Governing Documents by a tenant, the Owner shall proceed promptly to either abate or terminate the nuisance, or cure the default, and notify the Board in writing of his or her intentions. If the Owner fails to act accordingly, the Board may initiate eviction proceedings on behalf of the Owner, and through this Declaration the Owner hereby assigns the Association the authority to do so.

9.14. **Energy Conservation Equipment.** Solar energy collector panels and attendant hardware or other energy conservation equipment may be constructed or installed on a Lot or Residence in the Project, but only if such installation is approved by the Board or the ACC and is compliant with all Rules or Design Guidelines adopted by the Board. The Design Guidelines for energy conservation equipment must require that the installation be an integral and harmonious part of the architectural design of the Lot or Residence. Solar panels or other equipment shall not be installed so as to be visible from any Lot or street in the Project without prior approval from the ACC as a variance. The ACC or the Board shall have the sole discretion to determine compliance with the Design Guidelines. All associated costs of installation, repair, and removal of solar equipment will be the sole responsibility of the Owner benefitted by the solar equipment.

9.15. **Smoking.** Smoking shall be prohibited outside of Residences within the Project. It shall be a nuisance and prohibited under Section 9.7 to permit or cause any tobacco smoke to drift or otherwise enter any Common Area, Lot, or Residence. The Board may adopt additional Rules to address Smoking within the Project.

9.16 **Holiday Decorations.** Holiday decorations may be displayed on the outside of Residences within a reasonable amount of time before and after the related holiday. The Association may adopt additional Rules to regulate holiday decorations in the Project, to the extent permitted by law. Holiday decorations shall include any type of object (including, but not limited to, lights, wreaths, plants, trees, displays, inflatable items, religious iconography or symbols) relating to any national or religious holiday or used to convey a religious message, symbol, idea, identification, or for any other purpose that holiday decorations are typically understood and which are placed in, on, or outside of a Residence with the apparent purpose, in whole or in part, of making it visible to people outside of the Residence.

9.17. **Variations.** The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article if the Board determines in its discretion (by unanimous vote): (1) either that the restriction would create an unreasonable hardship or burden on an Owner or Occupant, or that a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete and unreasonable to enforce; and (2) that the activity permitted under the variance will not have any financial affect or any other substantial adverse effect on the other Owners or Occupants of the Project and is consistent with the high quality of life intended for residents of the Project. Any such variance shall be unenforceable and without any effect whatsoever unless reduced to writing and

signed by every member of the then-existing Board. No variance may be granted that is inconsistent with the Act.

ARTICLE X. ARCHITECTURAL CONTROLS

10.1. **Architectural Control Committee.** The Board may appoint a three (3) member Architectural Control Committee, the function of which shall be to insure that all improvements and landscaping within the Project harmonize with existing surroundings and structures (herein the "ACC"). The ACC need not be composed of Owners. If such a committee is not appointed, the Board shall perform the duties required of the ACC. The ACC's responsibilities include but are not limited to reviewing and approving all exterior improvements within the Project and to ensure that Lot Owners maintain their Lot appearance and conditions in accordance with the terms of the Governing Documents.

10.2. **Architectural Controls.** To maintain a degree of protection to the investment which Owners have made, exterior alterations of structures, fences, or landscaping shall be limited to those approved by the ACC. In the event of any reconstruction of an improvement or Residence due to a casualty, the design, quality, and appearance of the reconstructed home shall be substantially the same as the structure initially built, unless otherwise approved by the ACC. No landscaping, grading, excavation, building, fence, wall, Residence, or other structure, or alteration of any kind, shall be commenced, erected, maintained, improved, altered, or made until the plans and specifications, have been approved in writing by the ACC. All subsequent additions to or changes or alterations in any building, fence, wall, or other structure, including exterior color scheme, and all changes in the grade within the Project, shall be subject to the prior written approval of the ACC. Once approved by the ACC, no changes or deviations in or from the plans and specifications shall be made without the prior written approval of the ACC. Subsequent to receiving approval of the ACC and prior to the commencement of construction, each Owner will be responsible for obtaining a building permit from the city when required. Plans and specifications submitted to the ACC shall give complete descriptions and color samples of materials to be used. The ACC will base its approval of plans, specifications, landscaping plans, and other alterations upon compliance with the Design Guidelines, and any other guidelines adopted by the Association.

Interior alterations that do not affect the exterior appearance of a Lot or Residence shall not be required to be approved by the ACC. The Board or the ACC may adopt additional Rules that exempt minor alterations or certain types of décor from being subject to this section and ACC approval.

10.3. **Design Guidelines.** The Board may adopt Design Guidelines for the purpose of maintaining a consistent character and quality of appearance of the improvements within the Project.

1) The Design Guidelines may designate the design, style, model, and manufacturer of any materials to be used for an exterior improvement or alteration that is acceptable to the Board and ACC. The Design Guidelines may also designate landscaping requirements. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values.

2) Amendments to the Design Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Design Guidelines as amended.

10.4. **Variances**. The ACC may authorize variances from compliance with any of the architectural provisions of this Declaration or Design Guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be in writing and must be signed by all of the members of the ACC (or Board if acting as the ACC). If a variance is granted, no violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any Restrictions of the Governing Documents, other than those specifically identified in the variance, nor shall it affect an Owner's obligation to comply with all governmental laws and regulations.

10.5. **Liability for Damages**. The ACC shall not be held liable for damages because of any action, inaction, approval, or disapproval by it made pursuant to this Article.

ARTICLE XI. ENFORCEMENT

11.1 **Enforcement of Governing Documents**. The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, each provision of this Declaration, including the right to prevent any violation of such, and the right to recover damages and other sums for such violation(s). The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Bylaws and the Rules and any respective amendments thereto. The prevailing party in any action for the enforcement of any provisions of the Governing Documents (including but not limited to litigation and the appeal thereof) shall be entitled to collect court costs and reasonable attorney fees. Occupants, guests, and invitees shall be liable for any fine assessed as a result of their action in violation of the provisions of the Governing Documents.

ARTICLE XII. RIGHTS OF FIRST MORTGAGEE

12.1. **Title in Mortgagee**. Any first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage will not be liable for such Lot's Assessments or charges which accrue prior to the acquisition of title of such Lot by the Mortgagee. However, such first Mortgagee shall be responsible for Assessments levied while it holds title to the Lot.

12.2. **Notice of Default by Lot Owner**. In the event an Owner neglects for a period of sixty (60) days or more to cure any failure on his part to perform his obligations under this Declaration or other Governing Documents, the Association, upon written request from the Mortgagee, shall give written notice of such fact to the Mortgagee covering such Owner's Lot.

12.3. **No Priority**. No provision herein is intended, nor shall it be construed, to give any Lot Owner, or any other party, priority over any rights of the first Mortgagee of a Lot pursuant to its Mortgage in the case of a distribution to such Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

12.4. **VA and HUD Loans**. Notwithstanding anything herein to the contrary, to the extent that any provision set forth in the Declaration, Bylaws, and/or Rules and Regulations is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs or the Department of Housing and Urban Development as set forth in the United States Code, or the Code of Federal Regulations, such provision shall not apply to any Lot that is (i) encumbered by VA or HUD Financing, or (ii) owned by the Department of Veterans Affairs or the Department of Housing and Urban Development.

ARTICLE XIII. RIGHT OF ENTRY

13.1 **Right to Enter Lots.** The Association acting through the Board or its duly authorized agent shall have the right at all times upon reasonable notice of at least 48 hours to enter upon any Lot or Residence, without trespass, and regardless of whether or not the Lot Owner or Occupant thereof is present at the time, to abate any infractions, to fulfill its responsibilities, to exercise its rights, to make repairs or correct any violation of any of the Declaration or Rules, and in connection therewith shall have the further right to assess all costs incurred against the Owner, such Assessment to be secured by a lien provided in Article V. Notice shall not be necessary in case of an emergency originating in or threatening such Residence or any other part of the Project, including the sound or sight of running water, the smell or sight of smoke, abnormal or excessive noises, and foul smell. Owners shall also maintain up-to-date emergency contact information records with the Association, including any local representative an Owner may have. Owners shall be responsible for any costs incurred by the Association as a result of entering a Lot under this Section and shall indemnify and hold harmless the Association for all damages related to such entry, except for such damages resulting from recklessness or bad faith.

ARTICLE XIV. AMENDMENTS

14.1 **Amendments.** This Declaration may be amended upon the affirmative vote of at least sixty-seven percent (67%) of the voting interests of the Association. No meeting shall be required for an amendment if the required vote for approval is obtained by written consent or ballot. Any amendment(s) shall be effective upon recordation in the office of the Utah County Recorder. In such instrument the Board shall certify that the vote required by this Section for amendment has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section. No acknowledgment of any signature used for voting shall be required.

ARTICLE XV. MISCELLANEOUS

15.1. **Notices.** Any notice required or permitted to be given to any Owner or Member according to the provisions of this Declaration shall be deemed to have been properly furnished if personally delivered, emailed, or if mailed, postage prepaid, to the Person who appears as an Owner, at the latest email or mailing address for such Person appearing in the records of the Association at the time notice is sent. If no email or mailing address has been provided, the physical address of the Lot owned by said Owner shall be used for notice purposes. Owners may opt out of notice via email at any time.

15.2. **Consent in Lieu of Voting.** In any case in which this Declaration requires authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Members entitled to cast the required percentage of membership votes. The Association may use any method allowed under Utah law and the Utah Revised Nonprofit Corporation Act.

15.3. **Dissolution.** The Association may be dissolved by the affirmative assent in writing from 90% of the Owners. Upon dissolution of the Association, all of its agency or

authority to be used for purposes similar to those provided for in the Articles of Incorporation or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Association's assets shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas, common roadways, curbs, gutters, sidewalks, and open space on a pro rata basis which conforms substantially with the assessments procedure, terms and conditions set forth in Article V.

15.4. Interpretation and Severability. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is constructed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any party thereof, and any gender shall include the other gender. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

15.5. Covenants to Run with Land. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Association and all parties who hereafter acquire any interest in a Lot or in the Common Areas shall be subject to the terms of this Declaration and the provisions of any Rules, agreements, instruments, and determinations contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or for injunctive relief, or both. By acquiring any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

15.6. Reasonable Accommodations. Notwithstanding anything to the contrary in this Declaration, the Association, upon receipt of a written opinion from its counsel that such action is required, may make or permit reasonable accommodations or modifications to the Project that are otherwise prohibited by the Governing Documents, as required under Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) as amended, to accommodate a Person with a disability (as defined by Federal law at the time the accommodation is requested). Reasonable accommodations or modifications may include modifications to a Lot, Common Area facilities and buildings, or deviations from provisions of the Governing Documents. Any modification or accommodation made under this section shall not act as a waiver of the provisions of the Governing Documents with regard to anyone else.

15.7. No Waiver. Failure by the Association or by any Owner to enforce any Restriction or provision herein contained, or contained in the Bylaws or the Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

15.8. Condemnation. If a portion of the Common Area is taken by eminent domain, or sold under threat thereof, and is not comprised of and does not include any Lot, the Board shall cause the award to be utilized for repairing or restoring that area in the Project adjacent to the taking, and the portion of the award not used for restoration shall be added to the general funds of the Association. If a Lot is taken by eminent domain, or sold under threat thereof, leaving the Owner with a remnant that may not be practically or lawfully used for any purpose permitted by this Declaration, then that Lot's interest in the Common Areas shall be reallocated to the remaining Lots in proportion to their respective interests immediately before the taking.

15.9 **Security.** The Association shall in no way be considered an insurer or guarantor of security within or relating to the Project, including any Common Area in which the Association may have an obligation to maintain, and the Association shall not be held liable for any loss or damage by reason of any failure to provide adequate security or any ineffectiveness of security measures undertaken. Owner(s) agree by purchasing a Lot in this Association that the Association and Board are not insurers of the safety or well-being of Owners or Occupants or of their personal property, and that each Owner or Occupant assumes all risks for loss or damage to persons, the Lots, the Common Areas, and to the contents of improvements located thereon to the extent not insured by the Association. EACH OWNER AND OCCUPANT UNDERSTANDS AND ACKNOWLEDGES THAT THE ASSOCIATION, AND BOARD HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, AND THAT EACH OWNER OR OCCUPANT HAS NOT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO THE SECURITY OF THE PROJECT.

15.10. **Effective Date.** The Declaration and any amendment hereof shall take effect upon its filing in the office of the Utah County Recorder.

IN WITNESS WHEREOF, the Board of Directors has executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bridgestone as of the day and year written below.

DATED as of the 11th day of April, 2018.

Bridgestone Homeowners Association
A Utah Nonprofit Corporation

By: Maurice F. Navarro
Its: President

State of Utah)
) ss.
County of Utah)

On the 11 day of April, 2018, personally appeared before me Maurice Navarro who by me being duly sworn, did say that she/he is an authorized representative of Bridgestone Homeowners Association, and that the foregoing instrument is signed and executed by authority of the consent of its members.

Notary Public Crystal Coburn



EXHIBIT A
LEGAL DESCRIPTION

All of **Bridgestone Planned Unit Development Plat A**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:315:0001 through 35:315:0008 and 35:315:0500

All of **Bridgestone Planned Unit Development Plat B**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:332:0009 through 35:332:0020

All of **Bridgestone Planned Unit Development Plat C**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:638:0201 through 35:638:0218

All of **Bridgestone Planned Unit Development Plat D Amended**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:490:0037 through 35:490:0048 and 35:490:0054

All of **Bridgestone Planned Unit Development Plat E**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:519:0053 through 35:519:0065

All of **Bridgestone Planned Unit Development Plat F**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:563:0065 through 35:563:0068 and 35:563:0091

All of **Bridgestone Planned Unit Development Plat G Amended**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:641:0069 through 35:641:0105

All of **Bridgestone Planned Unit Development Plat H**, according to the official plat thereof, on file in the office of the Utah County Recorder.

Including Parcel Numbers 35:642:0049 through 35:642:0052

EXHIBIT B
BYLAWS
OF
BRIDGESTONE HOMEOWNERS ASSOCIATION

These BYLAWS OF BRIDGESTONE HOMEOWNERS ASSOCIATION are effective upon recording in the Utah County Recorder's Office pursuant to the Utah Community Association Act and the Utah Revised Nonprofit Corporation Act (referred collectively herein as the "Acts").

RECITALS

A. The Association is organized for any and all lawful purposes for which a nonprofit corporation may be organized under the Utah Revised Nonprofit Corporation Act, as amended, subject to the terms and conditions contained in the Declaration and Articles of Incorporation.

B. These Bylaws are adopted to complement the Declaration, to further define the rights of the Association and the Owners, to provide for the ability to effectively govern and operate the Association and the Project known as Bridgestone, and to further the Association's efforts to safely, efficiently, and economically provide a quality living environment.

ARTICLE I
DEFINITIONS

1.1 Except as otherwise provided herein or as may be required by the context, all capitalized terms used herein shall have the same meaning and effect as used and defined in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bridgestone.

ARTICLE II
APPLICATION

2.1 All present and future Owners, Mortgagees, Occupants, and their invitees and guests, and any other persons who may use the facilities of the Project in any manner are subject to these Bylaws, the Declaration, and Rules. The mere acquisition or rental of any of the Residences or the mere act of occupancy or use of any said Residences or the Common Areas will signify that these Bylaws, the Declaration, and the Rules are accepted, ratified, and will be complied with by said persons.

ARTICLE III
OWNERS

3.1 Annual Meetings. The Annual Meeting of the Owners shall be held each year on a day and time established by the Board. The purposes of the Annual Meeting may include the election of Board Members, the distribution of financial reports and budget, a review of any revisions to the Rules, distributing the most recent reserve study, and to transact such other business as may come before the meeting. If the election of Board Members cannot be held during the Annual Meeting, or at any adjournment thereof, the Board shall cause the election to be held either at a Special Meeting of the Owners to be convened as soon thereafter as may be convenient or at the next Annual Meeting. The Board may from time to time by

resolution change the month, date, and time for the Annual Meeting.

3.2 **Special Meetings.** Special Meetings of the Owners may be called by a majority of the Board, the President, or upon the written request of Owners holding not less than twenty-five percent (25%) of the voting interests of the Association. Any written request for a Special Meeting presented by the Owners shall be delivered to the President and shall include the original signature of each Owner affirmatively supporting such request along with a complete statement of the purpose of the meeting on each page containing signatures. The President shall then call, provide notice of, and conduct a Special Meeting within 45 days of receipt of the Owner request.

3.3 **Place of Meetings.** The Board may designate any place in Utah County that is reasonably convenient for the Owners as the place of meeting for any Annual or Special Meeting. If no designation is made, the place of the meeting shall be held at the office of the Association or its Manager.

3.4 **Notice of Meetings.** The Board shall cause written or printed notice of the date, time, and place (and in the case of a Special Meeting, the purpose or purposes) for all Owner meetings. Such written or printed notice shall be delivered to each Owner of record entitled to vote at such meeting not more than sixty (60) nor less than ten (10) days prior to the meeting. Such notice may be sent via email, text, hand-delivery, or regular mail. If sent by email or text, such notice shall be deemed delivered and effective on the date transmitted to the Owner's email address or telephone number registered with the Association. If mailed, such notice shall be deemed to be delivered and effective on the date deposited in the U.S. mail if addressed to the Owner's address registered with the Association. Each Owner shall register with the Association such Owner's current email address, phone number, and mailing address for purposes of notice hereunder. Such registered email, phone number, and mailing address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, an Owner's Residence shall be deemed to be the Owner's registered address and notice to the Residence address may be made by first-class mail or by posting the meeting notice on the front door. An Owner may opt out of receiving notices from the Association via email or text by giving written notice to the Board stating that the Owner will not accept notices by way of email or text.

3.5 **Qualified Voters.** An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if he or she has fully paid his or her Assessment account (together with interest or other fees) at least 48 hours prior to the commencement of the meeting.

3.6 **Record Date for Notice Purposes.** The Board may designate a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the meeting, for the purpose of determining Owners entitled to notice of any meeting of the Owners. If no record date is designated, the last date on which a notice of the meeting is mailed or delivered shall be deemed to be the record date for determining Owners entitled to notice. The persons or entities appearing in the records of the Association on such record date as the Owner(s) of record of Lots in the Project shall be deemed to be the Owners of record entitled to notice of the Owner meeting.

3.7 **Quorum.** At any duly called meeting of the Association, the presence of Owners and holders of proxies entitled to cast at least forty percent (40%) of the total votes of the Association shall constitute a quorum for the transaction of business. The vote of the Owners representing a majority of the voting interest of the Owners in attendance in person or by

proxy, shall decide any vote or question brought before the meeting. Notwithstanding the foregoing, if the Act, the Articles of Incorporation, the Declaration (as amended), or these Bylaws require a fixed percentage of Owner interests to approve any specific action (e.g., amending Governing Documents), that percentage shall be required to approve such action.

If a quorum is not present at any meeting, the Board shall have the power to adjourn and reschedule the meeting. Any rescheduled meeting must occur within fifteen (15) days of the original meeting and may occur immediately after the original meeting at the Board's discretion. Notice of such rescheduled meeting shall not be required except an oral announcement at the meeting to be rescheduled. The number of Owners present, either in-person or by proxy, shall constitute a quorum for the transaction of business at the rescheduled meeting.

3.8 Proxies. Owners shall be entitled to vote in person or by proxy at each meeting provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been signed by the Owner or by the Owner's attorney. A proxy may be written on paper or received via email, facsimile, text, or any other electronic or physical means. A signature as required herein shall mean any indication that the document is from and consented to by the person who is purported to have sent it. If a Lot is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Lot or the Owner's attorney when duly authorized in writing. A proxy given to a Person who represents an Owner at Association meetings shall be in writing, dated, and signed by such Owner. Such instrument authorizing a proxy to act shall set forth the specific matters or issues upon which the proxy is authorized to act, and may allow the proxy to vote on any issue arising at any particular meeting or meetings. Proxies shall be filed with the Secretary (or with such other officer or person who may be acting as secretary of the meeting) before the meeting is called to order. The Secretary shall record all proxies in the meeting minutes.

3.9 Votes. With respect to each matter submitted to an Owner vote, each Owner entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Lot of such Owner, as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by Owners, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, or the Declaration. The election of Board Members shall be by secret ballot. When a Lot is jointly owned, any Owner may exercise the vote for such Lot on behalf of all Co-Owners of the Lot. In the event of two (2) conflicting votes by Co-Owners of a Lot, no vote shall be counted for that Lot. In no event shall fractional or cumulative votes be exercised with respect to any Lot. Only those Owners whose accounts with the Association are not more than thirty (30) days delinquent shall be entitled to vote.

3.10 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, in the form of proxies and the method of ascertaining Owners present, and in the decision and votes of the Board or of the Owners shall be deemed waived by those Members in attendance if no objection is made at the meeting. For those Members who are not in attendance at the meeting, the right to challenge inaccuracies and irregularities in calls, notices, voting, and decisions shall be waived if no objection is made within thirty (30) days of the date of the meeting.

3.11 Action Taken Without a Meeting. Owners have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval

of Owners in accordance with the requirements of Utah Code §16-6a-707 or § 16-6a-709 and any other applicable section of the Acts. Any action so approved shall have the same effect as though taken at an Owner meeting. Ballots or written consents may be obtained via any electronic or physical means including but not limited to email, facsimile, text, or paper document.

3.12 **Minutes of Meetings.** The Secretary shall take minutes of all meetings of the Owners. The minutes shall include, at a minimum, (1) the identification of the Persons present in person and by proxy, (2) the meeting date, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against any issue decided upon, and (5) the exact wording of any resolution passed at the meeting. The failure to take appropriate minutes or otherwise comply with this section does not invalidate any action taken at a meeting. Draft meeting minutes for each annual meeting of the Owners shall be made available to all Owners within thirty (30) days of the annual meeting.

ARTICLE IV BOARD OF DIRECTORS

4.1 **Powers.** The Project and the affairs and business of the Association shall be managed by the Board of Directors. The Board may exercise business judgment and all of the powers of the Association, whether derived from the Declaration, these Bylaws, the Articles, or the Acts except such powers that the Declaration, these Bylaws, the Articles, and the Acts vest solely in the Owners.

4.2 **Number and Qualifications.** The property, business, and affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) Persons. Board Members must be at least 18 years old and must be an Owner or the spouse of an Owner of a Lot in the Project and must reside in the Project as the Owner's primary residence. If an Owner is a corporation, partnership, limited liability company, or trust, an officer, partner, member, manger, agent, trustee, or beneficiary of such Owner may be a Board Member.

4.3 **Election.** The election of Board Members shall be made by a vote of the Owners through secret ballot. At such election, the Owners or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.4 **Term of Office.** At each Annual Meeting, the Owners shall elect the number of Board Members whose terms are to expire for a term of three (3) years. The terms shall be staggered and overlap so that elections for Board Member positions are held each year. Board Members may serve consecutive terms if reelected.

4.5 **Regular Meetings.** The Board shall hold meetings monthly or more often at the discretion of the Board.

4.6 **Special Meetings.** Special meetings of the Board may be called by the President or a majority of Board Members on at least two (2) business days' prior notice to each Board Member.

4.7 **Meeting Notice.** Notice may be given to Board Members and Owners personally, by email, or by telephone, including text message. Notice shall be provided to Owners in the same manner as provided to Board Members. By unanimous consent of the

Board, meetings may be held without call or notice to Board Members, but notice shall always be provided to those Owners who have requested notice of Board meetings.

4.8 Quorum and Manner of Action. A majority of then authorized Board Members shall constitute a quorum for the transaction of business at any Board meeting. The act of a majority of the Board Members present at any meeting at which a quorum is present and for which proper notice was provided shall be the act of the Board. The Board Members shall act only as the Board of Directors, and individual Board Members shall have no powers as such.

4.9 Owner Attendance. Any Owner may request notice of Board meetings by requesting such notice from a Board Member and providing a valid email address at which the Owner will receive notice. Owners who have requested notice of Board meetings shall be given notice along with the Board Members and shall be provided any call-in number or other means of attendance by electronic communication that is provided to Board Members. If Owners attend a Board meeting, the Board may select a specific period of time during the meeting and limit Owner comments to such time period. The Board in its sole discretion may set a reasonable length of time that each Owner may speak.

4.10 Open Meetings. Except as provided below in (a) through (f), Board meetings shall be open to Owners. The Board may hold a closed executive session during a meeting of the Board if the purpose of the closed executive session is to:

- (a) Consult with legal counsel of the Association to obtain legal advice and discuss legal matters;
- (b) Discuss existing or potential litigation, mediation, arbitration, or an administrative proceeding;
- (c) Discuss a labor or personnel matter;
- (d) Discuss a matter relating to the initial contract negotiations, including the review of a bid or proposal;
- (e) Discuss a matter involving a Person, if the Board determines that public knowledge of the matter would violate the Person's privacy; or
- (f) Discuss a delinquent assessment.

4.11 Board Meetings Generally. The Board may designate any place in Utah County as the place of meeting for any regular or special Board meeting. The Board may allow attendance and participation at any Board meeting by telephone or any other electronic means that allows for Board Members or Owners to communicate orally in real time. If a Board meeting is held by telephone, the Association shall provide the call-in information such that Owners may call-in to access the meeting.

4.12 Board Action. Notwithstanding noncompliance with any provision within this Article, Board action is binding and valid unless set aside by a court of law. A person challenging the validity of a Board action for failure to comply with this Article may not bring the challenge more than sixty (60) days after the Board has approved the minutes recording the Board action.

4.13 Compensation. No Board Member shall receive compensation for any services that such member may render to the Association as a Board Member; provided, however, that a Board Member may be reimbursed for expenses incurred in performance of such duties as a Board Member to the extent such expenses are approved by a majority of the other Board

Members. Nothing herein contained shall be construed to preclude any Board Member from serving the Project in any other capacity and receiving compensation therefore, so long as approved in advance by a majority of disinterested Board Members.

4.14 **Resignation and Removal.** Board Members may resign at any time by delivering a written resignation to either the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery. A Board Member may be removed at any time, with or without cause, at a Special Meeting of the Owners duly called for such purpose upon the affirmative vote of more than fifty percent (50%) of the entire voting interests of the Association.

4.15 **Vacancies.** If vacancies shall occur in the Board for any reason (including death, resignation, or disqualification) except removal by the Owners, the Board Members then in office shall continue to act, and such vacancies shall be filled by a majority vote of the Board Members then in office, though less than a quorum. Any vacancy in the Board occurring by reason of removal of a Board Member by the Owners may be filled by election of the Owners at the meeting at which such Board Member is removed. Any Board Member elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor. Except by reason of death, resignation, disqualification, or removal, Board Members shall continue to serve until their successors are elected.

4.16 **Action Without a Meeting.** Board Members have the right to take any action in the absence of a meeting which they could take at a meeting subject to the requirements of Utah Code §16-6a-813 and any other applicable sections of the Acts. Any action so approved shall have the same effect as though taken at a meeting of the Board.

4.17 **Waiver of Notice.** Before or at any meeting of the Board, any Board Member or Owner may waive notice of such meeting and such waiver shall be deemed the equivalent of proper notice. Attendance by a Board Member or Owner at any meeting thereof shall be a waiver of notice by that Board Member or Owner of the time, place, and purpose thereof.

4.18 **Adjournment.** The Board may adjourn any meeting from day to day for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

4.19 **Meeting.** A Board meeting does not include a gathering of Board Members at which the Board does not conduct or vote on Association business.

ARTICLE V OFFICERS

5.1 **Officers.** The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be appointed by the Board.

5.2 **Election, Tenure, and Qualifications.** Officers shall be elected by the Board at the first Board meeting following each Annual Meeting of the Owners. Each such officer shall hold such office until the next ensuing meeting of the Board following the Annual Meeting of the Owners and until a successor has been elected and qualified, or until such officer's death, or until resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any person may hold any two (2) or more of such offices, except that the President may not also be the Secretary. No person holding two (2) or more offices shall act in or execute any instrument in the capacity of more than one (1) office.

5.3 **Subordinate Officers.** The Board may appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

5.4 **Resignation and Removal.** An officer may resign at any time by delivering a written resignation to any member of the Board or to any managing agent of the Association. Unless otherwise specified therein, such resignation shall take effect upon delivery. An officer may be removed and replaced upon the affirmative vote of a majority of the Board Members at any time, with or without cause.

5.5 **Vacancies and Newly Created Offices.** If a vacancy shall occur in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by majority vote of the Board at any regular or special Board meeting.

5.6 **President.** The President shall be the chief executive of the Association. The President shall preside at meetings of the Board of Directors and at meetings of the Owners. At the meetings, the President shall have all authority typically granted to the person presiding over the meeting including but not limited to: (1) the right to control the order of the meeting, (2) the right to arrange for the removal of any disruptive Owner or person, (3) the right to impose and enforce reasonable rules and procedures related to the meeting such as those found in "Robert's Rules of Order" or "The Modern Rules of Order." The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things as required by the Board.

5.7 **Vice President.** The Vice President shall perform all duties of the President when the President is absent or unable or refuses to act at any meeting of the Board or Owners. The Vice President shall perform such other duties as required by the Board.

5.8 **Secretary.** The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, Rules, or any resolution the Board may require such person to keep. The Secretary shall also act in the place of the Vice President in the event of the President's and Vice President's absence or inability or refusal to act.

5.9 **Treasurer.** The Treasurer shall be responsible to maintain the financial accounting of the Association, subject to the action of the Board, and when requested by the President, shall report the state of the finances of the Association at each meeting of the Owners and at any meeting of the Board. The Treasurer is responsible for the implementation of procedures to minimize the risk of embezzlement or improper use of Association funds and financial accounts. The Treasurer shall perform such other duties as required by the Board.

5.10 **Compensation.** No officer shall receive compensation for any services rendered to the Association as an officer, provided, however, that an officer may be reimbursed for expenses incurred in performance of such duties as an officer to the extent such expenses are approved by the Board.

ARTICLE VI COMMITTEES

6.1 **Designation of Committees.** The Board may designate committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. No member of such committee shall receive compensation for services rendered to the Association as a

member of the committee; provided, however, that the committee member may be reimbursed for expenses incurred in performance of such duties as a committee member to the extent that such expenses are approved by the Board. A committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board in a written resolution. The Board may terminate a committee at any time.

6.2 **Proceeding of Committees.** A committee may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Committees shall keep records of its proceedings and shall regularly report such records to the Board.

6.3 **Quorum and Manner of Acting.** At each committee meeting, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event fewer than two (2) members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual members thereof shall have no powers as such. A committee may exercise the authority granted by the Board.

6.4 **Resignation and Removal.** A committee member may resign at any time by delivering a written resignation to the President, the Board, or the presiding officer of such committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, with or without cause, remove any committee member.

6.5 **Vacancies.** If a vacancy shall occur in any committee due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy by the Board, constitute the then total authorized membership of the committee and, provided that two (2) or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VII INDEMNIFICATION

7.1 **Indemnification.** In addition to the indemnification provisions and requirements set forth in the Declaration, no Board Member, officer, or committee member shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct said Board Member, officer, or committee member performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Board Member, officer, or committee member of the Association, as well as such person's heirs and administrators, from and against any and all claims, judgments and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a Board Member, officer, or committee member of the Association or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such Board Member, officer, or committee member and shall reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's willful or intentional misconduct. The rights accruing to any person under the foregoing provisions of this Section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify

or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted. The Association, its Board Members, officers, committee members, employees, and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

7.2 **Other Indemnification.** The indemnification provided herein shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be under the Acts or under any agreement, vote of disinterested Board Members or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. It is the intent hereof that all Board Members, officers, and committee members be and hereby are indemnified to the fullest extent permitted by the laws of the State of Utah and these Bylaws. The indemnification herein provided shall continue as to any person who has ceased to be a Board Member, officer, committee member, or employee and shall inure to the benefit of the heirs, executors and administrators of any such person.

7.3 **Insurance.** The Board, in its discretion, may direct that the Association purchase and maintain Directors and Officers insurance on behalf of any person who is or was a Board Member, officer, committee member, or employee of the Association or is or was serving at the request of the Association as a Board Member, officer, committee member, employee, or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against, and incurred by, such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against liability under the provisions of this Article.

7.4 **Settlement by Association.** The right of any person to be indemnified shall be subject always to the right of the Association through the Board, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE VIII RULES AND REGULATIONS

8.1 **Rules.** The Board shall have the authority to adopt and establish by resolution such Association Rules as it may deem necessary for the maintenance, operation, management, and control of the Project. The Board may from time to time, by resolution, alter, amend, and repeal such Rules and use their best efforts to see that they are strictly observed by all Owners and residents. Owners are responsible to ensure that their lessees, invitees, and guests strictly observe the Rules then in effect as well as the covenants and restrictions of the Declaration and shall be jointly and severally liable for their violations and resulting fines. Copies of all Rules adopted by the Board shall be sent to all Owners at least ten (10) days prior to the effective date thereof.

ARTICLE IX AMENDMENTS

9.1 **Amendments.** The Bylaws may be amended, altered, or repealed and new Bylaws may be adopted upon the affirmative vote of at least sixty-seven percent (67%) of the voting interest of the Association. Any amendment(s) shall be effective upon recordation in the office of the Utah County Recorder. In such instrument the President shall execute the amendment and certify that the vote required by this Section has occurred. If a Lot is owned by

EXHIBIT C

BRIDGESTONE HOA
MAINTENANCE RESPONSIBILITIES

BUILDING TYPE 1 (Original) BUILDING TYPE 2 (Garbett) BUILDING TYPE 3 (Perry)

ITEM	HOA	UNIT OWNER	HOA	UNIT OWNER	HOA	UNIT OWNER	NOTES
GENERAL NOTE							Shared items are to be resolved between the Owners involved in the use of the item.
A/C Pad		x		x		x	
A/C Unit		x		x		x	
Address Numbers	x		x		x		
Attic Trusses		x		x		x	
Cable TV		x		x		x	
Ceiling		x		x		x	
Chimney Cleaning		x		x		x	
Circuit Breakers for Unit		x		x		x	
Door and Door Frames - Exterior Doors	x		x		x		
Door and Door Frames - damage caused by residents/guests		x		x		x	
Door and Door frames - Interior Doors		x		x		x	
Door Hardware - exterior doors		x		x		x	
Doorbell		x		x		x	
Doors - Thresholds		x		x		x	
Drains- Interior		x		x		x	
Drains - Exterior	x		x		x		
Dryer Vent Cleaning		x		x		x	
Electric- Common Area	x		x		x		
Electric- Interior		x		x		x	
Electrical Wiring/Panel		x		x		x	
Elevators		x		NA		NA	Owners are collectively responsible for the elevator in their building
Exterior Finishes (Rock/Stucco/Sliding, etc.)	x		x		x		
Fence - Vinyl - future replacement	x		x		x		
Fence - Vinyl - repairs from wind/shifting	x		x		x		
Fence - Vinyl - repairs from damage caused by resident/guests		x		x		x	
Fireplace Component, including spark arrestor		x		x		x	
Floor Coverings		x		x		x	
Foundation		x		x		x	
Furnace		x		x		x	
Garage Door Openers, Springs, Hinges, any Mechanical Part		x		x		x	
Garage Doors Replace		x		x		x	
Garage- Interior Concrete		x		x		x	
Gas		x		x		x	
Gas Pipes		x		x		x	
Gate Hardware & Locks	x		x		x		
Gate to Exclusive Use Area	x		x		x		
Heat Tape		x		x		x	shared equally by owners benefitted
Heat Elements in Driveways		x		NA		NA	shared equally by owners benefitted
Hose Bib/Faucet Irrigation Water (HOA Common Area)	x		x		x		
Hose Bib/Faucet Irrigation Water (Owners' Private Area)		x		x		x	
Hose Bib/Faucet Potable Water		x		x		x	
Hot Water Heater		x		x		x	
Insurance - Blanket policy on buildings & general liability	x		x		x		Deductible assessed to specific Owners as required by law
Insurance - HO6 Policy		x		x		x	Deductible is Owners' responsibility
Insurance - Loss Assessment		x		x		x	
HOA Policy Insurance Deductible		x		x		x	Deductible assessed to specific Owners as required by law
Irrigation Lines / Heads - back yards	x		x		x		
Irrigation Lines / Heads - outside yard areas	x		x		x		
Landscape - outside fenced yard areas	x		x		x		
Landscape Drains Around Building	x		x		x		Not inside fenced yard area
Lights - Garage Fixtures- Interior		x		x		x	
Lights - Garage Bulb- Interior		x		x		x	
Lights- Exterior Building Fixtures	x		x		x		
Lights- Exterior Building Bulbs (Exclude Porches and Patios)	x		x		x		
Lights - Porch/Patio Bulb & Fixtures		x		x		x	
Limited Common Area Driveways (area composed of concrete, or the area from garage door to end of planters)		x		x		x	

ITEM	HOA	UNIT OWNER	HOA	UNIT OWNER	HOA	UNIT OWNER	NOTES
Limited Common Area Patios- Repair/Replacement		x		x		x	
Limited Common Area Patios- Paint/Stain		x		x		x	
Limited Common Area Patios- Cleanliness		x		x		x	
Limited Common Area Porches-Repair/Replacement		x		x		x	
Limited Common Area Porches- Paint/Stain		x		x		x	
Limited Common Area Porches- Cleanliness		x		x		x	
Limited Common Area Decks- Repair/Replacement		x		x		x	
Limited Common Area Decks- Paint/Stain		x		x		x	
Limited Common Area Decks- Cleanliness		x		x		x	
Limited Common Area Railings- Repair/Replacement		x		x		x	
Limited Common Area Railings- Paint/Stain		x		x		x	
Limited Common Hallways (Building Type 1)		x		x		x	
Limited Common Area Sidewalks	x		x		x		
Mailbox & Stand/Structure	x		x		x		USPS
Mailbox Lock & Key		x		x		x	USPS
Paint - Exterior Finishes, Including Exterior Doors	x		x		x		
Paint - Interior		x		x		x	
Paint - Garage Doors		x		x		x	
Pest/termites/rodent Control Exterior	x		x		x		
Pest/termites/rodent Control Interior, attic, & Garage		x		x		x	
Phone Lines		x		x		x	
Plumbing Valves, Pipes, & Elements		x		x		x	From meter to the unit - Owner. Before meter - shared by Owners in use.
Plumbing Main Line		x		x		x	From meter to the unit - Owner. Before meter - shared by Owners in use.
Plumbing Pressure Regulator		x		x		x	
Plumbing Leak		x		x		x	From meter to the unit - Owner. Before meter - shared by Owners in use.
Plumbing Stoppage		x		x		x	From meter to the unit - Owner. Before meter - shared by Owners in use.
Plumbing Wall Pipes		x		x		x	
Rain Gutters - future replacement	x		x		x		
Rain Gutters - clean-out	x		x		x		
Rain Gutters - repair	x		x		x		
Rain Gutters - hooked to drain/drainage away from building	x		x		x		
Retaining Walls (adjacent to driveway) - Repair & Replacement		x		x		x	
Roads - Private (maintenance, repair, replacement)	x		x		x		
Roof - future replacement	x		x		x		
Roof Leak	x		x		x		
Roof Leak - damages to interior		x		x		x	
Screen Doors		x		x		x	Must be approved by Board
Sewer pipes		x		x		x	
Sewer pipes - portion to more than one unit		x		x		x	Responsibility shared by Owners benefitted
Shutters	x		x		x		
Skylights		x		x		x	
Snow Removal - Roadways	x		x		x		
Snow Removal - Driveways, sidewalks (on Common Area)	x		x		x		
Snow Removal - Driveways, sidewalks, porches (on Lots)	x	x	x	x	x	x	Owners responsible for porches and rear entries
Stairway- Interior		x		x		x	
Stairway- Exterior		x		x		x	Shared equally by Owners benefitted
Storm Drains	x		x		x		Private road areas only
Street Lights	x		x		x		Unless handled by Rocky Mountain Power
Streets (excluding limited common area driveways)	x		x		x		
Termite Inspection		x		x		x	
Trash		x		x		x	
TV Reception		x		x		x	
Vent covers - Exterior		x		x		x	Color and type approved by HOA
Wall - Bearing Interior Wall		x		x		x	
Wall - Partition Interior Wall		x		x		x	
Water - Culinary		x		x		x	
Water - Common Area Landscape	x		x		x		Unless metered to individual unit owner
Weatherstripping		x		x		x	
Window Frames		x		x		x	
Window Glass		x		x		x	
Window Screens		x		x		x	
Window Wells		x		x		x	

*** Notice to Owners: The maintenance allocations set forth in this Exhibit may be changed through the designation of a Service Area pursuant to the procedures set forth in the Declaration ***