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**DECLARATION
OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS
FOR
SKY RANCH TOWNHOMES**

**AN EXPANDABLE
PLANNED UNIT DEVELOPMENT**

Salt Lake County, Utah

**ACCOMMODATION
RECORDING ONLY
U.S. TITLE**

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This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SKY RANCH TOWNHOMES ("Declaration") is effective when recorded with the Salt Lake County Recorder's Office by Woodside Homes of Utah, LLC, a Utah limited liability company, (the "Declarant").

RECITALS

- A. Capitalized terms in this Declaration are defined in Article I.
- B. The real property situated in Salt Lake County, Utah, described in Exhibit A, attached to and incorporated in this Declaration by reference (the "Parcel"), is hereby submitted, together with all buildings and improvements previously, now, or hereafter constructed on the Parcel, and all easements and rights appurtenant thereto (collectively, the "Property"), to a residential planned unit development consisting of residential Living Units and related Common Areas pursuant to Utah Code Ann. § 57-8a-101 et seq. that shall be known as "Sky Ranch Townhomes" (the "Project").
- C. Declarant is the owner of the real property subject to this Declaration. By signing this Declaration, the Declarant consents to subjecting its real property to the terms, covenants, and restrictions contained herein.
- D. Declarant hereby desires to establish for the mutual benefit of Declarant and all future Owners and Occupants of the Project, certain covenants, conditions, restrictions, easements, rights, privileges, assessments, and liens as set forth herein (collectively the "Restrictions"), which shall run with and be a burden upon the Property.
- E. Declarant desires to create an association of homeowners, which entity shall possess the power to maintain and administer the Common Areas, collect and disburse assessments and charges hereinafter provided for, and administer and enforce the provisions of this Declaration. It is intended that this Declaration shall serve as a binding contract between the Association and each Owner; however, nothing herein, is intended to create a contractual relationship between Declarant and the Association or Declarant and any Owner, or to inure to the benefit of any third-party. Additionally, it is not intended that this Declaration be read in conjunction with any deed or real estate purchase contract to create privity of contract between Declarant and the Association.
- F. Declarant intends that the Owners, Occupants, Mortgagees, and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interest subject to this Declaration, which is recorded in furtherance of establishing a general plan of planned unit ownership for the Property, and for establishing Rules (as defined below) for the use, occupancy, management, and enjoyment thereof.
- G. Declarant explicitly reserves for itself the option in the future to expand the Project.

DECLARATION

NOW, THEREFORE, Declarant hereby declares that the Property is and shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied, and enjoyed subject to the following Restrictions. These covenants, conditions, and restrictions are in furtherance of, and the same shall constitute a general plan for the ownership, improvement, sale, use, and occupancy of the Property; they are also in furtherance of and designed to

accomplish the desires, intentions, and purposes set forth in the recitals above.

ARTICLE I. DEFINITIONS

1.1. **Act** shall mean and refer to 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. **Additional Land** shall mean and refer to, without limitation, any parcel of land that is annexed into the Project in accordance with the provisions outlined in this Declaration.

1.3. **Annual Assessment** shall mean the Assessment imposed and levied each year against each Lot pursuant to Article V of this Declaration.

1.4. **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.

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

1.6. **Assessments** shall mean any charge imposed or levied by the Association against Owners including but not limited to Annual Assessments corresponding with the Common Expenses as well as Special Assessments, Individual Assessments, and late fees and fines, all as provided in this Declaration.

1.7. **Association** shall mean and refer to Sky Ranch Townhomes Homeowners Association, Inc., a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in the dissolution of the Association.

1.8. **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.

1.9. **Bylaws** shall mean and refer to the Bylaws of the Association as the same may be amended from time to time. A copy of the Bylaws is attached hereto as Exhibit B.

1.10. **Common Areas** shall mean all roadways and shared alleys within the Property shown on the Plat as private roads and which are not accepted for dedication by a municipal authority; all land, and the improvements situated thereon, within the Property that Declarant designates as 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 Association signs or monuments, walkways, trails and open space, landscaped areas outside of the Lots, street signage, lighting detached from any Living Unit, sidewalks, and other similar improvements; and any real property or improvements within the Property 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, without limitation, all utility and service lines, systems and similar improvements, whether public or private-company owned, intended to serve more than one Living Unit, whether located on a Lot or lying outside of the exterior boundaries of the Living Unit.

1.11. **Common Expenses** shall mean all sums lawfully assessed against Owners; expenses of administration, maintenance, management, operation, repair and replacement of

the Common Areas and other items which are maintained by the Association; expenses allocated by the Association among the Owners; expenses agreed upon as common expenses by the Association or its Board of Directors; expenses incurred by the Association in fulfilling its obligations under the Governing Documents; expenses declared common expenses by the Declaration or other Governing Documents; and any other miscellaneous charges incurred by the Association or the Board pursuant to the Act or the Governing Documents.

1.12. **Declarant** shall mean and refer to Woodside Homes of Utah, LLC, a Utah limited liability company, and any successor in interest.

1.13. **Declaration** shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for Sky Ranch Townhomes, as may be amended from time to time.

1.14. **Design Guidelines** shall mean and refer to those requirements governing the location, color, materials, and architectural design of dwellings, structures, and improvements within the Project, including any design requirements adopted by the Declarant, Board, or ACC as further provided herein.

1.15. **Director** shall mean and refer to an individual member of the Board of Directors.

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

1.17. **Individual Assessment** shall mean any Assessment that is levied and assessed pursuant to Section 5.7 of this Declaration.

1.18. **Living Unit** shall mean and refer to an attached townhome structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on or with respect to the Lot concerned which are used in connection with such residence. The Living Unit shall include, without limitation, the roofs and all exterior surfaces, exterior trim, gutters, downspouts, patios, porches, and foundations. The Living Unit shall also include any mechanical equipment and appurtenances located within any one Living Unit or located without said Living Unit but designed to serve only that Living Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Living Unit or serving only the Living Unit, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Living Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the building within which the Living Unit is located shall be deemed to be a part of the Living Unit.

1.19. **Lot** shall mean and refer to each of the individual lots within the Project, as shown on the Plat, with the exception of the Common Areas.

1.20. **Manager** shall mean a Person, if any, selected by the Board to manage the affairs of the Association and Property.

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

1.22. **Mortgage** shall mean 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.

1.23. **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.

1.24. **Occupant** shall mean and refer to any Person, other than an Owner, living, dwelling, visiting, or staying in a Living Unit. This includes, but is not limited to, all lessees,

tenants, and the family members, agents, guests, and representatives living, dwelling, visiting, or staying in a Living Unit. Occupants shall be bound by the Restrictions in this Declaration and shall be liable, jointly and severally with the Owner, for any fines that are assessed for violations of the Governing Documents.

1.25. **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 Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.26. **Parcel** as hereinbefore defined shall mean and refer to the real property legally described in Exhibit A and any Additional Land annexed into the Project.

1.27. **Party Wall** shall mean and refer to a wall, including without limitation a foundation wall, that forms part of a Living Unit 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 Living Units, which wall may be separated by a sound board between two (2) or more Living Units.

1.28. **Period of Declarant Control** shall mean and refer to a period of time commencing on the date this Declaration is recorded and terminating on the occurrence of the earliest of the following events: (1) the date on which all of the Living Units have been conveyed to third-party purchasers, including Living Units that may be included within any Additional Land, regardless of whether such Additional Land has been added hereto; or (2) the Declarant executes and records a written waiver of its right to control the Association.

1.29. **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.

1.30. **Plat** shall mean and refer to the official subdivision plats of the Property, filed and recorded in the official records of the Salt Lake County Recorder's Office. The Plat may refer to the Project as "Sky Ranch Towns" or "Sky Ranch Townhomes".

1.31. **Proceeding** shall mean a lawsuit, arbitration, mediation, or an administrative or governmental proceeding.

1.32. **Project** as hereinbefore defined shall at any point in time mean and refer to Sky Ranch Townhomes planned unit development.

1.33. **Property** as hereinbefore defined shall include the Parcel, together with the buildings, improvements, and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.34. **Reinvestment Fee** shall have the meaning given in Section 5.21 of this Declaration.

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

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

1.37. **Special Assessment** shall mean any Assessment that is levied and assessed pursuant to Section 5.6 of this Declaration.

1.38. **Supplemental Declaration** shall mean and refer to a written instrument recorded in the records of the Salt Lake County Recorder, which refers to this Declaration and which amends, modifies, or supplements this Declaration in accordance with its terms.

1.39. **Trustee** shall mean the trustee or successor trustee qualified under U.C.A. Subsection 57-1-21 (1)(a)(i) or (iv), as amended, and appointed by Declarant or the Association pursuant to the Act and Section 5.17 of this Declaration.

ARTICLE II. PROPERTY DESCRIPTION

2.1. **Submission.** The Declarant hereby confirms that the Parcel described with particularity on Exhibit A attached hereto and incorporated herein by this reference is hereby submitted to the Act. The Declarant hereby declares that the Property 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 Declarant, 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 Sky Ranch Townhomes. The Project is not a cooperative.

2.3. **Description of Improvements.** The improvements contained in the Project will be located upon the Parcel. The major improvements will initially include Lots, each with a Living Unit. Other Lots or Common Areas may be added upon the Additional Land as reserved by the Declarant. There are also Common Areas as further provided herein, along with other improvements detailed on the Plat. 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.

2.4. **Lots.** The Lots, their locations, and approximate dimensions are indicated on the Plat(s). The Lots will include an attached townhome Living Unit. The driveways, whether front-loaded or alley-loaded, are part of the Lot.

2.5. **Common Areas.** The Common Areas are identified on the Plats and described in Article 1, Section 1.10 above.

2.6. **Expansion of Project.** The Project may be expanded by the Declarant in accordance with the provisions of Article XII and as provided elsewhere herein.

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 Living Unit to which it is appurtenant, 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 their name to the purchaser of such Owner's 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 or limited by the Special Declarant Rights reserved by the Declarant, 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 except towards establishing a quorum.

3.4. **Record of Ownership.** Every Owner shall promptly file with the secretary of the Association or its representative (i) the conveyance document (or in the case of a contract buyer, a copy of the sales contract) for their Lot, and (ii) the Owner's name(s), mailing address, e-mail address, and phone number capable of receiving text messages. Any Owner who mortgages their Lot or any interest therein to a Mortgagee which has priority over the lien of any Assessment provided herein shall promptly notify the secretary of the Association or its representative of the name and address of the Mortgagee and also of the release of such Mortgage. The Association is under no obligation to track down this information from an Owner or county records, as such is the Owner's sole responsibility. Any cost incurred by the Association in obtaining the information about an Owner as specified herein which is not timely 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.

3.5. **Proxies.** An Owner may give their proxy, either specific or general, to another Owner, a third person, or to a contract purchaser of their 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 or their representatives conducting such vote or as may be further provided in the Bylaws.

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 Occupant or contract purchaser who resides on such Member's Lot.

4.2. **Title to Common Areas.** The Declarant has or will convey title to the Association to various Common Areas; however, neither this conveyance nor any other provision of the Declaration shall be construed to create a contractual relationship between the Association and Declarant.

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 the Association to charge reasonable admission and other fees for the use of the recreational facilities situated upon the Common Areas;

3) The right of Salt Lake County and any other governmental or quasi-governmental body having jurisdiction over the Property to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service;

4) 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 their Lot remain unpaid, and for a period not to exceed sixty (60) days for any infraction of the Rules; and

5) 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. During the Period of Declarant Control, any such dedication or transfer may be approved in the sole discretion of the Declarant without any assent from the Owners. Following the Period of Declarant Control, any such dedication or transfer must be assented to by at least two-thirds (2/3) of the Lot Owners.

4.4. **Delegation of Use.** Any Owner may delegate their right of use and enjoyment to the Common Areas to Occupants or contract purchasers who reside on the Property. 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 the above Section. Notwithstanding the foregoing, the right of use and enjoyment to the Common Areas may only be exercised at any given time by either the Owner(s) or the Occupant(s), but not both. The Association shall presume that such rights are transferred to any Occupant unless the Owner provides the Association written notice to the contrary and provides for such arrangement in the lease agreement or contract.

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, and to maintain, repair, and replace, as required or permitted, portions of a Lot. The Association shall also have an easement on, over, upon, and through all Lots and Living Units as needed to perform its maintenance, repair, and replacement obligations and to carry out and enforce the terms of 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 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. Notice is hereby expressly provided that portions of porches and porch posts may encroach on an adjoining Lot.

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 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 the townhome structure.

4.9. **Compliance with Restrictions and Rules.** Each Owner and Occupant shall comply with the Restrictions imposed by this Declaration. Further, each Owner and Occupant shall fully and faithfully comply with the Association's Rules.

ARTICLE V. BUDGET AND ASSESSMENTS

5.1. **Annual Budget.** The Board shall prepare, or cause the preparation of, and adopt an annual budget for the Association. The annual budget shall provide, without limitation, for the payment of the Common Expenses, 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 the Owners within thirty (30) days after adoption or at the next annual meeting.

5.2. **Covenant to Pay Assessments.** Each Owner, by the acceptance of a deed to a Lot, 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 Property, 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; and any Common Expenses or other expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under the Governing Documents.

5.4. **Declarant's Assessment Exemption.** Anything to the contrary notwithstanding, the Declarant shall not be obligated to pay Assessments on any Lot or Living Unit owned by it until such time as the Declarant elects in writing to pay Assessments, and only for so long as the Declarant elects to pay Assessments.

5.5. **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 nor more than sixty (60) days prior to the beginning of the next budget year. Each Annual Assessment shall be due and payable in monthly or quarterly 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.

5.6. **Special Assessments.** In addition to the Annual 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 five-hundred dollars (\$500) per Lot 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.

5.7. **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 their Occupants; (b) costs associated with the maintenance, repair, or replacement of Common Areas caused by the neglect or actions of an Owner or their 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 Living Unit 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 improvements to adjacent roads, sidewalks, planting areas, or other portions of the Common Areas made on 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 their Occupants' negligence.

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

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 fifty dollars (\$50) 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 attorneys' 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 themselves or their Lot from liability for payment of Assessments by waiver of their rights concerning the Common Areas or by abandonment of their 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 attorneys' 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. **Rules Regarding Billing and Collection Procedures.** The Board shall have the right to adopt Rules setting forth procedures for the 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 from 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 Property.

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 twenty-five dollar (\$25) late fee each month, on any balance, until the Owner's account (including all collection charges, costs, and attorneys' fees) is paid in full. Interest shall accrue on all unpaid balances at the rate of eighteen percent (18%) per annum. Collection charges, interest, attorneys' fees, and/or late fees shall constitute part of the Assessment lien provided above until paid. The Association may by Rule increase the amount of the late fee described above.

5.17. **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 that any Assessment, or any portion 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 Salt Lake County, Utah 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, or 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 the delinquent Owner is leasing their Lot or any portion thereof, the Board may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner 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 may suspend the delinquent Owner's right to use the Common Areas.

6) Payments shall be credited first to collection costs (including attorney's 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.

5.18. **Power of Sale.** The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially. Declarant hereby appoints the Association's attorney of record as Trustee, and conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-302 to said Trustee, with power of sale, the Lots and all improvements to the Lots for the purpose of securing payment of Assessments under the terms of this Declaration. 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 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.

5.19. **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. Neither the Board nor any Director shall be personally liable for failure to fund the reserve unless willful or intentional misconduct is proven in a court of law. Notwithstanding the foregoing, such reserve fund duties and obligations shall not apply to the Association and Board during the Period of Declarant Control.

5.20. **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 to Salt Lake County to the extent taxes are required on such Common Areas. Each Owner will be required to reimburse the Association for its pro rata share of such taxes paid. Notwithstanding anything to the contrary contained in the Declaration, Salt Lake 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.

5.21. **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 §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 sale of the Lot or not (as applicable, a "Transfer"), but excluding any Transfer made to the Declarant or an affiliate or successor of Declarant, 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, provided that in no event shall the Reinvestment Fee exceed the maximum rate permitted by law.

2) The Association shall not levy or collect a Reinvestment Fee for any Transfer exempted by Utah Code §57-1-46.

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.

4) All Transfers of Lots from Declarant to a Declarant-related entity shall be exempt from a Reinvestment Fee. The Declarant shall have the sole discretion to determine whether such Transferee is a Declarant-related entity and if a Reinvestment Fee applies.

5.22. **Account Payoff Fees.** The Association, or its Manager, may charge a fee for providing Association payoff information needed in connection with financing, refinancing, or closing of the sale of a Lot as provided for in Utah Code §57-8a-106. The amount of such fee shall be \$50.00 or as otherwise established in the Rules. Additional paperwork required in a private sale between an Owner and purchaser may be obtained from the Association but may incur additional fees.

5.23. **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, Mortgagees 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.

5.24. **Homestead Waiver.** Pursuant to Utah Code §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 shall be incorporated as a nonprofit corporation. In the event the nonprofit corporate status expires or is invalidated in any manner, the Board of Directors, 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 or in the Governing Documents.

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

- 1) The powers, duties, and obligations granted to the Association by this Declaration, its Bylaws, and the Articles;
- 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 homeowner's association pursuant to the 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 or Bylaws 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 property of any Owner(s) and the Living Units. Each Owner shall be responsible for obtaining and maintaining such insurance.
- 3) **Rulemaking.** The Association, through the Board of Directors, shall make, establish, promulgate, amend, and repeal Rules governing the conduct of persons and the

operation and use of the Property as it may deem necessary or appropriate in order to assure a clean, aesthetically pleasing, peaceful, and orderly use and enjoyment of the Property. Pursuant to Utah Code §57-8a-218(19), the requirements of Utah Code §57-8a-218(1), (2), (6), and (8) through (14), 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. The Association may assess fines to Owners or Occupants for violations of the Governing Documents in accordance with the provisions of the Governing Documents and the Act.

6) **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.

7) **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 Property.

8) **Litigation.** The Board may initiate litigation to enforce the provisions of the Governing Documents or any other common law or statutory right which the Association is granted, except as otherwise provided herein.

9) **Shared Use of Common Area.** Similar subdivisions are in near proximity to the Property. The Board may, in its sole discretion, grant a neighboring association the right to use some or all of the Common Areas, or accept such a grant. Such may be accomplished through the payment of a fee set by the Board calculated to cover expenses associated with the use of the Common Area amenity, through a joint-use and cross easement agreement that may be negotiated and approved by the Board, or through any other method determined by the Board. Notwithstanding the foregoing, any consolidation or merger with another association shall be approved by at least two-thirds (2/3) of the Owners and be done pursuant to §57-8a-601 of the Act.

10) **Bulk Service Agreements.** The Association shall have the right to enter agreements, as the Board deems appropriate, for the provision of cable, television, internet, telephone, or other similar services for all of the Lots or groups of Lots. Such services shall be assessed to the Owners pursuant to the provisions of this Declaration and in any Assessment, may be broken out as a separate line item on invoices, statements, or notices of Assessment.

6.5. **Liability.** A Director 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 their duties, except for intentional or willful bad acts or acts of recklessness. In the event any Director 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 Director or officer is found by a court of law to have engaged in willful or intentional misconduct in carrying out their 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. Directors shall be elected pursuant to the provisions set forth in the Bylaws which may also 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 (collectively, the "Delegated Duties"). 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 Delegated Duties to an applicable Committee.

Notwithstanding the foregoing, during the Period of Declarant Control, the Declarant shall have the sole authority to appoint Directors and such Directors shall not be bound by any qualifications or requirements in the Bylaws.

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.

6.8. **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.

6.9. **Management**. The Project shall be managed by a professional manager, selected by the Declarant, or upon the termination of the Period of Declarant Control, shall be selected by the Board to assist in the management and operation of the Project and may delegate such of its powers and duties to the Manager as it deems appropriate; reserving the right, however, to control and oversee the administration thereof. Any powers and duties delegated to any Manager may be revoked by the Board at any time, with or without cause.

6.10. **Dispute Resolution**. Declarant, Association, its officers and Directors, and all Owners (each a "Bound Party" as used in this Section) agree to encourage the amicable resolution of any disputes, grievances, and claims regarding the design, initial construction, condition, or sale of any part of the Project or any improvements thereon ("Claims") involving any Bound Party without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to the following mandatory procedures for resolving all Claims.

1) Any Bound Party initiating a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and Respondent referred to herein being individually referred to as a "Party" or collectively referred to as the "Parties") shall notify each Respondent in writing ("Notice"), stating plainly and concisely:

a) The nature of the Claim, including the Persons involved and Respondent's role in the Claim;

- b) The legal basis of the Claim (i.e. the specific authority out of which the Claim arises);
- c) The proposed remedy;
- d) The fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim; and
- e) That the Person alleged to be responsible shall have one hundred eighty (180) days to cure or resolve the Claim.

2) Within sixty (60) days of providing the Notice, the Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

3) In the event that the Claim is not resolved within sixty (60) days following the meeting or in a time period as agreed to by the Parties; or if the meeting fails to take place within the time period required above despite good faith efforts, except for any Claim that may be filed by the Association against the Declarant or an affiliate of the Declarant, the Claimant may proceed with a Proceeding against the Respondent following one hundred eighty (180) days after the original Notice, except as may be limited by Section 6.11 below.

4) Before initiating any Proceeding for any Claim against the Declarant or an affiliate of Declarant, in addition to the requirements and limitations set forth in Section 6.11 below, the Association shall:

- a) Provide full disclosure in writing to all Owners of all material information relating to the Claim, which includes without limitation, a statement describing the nature of the Claim, the manner in which the Claim will be funded and a statement describing any demands, notices, offers to settle or responses to offers to settle made either by the Association or the Declarant or its affiliate, if applicable;

- b) Call and hold a special meeting of the Owners to discuss the Claim and disclosures, and provide at least 72 hours' notice to each Bound Party of such meeting, and permit a representative of each Bound Party to attend the special meeting; and

- c) Receive approval from at least two-thirds (2/3) of the entire voting interests of the Association, who must be present in person or by proxy at the special meeting, to initiate any Proceeding of the Claim against the Declarant and/or its affiliate, if applicable.

5) Any Proceeding following the Period of Declarant Control that involves the Bound Parties shall strictly comply with each of the provisions of this Section. The Parties hereby covenant, stipulate, and agree that in the event the Bound Parties fail to satisfy the prerequisites set forth herein, the non-compliant party will indemnify, defend, hold harmless, and exculpate the other Bound Party to the fullest extent permissible by law, and the non-breaching Bound Party shall be entitled to recover any and all attorney fees and costs expended as a result of enforcing this Section, which fees and costs may include, without limitation, pre-litigation attorney fees, costs incurred in connection with investigation of potential claims, including expert and consultant fees, testing fees, contractor fees, and insurance deductibles. The Bound Parties further covenant,

stipulate, and agree that failure to comply with this Section herein will result in damages to Declarant including, without limitation, reputational harm, lost revenues, and loss of business and sales opportunities.

6) Any provision in this Declaration notwithstanding: (1) other than as set forth in this Section, the Association shall have no power whatsoever to institute, prosecute, maintain, or intervene in any Proceeding; and (2) any institution, prosecution or maintenance of, or intervention in, a Proceeding by the Board without first strictly complying with, and thereafter continuing to comply with, each of the provisions of this Section, shall be unauthorized and *ultra vires* (i.e., an unauthorized and unlawful act, beyond the scope of authority of the corporation or of the person(s) undertaking such act) as to the Association, and shall subject any Director who voted or acted in any manner to violate or avoid the provisions and/or requirements of this Section to personal liability to the Association for all costs and liabilities incurred by reason of the unauthorized institution, prosecution, or maintenance of, or intervention in, the Proceeding; and (3) this Section 6.10 and Section 6.11 below may not be amended or deleted at any time without the express prior written approval of: (a) Members representing not less than sixty-seven percent (67%) of the total voting power of the Association, (b) not less than seventy-five percent (75%) of the total voting power of the Board, and (c) the Declarant during the Period of Declarant Control. Any purported amendment or deletion of this Section or any portion hereof, without all of these express prior written approvals shall be void.

7) The dispute resolution procedures in this Section are in addition to and are not superseded by those protections provided to the Declarant by the Act, including, but not limited to, Utah Code §57-8a-229.

8) ALL PARTIES HEREBY AGREE TO RESOLVE ANY CLAIM ACCORDING TO THE PROVISIONS OF THIS SECTION AND SUCH PARTIES WAIVE THEIR RESPECTIVE RIGHTS TO PURSUE THE CLAIM IN ANY MANNER OTHER THAN AS PROVIDED IN THIS SECTION.

6.11. MANDATORY BINDING ARBITRATION FOR MATTERS INVOLVING DECLARANT. In addition to the requirements and procedures set forth in Section 6.10 above, the Association and each Owner is deemed to have accepted and agreed to comply with the terms of this Section 6.11.

1) Any and all claims, controversies, breaches, or disputes (each a "Dispute") involving the Declarant or any affiliate of the Declarant, and any Owner or the Association (individually referred to as a "Party" or collectively referred to as the "Parties") arising out of or related to this Declaration, the Lots, Residences, the sale of a Lot or Residence, or any transaction related thereto, whether such Dispute is based on contract, tort, statute, or in equity, including, without limitation, any Dispute over: breach of contract, negligent or intentional misrepresentation or fraud, nondisclosure, breach of any alleged duty of good faith and fair dealing, allegations of latent or patent construction defects, breach of any fiduciary duty, or any other matter arising out of or related to the interpretation of any term or provision of this Declaration, sales agreement, or otherwise, shall be arbitrated pursuant to the Federal Arbitration Act (9 U.S.C. §1, et seq.) ("FAA") and subject to the procedures set forth in Sections 6.10 and 6.11.

2) Such Dispute shall be submitted to binding arbitration by and pursuant to the rules of the American Arbitration Association ("AAA"), pursuant to its construction arbitration program, or such alternative as mutually agreed by the Parties. If AAA is not available and

the Parties involved in the Dispute are unable to agree on another alternative, then either Party may, pursuant to the applicable provisions of the FAA, apply to a court of competent jurisdiction to designate an arbitration service provider, which designation shall be binding upon the Parties. The rules and procedures of such alternative arbitration service in effect at the time the request for arbitration is submitted shall be followed.

3) The following are general arbitration provisions:

a) The matters herein involve and concern interstate commerce and are governed by the provisions of the FAA now in effect and as the same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance, regulation, or judicial rule. Accordingly, any and all disputes shall be arbitrated – which arbitration shall be mandatory and binding – pursuant to the FAA.

b) To the extent that any state or local law, ordinance, regulation, or judicial rule shall be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the arbitration service rules shall govern the conduct of the proceeding.

c) This Section 6.11 shall inure to the benefit of, and be enforceable by, the Declarant, affiliates of the Declarant, subcontractors, agents, vendors, suppliers, design professionals, insurers and any other person whom the Association or Owner contents is responsible for any alleged defect in or to the Project.

d) In the event any dispute is submitted to arbitration, each Party shall bear its own attorneys' fees and costs (including expert costs) for the arbitration, unless the arbitrator orders otherwise.

e) The arbitrator shall be authorized to provide all recognized remedies available in law or in equity for any cause of action that is the basis of the arbitration. The decision of the arbitrator shall be final and binding. The Parties expressly agree that an application to confirm, vacate, modify, or correct an award rendered by the arbitrator shall be filed in any court of competent jurisdiction in Salt Lake County.

f) The participation by any party in any judicial proceeding concerning this Section 6.11 or any matter arbitration-able hereunder shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this Section 6.11. Attorneys' fees and costs shall be borne pursuant to (d) above.

g) The fees to initiate the arbitration shall be advanced by the Party bringing the Claim and subsequent fees and costs of the arbitration and/or arbitrator shall be borne equally by the Parties to the arbitration; provided, however, that the fees and costs of the arbitration and/or the arbitrator shall ultimately be borne as determined by the arbitrator.

h) The arbitrator appointed to serve shall be a neutral and impartial individual.

i) If any provision of this Section 6.11 shall be determined to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms.

j) All parties governed by this Declaration acknowledge and agree that they are waiving any rights to have the Disputes described by this Section 6.11 decided in a court or by a jury trial.

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 Areas and private utility lines owned or controlled by the Association serving more than one (1) Lot, landscape and drainage easements and personal property owned by the Association when the context so requires, all of which are not included within the dimensions of any Lot. The Association shall also maintain the front yard landscaped areas of the Lots that are originally installed by Declarant. In addition, the Association shall maintain, repair, and replace the Living Units' roofs, foundations, exterior wall surfaces (except windows, doors, and garage doors), soffit and fascia, and the gutters and downspouts. The elevated decks, exterior door steps, stoops, porch landing, and exterior handrails shall be maintained, repaired, and replaced by the Association, but the Owners shall keep the same in a clean and tidy condition. Project perimeter fencing, not bounding a Lot, and retaining walls wherever located, shall be maintained, repaired, and replaced by the Association. The Common Areas shall be maintained in a safe condition and in a good and workmanlike manner such as to carry out the purpose for which such areas are intended.

Further descriptions of Association maintenance, repair, and replacement responsibilities are contained in the maintenance allocation chart attached as Exhibit C. Unless the maintenance, repair, and replacement obligation is expressly assigned to the Association herein, such obligation shall be fulfilled by the Owner(s). In the event of a conflict between this Article VII and Exhibit C, Exhibit C shall control, except as otherwise determined by the Declarant or Board following the Period of Declarant Control. Declarant may at any time during the Period of Declarant Control, modify, amend, or revise any portion or all of Exhibit C.

7.2. **Owner Maintenance.** Each Owner shall have the obligation to provide interior and certain exterior maintenance of the Lot and Living Unit, including, but not limited to, repair, replacement, and care of structural elements of the Lot and Living Unit; windows; doors; utility lines that solely service the Lot or Living Unit as further described on Exhibit C; patios; all mechanical devices, including, but not limited to, appurtenant electrical, plumbing, and heating, ventilating and air conditioning systems; and other Lot and Living Unit components not maintained by the Association. Lot Owners shall maintain, repair, and replace the driveways, both front and alley loaded driveways, as well as any backyard areas of a Lot except for retaining walls. Lot Owners shall be responsible to maintain, repair, and replace any fences which mark the boundaries of their Lots. The cost and responsibility to maintain, repair, and replace any portion of such fence, which serves, benefits, or bounds only one (1) Lot shall be borne exclusively by the Lot Owner bounded thereby. When such fence(s) serves, benefits, or others marks the boundary of two (2) or more Lots, the responsibility and cost to maintain, repair, and replace the shared portion of the fence shall be born pro rata by all Lot Owners bounded thereby. Such fences may be included as part of the original construction. Owners are also responsible for the maintenance, repair, and replacement of windows, doors, garage doors, and door trims subject to any Rules or the guidelines of the ACC. Owners are responsible for the snow removal upon the driveways, unless such is expressly assumed by the Association in the sole discretion of the Board. Owners are also responsible for the snow removal upon their patios, elevated decks, porches, landings, and front steps. Absent any written Board decision to the contrary, Lot Owners are responsible to remove snow upon the sidewalks fronting a Living Unit. Where a sidewalk fronting a Living Unit is shared among multiple Lots, those Lot Owners are jointly and severally responsible for the snow removal upon the shared sidewalk.

Further descriptions of Owner maintenance, repair, and replacement responsibilities are contained in the maintenance allocation chart attached as Exhibit C.

7.3. **Services.** In the sole discretion of the Board, the Association may provide or contract for services deemed by the Board to be of benefit to the Project.

7.4. **Party Wall Maintenance.** By acceptance of a deed to a Lot, each Owner hereby acknowledges, agrees, and understands that it is essential that the Party Wall (as defined above) be maintained in good condition and repair to preserve the integrity of the Living Units 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. 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 Living Unit. With respect to pipes, conduits, ducts, and other utility service lines and connections which benefit 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 is caused through the willful or negligent act of any Owner or their 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, except as may be otherwise provided in the immediately preceding sentences, the Owners benefitted by the Party Wall agree to share equally in the cost of maintenance and upkeep thereof in good condition and repair, including the replacement thereof as necessary.

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 such Lot or any improvement thereon (including a Living Unit); but only if the Owner fails to maintain and repair such Lot 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 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.

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 enjoin 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 is caused through the willful or negligent acts of an Owner or an Owner's Occupant, family, guests, tenants, or invitees, 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 (as set forth above) to which such Lot is subject.

ARTICLE VIII. INSURANCE

NOTICE: The Association's insurance policy does not cover the personal property or personal liability of the Owners or Occupants of the Living Units.

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) **Common Area.** The Association shall maintain a blanket policy of property insurance covering the Common Area and all buildings, fixtures, and 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.

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 property'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 two million dollars (\$2,000,000) or the insurable value of the building containing the equipment.

f) Except as otherwise noted below with regard to the Living Units, the

Association has no obligation to obtain any insurance covering Owners' personal and real property, which shall be the responsibility of the Owner.

2) **Living Units.** The Association shall maintain a blanket policy of property insurance covering the Living Units, fixtures, and building services equipment as provided in the Act. 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 permanent fixture, improvement, or betterment installed in or affixed to the Living Unit, including without limitation, floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, and windows.

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 property'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 two million dollars (\$2,000,000) or the insurable value of the building containing the equipment.

f) **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:

i) The Association's policy provides primary insurance coverage, and:

(1) the Owner is responsible for the Association's policy deductible; and

(2) the Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible.

ii) An Owner that has suffered damage to a Living Unit ("Living Unit 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 Living Unit Damage ("Living Unit Damage Percentage") for that Living Unit to the amount of the deductible under the Association's property insurance policy; and

iii) If an Owner does not pay the amount required under Subsection f)ii) above within 30 days after substantial completion of the repairs to the Living Unit, the Association may levy an Individual Assessment against the Owner for that amount.

g) **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.

h) **Notice Requirement for Deductible.** The Association shall provide notice to each Owner of the Owner's obligation under Subsection f) 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.

i) **Association's Obligation to Segregate Property Insurance Deductible.** The Association shall maintain an amount equal to the Association's property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.

j) The Association shall have no obligation to obtain or maintain any insurance covering Owners' personal property.

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 Two Million Dollars (\$2,000,000.00) 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 precludes the insurer from denying a claim of an Owner because of the negligent 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 to the extent available: (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 shall 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 Directors of the Association, (b) employees and volunteers of the Association, (c) any Manager of the Association, and (d) officers, Directors, and employees of any Manager of the Association.

8.6. **Worker's Compensation Insurance.** The Board of Directors 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 policy of insurance 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 and Losses and 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 Living Units. 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. PROPERTY USAGE

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 and Living Units.

9.2. **Use of Lots and Living Units.** All Lots are intended to be improved with Living Units and are restricted to such use. Except as may be approved to the contrary, each Living Unit shall be used only as a single-family Living Unit. No gainful occupation, business, trade, or other nonresidential use shall be conducted on any Lot or Living Unit without the prior written consent of the Board and applicable governmental entities. However, the Board shall not approve commercial activities otherwise prohibited by this Section unless the Board determines that: only normal residential activities would be observable outside of the Living Unit; 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 residents; 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, Living Unit, 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, Living Units, 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. Notwithstanding anything in this Declaration to the contrary, in no event shall general construction activities by Declarant be deemed to be noxious or offensive, provided such construction activities: (i) are conducted in accordance with all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof and (ii) are not conducted prior to 7 a.m. or after 7 p.m.

9.4. **Recreational Vehicles and Vehicle Repairs.** Except as otherwise allowed by the Board in writing, recreational vehicles, boats, trailers, motorhomes, large trucks exceeding

the 1-ton class, commercial vehicles, or the like, as determined by the Board, may not be parked within the Project. No motor vehicle of any kind shall be repaired, constructed, or reconstructed upon any Lot, street, or other Common Area, except for emergency repairs or repairs performed within a closed garage.

9.5. **Pets.** Up to two (2) common domestic pets per Living Unit are allowed. The term "common domestic pets," as utilized in this subsection, shall specifically exclude (for purposes of illustration but not limitation) chickens, roosters, pheasants, ducks, pigeons, turkeys, geese, sheep, goats, llamas, donkeys, cows, horses, ostriches, nuisance animals (raccoons, skunks, etc.), and all non-domesticated animals or exotic pets, as well as pigs and rabbits not exclusively kept for domestic companionship. No pets, animals, livestock, or poultry of any kind shall be bred in, on, or about the Project. The Board may adopt Rules adding further restrictions related to pets not inconsistent with this Declaration including but not limited to requirements for registration and the use of leashed and noise barking limitations and the types and breeds of domestic pets that will be allowed. All pets must be registered in advance with the Association. All pets must be properly licensed and registered with the appropriate governmental agency and must abide by all pet Rules adopted by the Board from time to time. Pets may not create a nuisance. The following acts of an animal may constitute a nuisance: (a) it causes damage to property of anyone other than its owner; (b) it causes unreasonable fouling of the air by odors; (c) it causes unsanitary conditions; (d) it defecates on any Common Area or Lot of another Owner and the feces are not immediately cleaned up by the responsible party; (e) it barks, whines, or howls, or makes other disturbing noises in an excessive, continuous, or untimely fashion; or (f) it molests or harasses a passerby by lunging at them or chasing passing vehicles. Pets may not be tied or tethered in the Common Areas and dogs shall be leashed whenever outside a Living Unit, unless kept in an enclosed backyard. The Association may levy Individual Assessments to Owners for any damages to the Common Areas and landscaping caused by a pet, including burn spots in the lawn from urine.

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 Living Unit or appurtenant structures as determined by the Board.

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) The creation or maintenance of any noxious or offensive condition or activity in or about any Lot or the Common Areas;

6) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order;

7) 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;

8) Too much noise in, on or about any Lot or the Common Area, especially after 10:00 p.m. and before 7:00 a.m., or use of outside speakers or amplifiers;

9) Too much traffic in, on or about any Lot or the Common Area, especially after 10:00 p.m. and before 7:00 a.m.;

10) Allowing a pet to be unleashed while outside the fenced area(s) of a Lot;

11) Continuous barking, meowing, or other animal noises; and

12) Allowing a pet to urinate or defecate in the Common Areas or on another Lot, or failing to immediately clean up any feces deposited by a pet in the Common Areas.

9.8. **Signs.** The Association may regulate and restrict signs in the Project. No Rule shall prohibit an Owner or Occupant from displaying a religious or holiday sign, symbol, or decoration, or a political sign on a Lot, nor shall any Rule regulate the content of a political sign, but the Association may adopt reasonable time, place and manner restrictions with respect to such signs, symbols, or decorations that are displayed outside of the Dwelling and visible from outside the Lot. Unless otherwise designated in the Rules, lawn signs are prohibited, except "For Sale" or "For Rent" signs when placed in the front yard of a Lot, subject to reasonable time, place and manner restrictions established by the Board. All other signs may only be erected or maintained in the Project, whether in a window or otherwise, with the prior written approval of the Board or as allowed by the Rules. Signs may not exceed 24" X 24" in size. For purposes of clarity, the provisions of this Section 9.8 are subject and subordinate to the rights of Declarant as set forth in Section 10.4 below.

9.9. **Trash Containers and 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. Such containers shall be maintained as not to be visible from the street view except to make them available for collection for a reasonable amount of time as determined by the Board. The Association may adopt additional Rules for the storage and concealment of trash containers. The provisions of this Section 9.9 shall not apply to Declarant in connection with the initial construction of the Project; provided, however, that Declarant and Guest Builder shall keep all construction sites reasonably free and clear of construction debris.

9.10. **Parking.** Owners and Occupants must first use their garages before other vehicles may be parked outside of the garage. Parking is prohibited on the streets, the shared alleys, and the driveways within the shared alleys within the Project. Undesignated parking stalls shall be subject to and governed by Association Rules and may be assigned by the Board. The Association may charge a fee for the use of any assigned parking stalls, which are intended to be used as vehicle parking spaces only and are restricted to such use. 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 use of the undesignated parking spaces identified on the Plat, if any, including, without limitation, the right to loan or license the visitor parking spaces in the discretion of the Board; the right to remove or cause to be removed any vehicles that are

improperly parked; the time visitor spaces may be used; and the assessment of charges to Owners and Occupants who violate, or whose invitees violate, such Rules. The provisions of this Section 9.10 shall not apply to Declarant in connection with the initial construction of the Project, provided Declarant shall be subject to any Rules adopted by the Board specifically governing parking of vehicles and equipment related to the initial construction of the Project

9.11. **No Patio / Deck Storage.** No observable outdoor storage of any kind shall be permitted on patios, elevated decks, front yards, porches, etc., except for patio furniture in good condition and other items, if any, allowed by Rules. Any allowed items, including patio furniture, shall conform with standards set by the ACC.

9.12. **Window Coverings.** Every Owner shall be obligated to ensure that window coverings are installed within their Living Unit within one (1) month of purchasing or taking possession of the Living Unit. Furthermore, the ACC is authorized to adopt and implement reasonable Rules pertaining to the type, color, material, etc. of window coverings.

9.13. **Leases.**

1) **Leases Subject to Governing Documents.** Any lease, rental, or other occupancy agreement (hereinafter in this Section 9.13 referred to as a "lease" or "lease agreement") between an Owner and an Occupant respecting a Living Unit shall be subject in all respects to the provisions and requirements of the Governing Documents and any failure by an Occupant to comply therewith shall be a default under the lease agreement. An Owner shall be responsible and liable jointly and severally with its Occupant(s) for any damage to the Project caused by such Occupant(s).

2) **Restrictions on Leasing.**

a) Any Owner shall apply to and receive prior written approval from the Board in the event (i) an Owner does not use their Living Unit as such Owner's primary residence, and (ii) such Owner intends to rent, lease, or otherwise cause or allow any other person to occupy such Living Unit (hereinafter in this Section 9.13 referred to as a "Non-Owner Occupant").

b) No Non-Owner Occupant shall be allowed to use or occupy a Living Unit without Board approval. The Board may withhold its approval if: (i) the Owner is not current in the payment of all Assessments; (ii) more than twenty-five percent (25%) of the Living Units are already occupied by or leased to other Non-Owner Occupants; or (iii) for any other reason deemed reasonable by the Board.

c) The following shall not count towards and are exempt from the 25% Non-Owner Occupant limits: (i) any lease by an Owner during the Owner's military deployment; (ii) any lease to an Owner's parent, grandparent, child, grandchild, or sibling; (iii) a Living Unit that is owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of a current resident of the Living Unit, or the parent, child, or sibling of the current resident of the Living Unit; or (iv) any Living Unit owned by Declarant or a Declarant-related entity as determined by Declarant.

d) The Board may grant an Owner a hardship exemption from the 25% Non-Owner Occupant limit if the Owner is otherwise eligible to lease their Living Unit and there are extenuating circumstances that, in the sole discretion of the Board, warrant a hardship exemption. These extenuating circumstances may include, without limitation, charitable service, difficulties in selling a Living Unit at fair market value because of a down real estate market, or a disability,

e) Any lease agreement between an Owner and a Non-Owner Occupant that does not have the written approval of the Board shall be null and void. Any Owner that causes or allows a Non-Owner Occupant to occupy or use such Owner's Living Unit without Board approval shall be in default of this Declaration.

f) Owners shall provide the Board or Manager with the names and contact information for all adult Non-Owner Occupants, along with their vehicle descriptions, and any other information requested by the Association. Upon request of the Board, copies of lease agreements shall be provided to the Association.

g) All lease agreements shall be for an initial term of no less than six (6) months. Daily or weekly rentals are prohibited. Timeshare interests are also prohibited.

h) The Declarant and Lots owned by the Declarant or a Declarant-related entity as determined by Declarant are not subject to the terms, requirements, and restrictions of this Section 9.13.

i) Within 10 days after delivery of written notice of the creation of a nuisance or violation of the Governing Documents by a Non-Owner Occupant, the Owner shall proceed to either abate or terminate the nuisance, or cure the default, and notify the Board in writing of their 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.

j) At any point during the Period of Declarant Control, Declarant may, by written instrument (which may, but need not be, recorded) exempt any Living Unit, or Living Units, within the Property from the terms, requirements, and restrictions of this Section 9.13 and such exemption shall continue in perpetuity unless provided otherwise in the written instrument granting the exemption.

9.14. **Energy Conservation Equipment.** Solar energy collector panels and attendant hardware or other energy conservation equipment shall be prohibited from being constructed or installed in the Project. Notwithstanding the forgoing, if the Board or the ACC elects to allow energy conservation equipment in the Project, then the Board may adopt Rules and regulations for the installation of solar panels or other energy conservation equipment in the Design Guidelines. Any such rules must require that the installation be an integral and harmonious part of the architectural design of the Lot or Living Unit. Solar panels or other equipment shall not be installed so as to be visible from the streets in the Project without prior approval from the ACC as a variance. If an approved energy conservation equipment installation causes costs to the Association, then the Board may allocate these costs to the Owners who requested or benefit from the installation as the Board in its sole discretion determines. The ACC or the Board shall have the sole discretion to determine compliance with the Design Guidelines and this Section.

9.15. **Satellite Dishes.** The placement of satellite dishes, attendant hardware, and the like upon Lots or Living Units shall be made in accordance with the Rules. Any variance therefrom or if there are no Rules, the placement of satellite dishes shall require prior written approval from the Architectural Control Committee.

9.16. **No Subdivision.** No Lot shall be further subdivided by any Owner into smaller Lots or parcels and no portion less than all of any such Lot shall be conveyed, transferred, or hypothecated by any Owner. Nothing in the foregoing shall preclude Declarant from re-platting the Project or re-subdividing any Lot.

9.17. **Variances.** 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 Association, 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 ("ACC"), the function of which shall be to ensure that all improvements and landscaping within the Project harmonize with existing surroundings and structures. The ACC need not be composed of Owners. If the ACC is not appointed, the Board, or a portion of the Board as determined by the Board, shall perform the duties required of the ACC.

10.2. **Architectural Controls.** To maintain a degree of protection to the investment which homeowners in this area may make, homes of superior design are requisite, and designs shall be limited to those approved by the ACC. The exterior of any Living Unit or Lot shall not be modified or altered in any fashion without the express written approval of the ACC. The Living Units, whether such modifications are done on the exterior or interior, may not be modified in any way that would impair the structural integrity of the building or Living Unit. In the event of any reconstruction of an improvement or a Living Unit 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 construction 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, as needed, from the city.

No construction, reconstruction, or modification of a Living Unit, Lot, or landscaping may commence without approval by the ACC of the working drawings including, but not limited to, the following:

1) A site plan to scale showing the entire site, building, garages, walks, drives, fences, lights, and retaining walls, with elevations of the existing and finished grades and contours including those at the outside corners of the buildings and at adjacent property line and street fronts and elevations of floors from a designated point on the street.

2) Detailed floor plans showing dimensions and measurements.

3) Detailed elevations, indicating all materials and colors and showing existing and finished grades.

4) Detailed sections, cross and longitudinal.

5) Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights, etc.

Specifications shall give complete descriptions and color samples of materials to be used on the exterior of the improvement. The ACC will base its approval of construction plans, specifications, landscaping plans, and other alterations upon compliance with the Design Guidelines, any other guidelines adopted by the Association. Any costs incurred by the Association in reviewing any plans, specifications, or the like shall be assessed against the requesting Owner as an Individual Assessment. The ACC may also establish a reasonable fee for reviewing plans and specifications.

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 Declarant shall have sole and full authority to amend the Design Guidelines during the Period of Declarant Control. The Declarant's right to amend the Design Guidelines shall continue even if it delegates reviewing authority to the ACC. Upon termination or delegation of the Declarant's right to amend, the Board shall have the right to amend the Design Guidelines.

2) 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.

3) 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. **Declarant's Exemption.** Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing, or sale of property within the Project. Furthermore, the provisions of this Declaration which prohibit or restrict non-residential use of Lots, regulate parking of vehicles, and restrict signage, banners, and the like, shall not prohibit the construction and maintenance of model homes by Declarant and/or other persons engaged in the construction of Living Units within the Project so long as the location of such model homes and the opening and closing hours are approved by the ACC, and the construction, operation and maintenance of such model homes otherwise complies with all of the provisions of this Declaration. The ACC may also permit Lots and other areas to be used for parking in connection with the showing of model homes so long as such parking and parking areas are in compliance with city ordinances and any rules of the ACC. Any homes constructed as model homes shall cease to be used as model homes at any time the Owner thereof is not actively engaged in the construction and sale of residences within the Project, and no home shall be used as a model home for the sale of homes not located within the Project.

10.5. **Variations**. 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.

10.6. **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 other Governing Documents 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 attorneys' fees. Occupants shall be liable for any fine assessed as a result of their action in violation of the provisions of the Governing Documents. Failure to enforce any covenant or restriction within the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XII. SPECIAL DECLARANT RIGHTS

12.1. **Improvements**. Declarant hereby reserves the right, without obligation, to construct:

- 1) Any improvements shown on the Plat;
- 2) Any Lots and corresponding Living Units upon all or any portion of the Additional Land, and subject to the requirements of Section 12.2, the addition of the same to the Project; and
- 3) Any other buildings, structures, or improvements that Declarant desires to construct on the Parcel, or any other real estate owned by Declarant, regardless of whether the same ever become part of the Project.

12.2. **Expandable Project**. The Declarant herewith expressly reserves the right and option to expand the Project by the addition of Additional Land, or portions thereof, and Lots and Living Units to be constructed thereon, all in accordance with the provision of this Section.

- 1) The Project may be expanded by the addition of all or a portion of the real property designated by Declarant, which shall constitute "Additional Land" as defined herein.
- 2) Expansion of the Project by the Declarant is without limitation, except as set forth in this Section, and shall be effective without prior approval of the Association or any Owner.

3) Declarant's right to expand the Project as provided in this Section shall not expire until the Declarant elects in writing to not add the Additional Land to the Project.

4) The Additional Land may be added in total or in part, and in any order as Declarant may determine. Such Additional Land (or any portion thereof) may be added at any time within the period allowed for expansion of the Project.

5) All improvements upon Additional Land shall be made in such a manner as to conform to all governmental regulations appertaining thereto, but such improvements may be located upon the Additional Land, or any portion thereof, in such manner as the Declarant deems appropriate in its sole discretion, subject to the requirements contained herein. All additional Lots and Living Units to be constructed upon Additional Land will be constructed for or are to be designated exclusively for residential use.

6) All improvements erected upon any Additional Land added to the Project will be compatible with the Living Units and improvements then upon or to be constructed upon the Property.

7) The Declarant simultaneously with the submission of Additional Land to the Project shall prepare and record in the Salt Lake County records, a supplemental Plat pertaining to such Additional Land to be added showing the location and dimensions of each Lot and Living Unit created from and located upon such Additional Land, and the Living Unit designation of each Living Unit so created.

8) Simultaneously with the recording of said supplemental Plat, the Declarant shall duly execute, acknowledge, and record a Supplemental Declaration setting forth that an expansion of the Project has occurred. Such Supplemental Declaration shall include, in addition to any requirements of the Act, the following: (i) if not shown on the supplemental Plat, a legal description of the Additional Land added to the Project; (ii) the designation of each Lot and Living Unit created from and included within the Additional Land.

12.3. **Other Special Declarant Rights.** Special Declarant Rights are those rights reserved for the benefit of the Declarant in this Declaration and the Governing Documents and shall include, among others, and regardless of anything in the Declaration to the contrary, the following rights which shall remain in effect for the maximum period allowed by law:

1) the right to maintain sales offices, model Living Units, and signs advertising the Project or any Living Unit at any location in the Project;

2) the right to use easements through the Common Areas as set forth in this Declaration;

3) the exclusive right to appoint or remove members of the Board during the Period of Declarant Control;

4) unless expressly and specifically bound by a provision of the Governing Documents, Declarant shall be exempt from the provisions of the Governing Documents;

5) the right to withdraw land from the Project for up to fifteen (15) years from the date this Declaration is recorded in the office of the Salt Lake County Recorder;

6) the right to exert any right allowed to the Board or the Association pursuant to the Act and this Declaration; and

7) the right to make and adopt Association Rules without being subject to the requirements of Utah Code § 57-8a-217.

12.4. **Exercising Special Declarant Rights.** Declarant may exercise the Special Declarant Rights at any time prior to the later to occur of the date on which the Period of Declarant Control expires or the date when the Declarant relinquishes such rights in writing. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise them. If Declarant exercises any Special Declarant Right with respect to any portion of the Project, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Project. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article and any other right reserved to the Declarant in this Declaration, without the consent of the Association or any of the Owners.

12.5. **Interference with Special Declarant Rights.** Neither the Association nor any Owner may take any action or adopt any Rules that interferes with or diminishes any Special Declarant Right contained in this Declaration without Declarant's prior written consent. Any action taken in violation of this Section shall be null and void and have no force or effect.

12.6. **Limitation on Improvements by Association.** Until such time as the earlier of the following events occur: (a) termination of the Period of Declarant Control, or (b) such time as Declarant chooses, neither the Association nor the Board shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally constructed or created by Declarant.

12.7. **Transfer of Special Declarant Rights.** The Declarant may transfer, convey, or assign its rights, in whole or in part, created or reserved under this Declaration to any Person.

12.8. **Changes by Declarant.** Nothing contained in this Declaration shall be deemed to affect or limit in any way whatsoever the right of the Declarant, its successors or assigns, to sell or to change the location, design, method of construction, grade, elevation, or any other part or feature of a Lot and Living Unit prior to the contracting for the conveyance of the Living Unit to a purchaser.

12.9. **Easements Reserved to Declarant.**

1) There is reserved to Declarant, its successors and assigns, non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Public Utility Easement," or otherwise designated as an easement area over any road or Common Area on the Project, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Plat.

2) There is reserved to Declarant, its successors and assigns, an easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Project and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

3) There is reserved to Declarant, its successors and assigns, an easement granting the privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to affect such purposes.

4) There is reserved to the Declarant, its successors and assigns, a non-exclusive easement and right-of-way in, through, over, and across the Common Areas for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the Project and the provision of utility services, and related services and facilities.

5) The Declarant reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way, or easements, including easements in the areas designated as "open space" and storm water management reservation, to public use all as shown on the Plat. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Lot or Lots in the Project except as set forth in this Declaration, or as laid down and shown on the Plat, without the prior written approval of the Declarant.

6) Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

ARTICLE XIII. RIGHTS OF FIRST MORTGAGEE

13.1. **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 all Assessments levied while it holds title to the Lot.

13.2. **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 their part to perform their 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.

13.3. **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.

ARTICLE XIV. RIGHT OF ENTRY

14.1 **Right to Enter Living Unit.** 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 or into any Lot or Living Unit, 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 provision 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 Living Unit or any other part of the Project, including without limitation the sound or sight

of running water in a Living Unit reasonably believed to be causing damage, the smell or sight of smoke in a Living Unit, 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 Living Unit 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 XV. AMENDMENTS

15.1. **Amendments by Declarant.** Until after the termination of the Period of Declarant Control (or any later period if expressly set forth in this Declaration), the Declaration and the Plat may be amended solely by the Declarant without any additional approval required. In addition, during the Period of Declarant Control no other amendment shall be valid or enforceable without the Declarant's prior written consent.

15.2. **Amendments by Association.** After termination of the Period of Declarant Control, amendments to this Declaration or Plat shall be proposed by either a majority of the Directors or by Owners holding at least forty percent (40%) of the voting interests of the Association. The proposed amendment must be reduced to writing and must be included in the notice of any meeting at which action is to be taken thereon. Except as otherwise provided herein, this Declaration may only 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 Salt Lake 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 XVI. MISCELLANEOUS

16.1. **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. Notice may also be provided by the Association to any Owner in any other manner allowed by the Act or the Utah Revised Nonprofit Corporation Act.

16.2. **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.

16.3. **Dissolution.** The Association may be dissolved by the affirmative assent in

writing from 90% of the Lot Owners. Upon dissolution of the Association, all of its agency or authority shall be used for purposes similar to those provided for in the Articles 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 on a pro rata basis which conforms substantially with the Assessments procedure, terms, and conditions set forth in Article V of this Declaration.

16.4. **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.

16.5. **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.

16.6. **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, the Common Area facilities and buildings, or deviations from the provisions of the Governing Documents. Any such modification and accommodation made under this Section shall not act as a waiver of the provisions of the Governing Documents with regard to anyone else.

16.7. **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.

16.8. **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.

16.9. **Conflicts/Hierarchy.** In the event of any conflict between the Governing Documents, the Declaration and Plat shall first control, then the Articles, then the Bylaws, and then the Rules.

16.10. **Security.** The Declarant or Association shall in no way be considered an insurer or guarantor of security within or relating to the Property, 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 or Occupant agree by purchasing a Lot in this Association that the Association, Declarant, and the 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, DECLARANT, 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.

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

CERTIFICATION

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by a duly authorized representative.

DATED as of the 6 day of April, 2023.

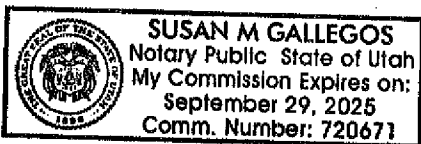
DECLARANT
WOODSIDE HOMES OF UTAH, LLC
A Utah Limited Liability Company

By: [Signature]

Its: Authorized Representative

State of Utah)
) ss:
County of Salt Lake

On the 6 day of April, 2023, personally appeared before me Matt Loveland who by me being duly sworn, did say that she/he is an authorized representative of Woodside Homes of Utah, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.



Notary Public [Signature]
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Exhibit "A"

COMMITMENT DESCRIPTIONS

A parcel of land situate in the Southeast Quarter of Section 22, Township 2 South, Range 2 West, Salt Lake Base & Meridian, being more particularly described as follows:

Beginning at a point South 89°58'49" West 1,331.93 feet along the section line from the Southeast Quarter Corner of Section 22, Township 2 South, Range 2 West, Salt Lake Base & Meridian, and running thence South 89°58'49" West 1,162.46 feet along said section line to the East right of way line of the Bacchus Highway; thence North 08°02'35" East 276.23 feet along the East right of way line of said Bacchus Highway; thence Northerly 1,067.92 feet along the arc of a 5,779.70-foot radius curve to the left (center bears North 81°57'26" West and the chord bears North 02°44'58" East 1,066.40 feet with a central angle of 10°35'12") along the Easterly Right-of-Way of said Bacchus Highway; thence South 89°57'30" East 1,041.76 feet to the Westerly Right-of-Way of the Kennecott Railroad; thence along the Right-of-Way line of the Kennecott Railroad for the following 4 (four) courses: (1) South 11°45'49" East 60.65 feet; (2) Southerly 532.83 feet along the arc of a 2,935.37 feet radius curve to the right (center bears South 78°14'11" West and the chord bears South 06°33'48" East 532.09 feet with a central angle of 10°24'01"); (3) North 69°14'11" East 40.00 feet; (4) Southerly 737.70 feet along the arc of a 2,815.37 feet radius curve to the right (center bears South 89°14'10" West and the chord bears South 06°44'33" West 735.59 feet with a central angle of 15°00'46") to the point of beginning.

EXHIBIT B

BYLAWS OF SKY RANCH TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

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

RECITALS

- A. The Association is organized for 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.
- 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 Sky Ranch Townhomes Planned Unit Development 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 Declaration.

ARTICLE II APPLICATION

2.1 All present and future Owners, Mortgagees, and Occupants, 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 Living Units or the mere act of occupancy or use of any said Living Units 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 annually on a day and time established by the Board of Directors. The purposes of the annual meeting may

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include the election of Directors, the distribution of financial reports and budget, a review of any revisions to the Rules, distributing a summary of the most recent reserve study, and to transact such other business as may come before the meeting. If the election of Directors 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. Annual meetings shall not be required during the Period of Declarant Control, but the Declarant may hold annual meetings at its discretion.

3.2 **Special Meetings.** Special meetings of the Owners may be called by a majority of the Board, the Declarant, the President, or upon the written request of Owners holding not less than forty percent (40%) of the voting interests of the Association. Any written request for a special meeting presented by the Owners shall be delivered to the Association 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. During the Period of Declarant Control, special meetings may only be called by the Declarant.

3.3 **Place of Meetings.** The Board may designate any place in Salt Lake County that is reasonably convenient for the Owners as the place of meeting for any annual or special meeting. If no designation is made, or if a special meeting is otherwise called, 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, regular mail, or as otherwise allowed by applicable law. 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 Living Unit shall be deemed to be the Owner's registered address and notice to the Living Unit 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 they have fully paid their share of any Assessment

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(together with any interest and/or late 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 an Owner meeting, for the purpose of determining Owners entitled to notice. 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 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 Owner meeting, the presence of Owners and holders of proxies entitled to cast more than five percent (5%) of the voting interests of the Association shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting, the Board shall have power to adjourn the meeting and reschedule for a time not earlier than twenty-four (24) hours, nor later than thirty (30) days after the set time for the original meeting. Notice of such rescheduled meeting shall not be required except an oral announcement at the meeting to be rescheduled. No other type of notice shall be required for the rescheduled meeting. At such rescheduled meeting, any number of Owners present, either in-person or by proxy, shall constitute a quorum for the transaction of business in the rescheduled meeting.

3.8 **Proxies.** At each Owner meeting, each Owner entitled to vote shall be entitled to vote in person or by proxy 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 by an Owner to any person who represents the Owner at meetings of the Association 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 Association 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, these Bylaws, or the Declaration. When a Lot is jointly owned, any Owner may exercise the vote for

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such Lot on behalf of all Owners of the Lot. In the event of two (2) conflicting votes by Owners of the same Lot, no vote shall be counted for that Lot. In no event shall fractional or cumulative votes be exercised with respect to any Lot.

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 if no objection is made either at the meeting or within thirty (30) days of the date of the meeting, or within 30 days of notice of any decision by the Board. The presence of an Owner in person at any meeting of the Owners shall be deemed a waiver of any notice requirements.

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 **Declarant at Association Meetings.** The Declarant is entitled to attend all meetings of the Owners, whether an annual or a special meeting, as long as the Declarant is developing, constructing, marketing, or selling Living Units within the Project.

ARTICLE IV BOARD OF DIRECTORS

4.1 **General 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 **Specific Powers.** The Board may enter (i) lease agreements, including accepting lease assignments, and (ii) purchase contracts that touch or concern the Project.

4.3 **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. Directors must be at least 18 years old and must be an Owner or the spouse of an Owner of a Lot in the Project. No two (2) Directors may reside in the same Lot or be business partners if the business is related to their ownership of a Lot(s). If an Owner is a corporation, partnership, limited liability company, or trust, an officer, partner, member, manager, agent, trustee, or beneficiary of such Owner may be a Director. If a Director ceases to meet any required qualifications during the Director's term, such person's membership on the Board shall automatically terminate. During the Period of Declarant Control, the qualification requirements

of these Bylaws shall not apply and the Board may consist of as few as one (1) Person appointed by the Declarant.

4.4 **Election.** During the Period of Declarant Control, Directors shall be appointed by Declarant. Following the Period of Declarant Control, the election of Directors shall be made by the Owners. 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.

4.5 **Term of Office.** During the Period of Declarant Control, Director terms shall be determined exclusively by Declarant. Following the Period of Declarant Control, the Owners shall elect three (3) Directors for two (2) year terms and two (2) Directors for a one (1) year term, and at each annual meeting thereafter, the Owners shall elect the number of Directors whose terms are to expire for a term of two (2) years each.

4.6 **Regular Meetings.** The Board shall hold meetings at least quarterly at the discretion of the Board. During the Period of Declarant Control, Board meetings shall be held at the discretion of the Declarant so long as at least one Board meeting is held each year.

4.7 **Special Meetings.** Special meetings of the Board may be called by the President or a majority of Directors on at least two (2) business days' prior notice to each Director. The person or persons authorized to call special meetings of the Board may fix any place, reasonably convenient, as the place for holding the meeting and shall provide a conference call-in number for Board Members not able to attend in person. Notice shall be given personally, by email, or by telephone, including text message. By unanimous consent of the Board, special meetings may be held without call or notice to the Board Members.

4.8 **Meeting Notice.** The person or persons authorized to call Board meetings may fix any place, reasonably convenient to the Directors, as the place for holding the meeting and shall provide a conference call-in number for Directors not able to attend in person. Notice shall be given personally, by email, by web posting, by telephone, including text message, or in any other manner allowed by applicable law at least two (2) business days' in advance of the meeting. By unanimous consent of the Board, Board meetings may be held without call or notice to the Directors, but notice shall always be provided to those Owners who have requested notice of Board meetings, except for Board meetings held During the Period of Declarant Control which may be closed to the Owners.

4.9 **Quorum and Manner of Action.** A majority of the then authorized number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors 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 Directors shall act only as the Board of Directors, and individual Directors shall have no powers as such.

4.10 **Open Meetings.** Except as provided below in (a) through (f), following the Period of Declarant Control, 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 an existing or potential Proceedings;
- 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.

During the Period of Declarant Control, Board meetings may be closed to Owners, unless the Board, in its sole discretion and without obligation, determines to open the meeting (or a portion thereof) to the Owners.

4.11 **Board Action.** Notwithstanding noncompliance with any provision within this Article IV, 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 taken the action in dispute.

4.12 **Compensation.** No Director shall receive compensation for any services that such member may render to the Association as a Director; provided, however, that a Director may be reimbursed for expenses incurred in performance of such duties as a Director to the extent such expenses are approved by a majority of the other Directors. Nothing herein contained shall be construed to preclude any Director from serving the Project in any other capacity and receiving compensation therefore, so long as approved in advance by a majority of disinterested Directors.

4.13 **Resignation and Removal.** A Director 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. Any Director who is appointed by the Declarant may only be removed by the Declarant. The Declarant may remove a Director it appoints at any time. A Director elected by the Owners after the Period of Declarant Control 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. At such a meeting, the Owners shall vote for a new Director to fill the remaining term of the removed Director. Directors may also be removed by the other active Directors upon the occurrence of any of the following: failure to attend three (3) consecutive Board meetings during their term or failure to remain current on Assessments. If removal occurs based on the preceding sentence, then the remaining Directors may appoint a replacement to serve the remaining term of the removed Director.

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

4.15 **Action Without a Meeting**. Directors 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.

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

4.17 **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.

4.18 **Meeting**. For purposes of this Article, a Board meeting does not include a gathering of Directors at which the Board does not conduct and 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**. The officers of the Association shall be elected by the Board of Directors, from among the Directors, 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.** Any officer may resign at any time by delivering a written resignation to any Director or Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced upon the affirmative vote of a majority of the Directors at any time, with or without cause.

5.5 **Vacancies.** If any 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, or instruct to be signed, 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 the Governing Documents or Acts may require. 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

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COMMITTEES

6.1 **Designation of Committees.** The Board may from time to time by resolution 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 any committee at any time.

6.2 **Proceeding of Committees.** Each 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. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings 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 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 Association president, the Board, Manager, 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 any vacancy shall occur in any committee designated by the Board 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 Director, 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 Director, 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 Director, 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

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heretofore or hereafter been a Director, 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 them as such Director, 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 Directors, 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 herein provided shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be entitled under the Acts or under any agreement, vote of disinterested Directors 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 that all Directors, 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 Director, 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 Director, officer, committee member, Manager, or employee of the Association or is or was serving at the request of the Association as a Director, officer, committee member, Manager, 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 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 alter, amend, and repeal such Rules and use their best efforts to see that they are strictly observed by all Owners and Occupants. Owners

are responsible to ensure that their Occupants 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 by Declarant.** During the Period of Declarant Control, the Declarant acting alone may amend, alter, or repeal and adopt new Bylaws for any reason, without Owner approval. No other amendment shall be valid or enforceable during the Period of Declarant Control unless the Declarant has given written consent to such amendment. Any amendment during the Period of Declarant Control shall be executed by Declarant on behalf of the Association and shall become effective upon recordation in the office of the Salt Lake County Recorder.

9.2 **Amendments by Association.** After termination of the Period of Declarant Control, amendments to the Bylaws shall be proposed by either a majority of the Directors or by Owners holding at least forty percent (40%) of the voting interests of the Association. The proposed amendment must be reduced to writing and must be included in the notice of any meeting at which action is to be taken thereon or included as part of the written ballot in lieu of such meeting. Except as otherwise provided herein, the Bylaws may be amended, altered, or repealed and new Bylaws may be adopted by the Owners upon the affirmative vote of more than fifty percent (50%) of the voting interest of the Association. Any amendment(s) shall be effective upon recordation in the office of the Salt Lake 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 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 Owner signature shall be required. No amendment shall in any way restrict, limit, or impair any Declarant rights without the express written consent of the Declarant.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 **Waiver.** No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

10.2 **Invalidity; Number; Captions.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used in these Bylaws, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions are intended solely for convenience of reference and shall in

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no way limit any of the provisions of these Bylaws.

10.3 **Conflicts.** These Bylaws are intended to comply with the Declaration. In case of any irreconcilable conflict, the Declaration shall control over these Bylaws. The Bylaws shall however have control over any Rules.

IN WITNESS WHEREOF, the Declarant has executed and adopted these Bylaws on behalf of the Association.

DATED this 6 day of April, 2023.

DECLARANT
WOODSIDE SKY RANCH, LLC
A Utah Limited Liability Company

By: [Signature]

Its: Authorized Representative

State of Utah)
County of Salt Lake) ss.

On the 6 day of April, 2023, personally appeared before me Matt Loveland who by me being duly sworn, did say that she/he is an authorized representative of Woodside Sky Ranch, LLC, and that the foregoing instrument is signed on behalf of said company and executed with all necessary authority.

Notary Public [Signature]

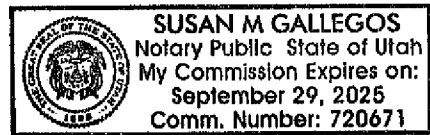


EXHIBIT C

MAINTENANCE ALLOCATION CHART

ITEM	HOA	OWNER	NOTES
GENERAL NOTE			Shared items are to be resolved between the Owners Involved in use of the item.
A/C Pad & Unit		X	
Address Numbers	X		
Attic		X	
Cable/Satellite TV		X	
Ceiling		X	
Circuit Breakers for Unit		X	
Common Area amenities	X		
Door and Door Frames - Exterior		X	
Door and Door frames - Interior		X	
Door Hardware/doorbell		X	
Elevated decks/railings	X		
Exterior door steps/stoops/front landing/porch/railings	X		
Exterior Land Drains Installed by Declarant	X		
Dryer Vent Cleaning		X	
Electrical Wiring/Panel Serving a Living Unit		X	
Exterior Wall Finishes (Rock/Stucco/Siding, etc.)	X		
Fences: Rear Backyards (Owner) Perimeter for Project (Association)	X	X	
Fireplace, Flue, & Vent Pipes – Cleaning & Repair		X	
Floor Coverings		X	
Foundation - Structural	X		
Foundation – Cracks, cosmetic	X		
Furnace		X	
Garage Door Openers, Springs, Hinges, Parts		X	
Garage Doors Paint, Repair, Replace		X	
Gas Pipes Serving individual Living Units		X	
Hose Bib/Faucet/Spigot		X	
Hot Water Heater		X	
Insurance Coverage – Property	X		If insured damage to a Living Unit does not exceed master policy deductible, Owners are responsible.
Insurance Coverage - HO6 Policy		X	
Insurance Coverage - Loss Assessment/HOA Master Deductible		X	

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Insurance Deductible (see comments; subject to Act)	X	X	HOA property insurance deductible assessed to Owners pro-rata according to losses. HO6 deductible is Owner's responsibility.
Irrigation Lines / Heads			
- Front yard	X		
- Back yard		X	
- Common Areas	X		
Landscape			
- Front yard off shared alleys	X		
- Other front yards	X		
- Retaining walls	X		
- Back yard		X	
- Common Areas	X		
Lights – exterior eaves, porch & garage fixtures & bulbs		X	
Driveways		X	
Mailbox Clusters	X		USPS
Mailbox Lock & Key		X	USPS
Paint - Exterior wall surfaces (except as otherwise listed herein)	X		
Paint - Interior		X	
Patio Slab		X	
Pest Control Interior		X	
Phone Lines		X	
Plumbing Valves, Pressure Regulator		X	Point of connection/Meter to the Living Unit – Owner Before point of connection/Meter – HOA.
Plumbing Main Line		X	Point of connection/Meter to the Living Unit – Owner Before point of connection/Meter – HOA.
Plumbing Leak		X	Point of connection/Meter to the Living Unit – Owner Before point of connection/Meter – HOA.
Plumbing – Clogging/Stoppage		X	Point of connection/Meter to the Living Unit – Owner Before point of connection/Meter – HOA.
Plumbing Pipes Inside Unit		X	
Rain Gutters – clean-out, repair, replacement	X		
Downspouts – repair and replacement	X		
Roof – repair & replacement	X		
Roof Leak	X		
Sewer pipes – serving Living Unit (see notes)		X	Foundation connection point and into Living Unit - Owner Before the foundation connection point – HOA
Sewer pipes - portion serving more than one Living Unit	X		
Sidewalks and paths on Common Areas	X		
Shared alleys	X		
Snow Removal – Porches, stoops, landing, steps, elevated decks, and patios		X	
Snow Removal – Roads, shared alley, and Common Area sidewalks and walkways (except as noted below)	X		
Snow Removal – Sidewalks fronting Living Units		X	Shared responsibility between Lot Owners of Living Units fronting the sidewalks (unless otherwise determined in

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			writing by the Board)
Snow Removal -- driveways			As determined by the Board
Storm Drains	X		
Street Lights	X		Unless handled by City or others
Streets -- Private	X		
Termites, pests, rodents, insects, etc.		X	
Wall - Bearing Interior Wall		X	
Wall - Partition Interior Wall		X	
Water - Culinary		X	
Water -- Landscape	X		Unless metered to the individual unit owner
Weather stripping		X	
Windows -- Glass, Screens, frames, boxes		X	

** Unless expressly deemed herein to be an Association maintenance obligation, the maintenance obligations shall be fulfilled by Owners, unless expressly assumed by the Board. This Exhibit C shall control until such time as Declarant may formally supplement, revise, or update it. Declarant may unilaterally amend this Exhibit C during the Period of Declarant Control.