

125
27

ENT 165895:2003 PG 1 of 27
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2003 Oct 15 10:15 am FEE 125.00 BY SFS
RECORDED FOR AMERICAN HOUSING

**The Proclamation
of Easements, Covenants,
Conditions & Restrictions**

for the

**Townhomes at Pointe Meadows
A Planned Unit Development
(Expandable)**

Lehi, Utah County, Utah

THIS PROCLAMATION (the "Proclamation") is made this ____ day of _____, 2003 by **POINTE MEADOWS TOWNHOMES, L.L.C.**, a Utah limited liability company (the "Declarant"), in its capacity as the owner and developer of the Townhomes at Pointe Meadows, an expandable planned unit development, Lehi, Utah.

CHAPTER 1

Purpose and Affect:

1-1. Purpose.

The purpose of this proclamation is to protect the value of residential Lots and Units contained within the Townhomes at Pointe Meadows, a planned unit development in Lehi, Utah (the "Development"), and for the maintenance of the roadways, driveways, sidewalks, parking areas, open spaces, landscaping, amenities, and all other Common Areas within the Development.

1-2. Affect.

From this point forward, each of the following statements apply:

- a. Each part of the Development including the Lots and Units lying within the boundaries of the Development incorporate, but remain individual parts, of a single planned unit development.
- b. The Development consists of Units, Lots, and any Common Areas described on the Plat, with such Additional Lots and Common Areas as may come into existence due to annexation or expansion of the Development.
- c. The Proclamation for the Development (this document) may be modified, amended, supplemented, or expanded. But only on the condition that the standards set forth within this Proclamation are adhered to.
- d. The Plat of the Development, identified as Phase X, Townhomes at Pointe Meadows, a Planned Unit Development (Expandable), Lehi, Utah, filed for record in the office of the Utah County Recorder, Provo, Utah, may be amended along with any succeeding plats that may be filed for record, by means of annexation or expansion, only in accordance with the conditions set forth in this Proclamation.

CHAPTER 2

Definition of terms:

While within this Proclamation, the terms below are designated with the following meaning:

2-1. Proclamation.

"The Proclamation of Easements, Covenants, Conditions and Restrictions for the Townhomes at Pointe Meadows, A Planned Unit Development (Expandable), Lehi, Utah County, Utah" which may be modified, amended, supplemented, or expanded. But only on the condition that the standards set forth within this Proclamation are adhered to.

2-2. Declarant.

Pointe Meadows Townhomes, L.L.C., a Utah limited liability company, including its successors and assigns (if any), as developers of the Development.

2-3. Owner.

Any person who:

- a. Is the owner of record as reflected by the records in the office of the County Recorder of Utah County, Utah.
- b. Is of a fee or undivided fee interest in any Lot.

c. Any contract purchaser of any Lot.

Despite any theory relating to mortgages, no Mortgagee, trustee or beneficiary of a deed of trust or trust deed is considered an Owner unless the party acquires fee title prior to foreclosure, sale or conveyance in lieu thereof. The Declarant is considered an Owner with respect to each Lot owned by it. Multiple Owners of a particular Lot are jointly and severally liable to all responsibilities of an Owner.

2-4. **Mortgage.**

Mortgage shall mean any recorded first mortgage or first deed of trust encumbering the lot. Mortgagee shall mean any mortgage or beneficiary under a mortgage.

2-5. **Articles.**

The Articles of Incorporation of the Association, which are or will be, filed in the Office of the Division of Corporations and Commercial Code, State of Utah. Which may be amended from time to time.

2-6. **Association.**

The Townhomes at Pointe Meadows owners Association, a Utah nonprofit corporation, and its successors and assigns.

2-7. **Association Fee.**

The amount that is to be imposed against each Lot, paid by each Owner, to the Association for Association expenses.

2-8. **Reimbursement Assessment.**

A charge that is made against a particular Owner, Lot, or Unit in order to reimburse the Association. This includes costs required to bringing the particular Owner, Lot, or Unit into the standards of the Proclamation, including any applicable Chapters, Paragraphs, Bylaws, or rules and regulations set by the Association. Including interest, attorney's fees and other applicable charges in accordance with the provisions set forth in this Proclamation.

2-9. **Board.**

Board shall mean the Board of Trustees of the Association.

2-10. **Managing Agent.**

Any person or entity appointed or employed as Managing Agent by the Association.

2-11. **Development.**

The planned unit development known as the Townhomes at Pointe Meadows.

2-12. **Common Areas.**

All portions of the Development, excepting the Lots and Units. Including all property that is owned by the Association for the common use and enjoyment of the Owners. It includes all private undedicated roadways, driveways, parking, open spaces, landscaping, structural Common Areas (if any) and the like, and all easements as applicable, reflected on the Plat.

2-13. **Limited Common Areas.**

Any Common Areas that are designated for the exclusive use by an Owner of a particular Unit. Limited Common Areas are identified on the Plat with the same lot number, or some other type of designation used to identify a particular Unit. These are considered to be Limited Common Areas for exclusive use by the Owner of that particular Unit bearing the same lot number or other type of designation.

- 2-14. **Additional Land.**
All of the land contained within Lehi City, Utah County, State of Utah, including the land described in the attached Exhibit A.
- 2-15. **Plat.**
The subdivision plat covering the Property entitled "Phase 5, Townhomes at Pointe Meadows, A Planned Unit Development (Expandable), Lehi, Utah County, Utah" prepared and certified to by LEI Engineering (a duly registered Utah Land Surveyor holding Certificate No. 172675), executed and acknowledged by the Declarant, accepted by Lehi City, and filed for record in the office of the county Recorder of Utah County, Utah, concurrently with this Proclamation. Including any subdivision plat(s) pertaining to all or any portion of the Additional Land annexed and added to the Development prior to the annexation provisions of Chapter 3 within Proclamation.
- 2-16. **Property.**
All land covered by this Proclamation, including all Common Areas, Lots, Units, and any other land annexed into the Development as provided in this Proclamation, The initial Property consists of the land described in Paragraph 3-1 of Chapter 3.
- 2-17. **Unit.**
Unit shall mean any structure designed, constructed and intended for use or occupancy as a single family residence on a Lot. Including all improvements on the same Lot, used in conjunction with such residence. Including anything found within or without the Unit that is designated and designed to serve only that Unit. Such as patios, decks, appliances, electrical receptacles, and outlets, air-conditioning compressors and other air-conditioning apparatus. This excludes patio fences, roofs, exterior surfaces of Units and/or the buildings in which Units exist. All of the above mentioned fences, roofs, and surfaces are treated as Limited Common Areas for the exclusive use of that particular Unit to which the surfaces pertain, although they are not designated on the Plat as Limited Common Areas.
- 2-18. **Lot.**
Any separately numbered and individually described parcels of land within the Development as designated on the Plat, intended for single family residential use.
- 2-19. **Bylaws.**
The Bylaws of the Association. Established within this Proclamation. See Chapters 11, 12, and 13.

CHAPTER 3

Property Description and Annexation:

- 3-1. **Submission.**
The Property in the City of Lehi, Utah County, State of Utah that exists and held, transferred, sold, conveyed, and occupied, and held subject to the provisions of this Proclamation. Consisting of the following property description:

See Exhibit A

Together with all rights, easements, right-of-ways, and other etceteras pertaining to, accessory to, or accompanying the above-described parcel of real property, whether or not reflected on the Plat by omission or by error.

Reserving unto the Declarant such easements and rights of ingress over, across, through, and under the said property and any improvements (including buildings) now or in the future constructed as

necessary for the Declarant (in a way that is reasonable and consistent with the provisions of this Proclamation) to:

- a. Construct and complete each building, unit, and all other improvements described in this Proclamation or in the recorded Plat and to do all things necessary in connection with it.
- b. To construct and complete all or any portion of the Additional Land, including any improvements the Declarant determines as necessary. Whether or not the Additional Land or any portion of, has been, or will be, added to the Development.
- c. Improve portions of the said property with any other or additional improvements, facilities, or landscaping, designed for the use and enjoyment of all the Owners, as the Declarant may determine as necessary. If the above stated property, or any improvement upon the property, is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility will exist. With exception to perpetual easements, the reservations affected expire ten (10) years after the date on which this Proclamation is filed for record in the office of the County Recorder of Utah County, Utah, unless previously terminated.

All of the above is subject to any liens for current and future taxes, assessments, and charges imposed or levied by:

- a. Governmental or quasi-governmental authorities,
- b. All Patent reservations and exclusions,
- c. All incidental mineral reservations of record and rights,
- d. All instruments of record that affect the above-described real property or any portion of it, including without limitation
 - i. Any Mortgage (nothing in this paragraph can modify or amend such Mortgage)
 - ii. All visible easements and right-of-ways
 - iii. All easements and right-of-ways, encroachments, or discrepancies shown on or revealed by the Plat or otherwise existing
 - iv. An easement for all pipe, line, cable, wire, utility line, or similar facility that traverses or partially occupies the property whether or not construction of all the developmental improvements are complete
 - v. All easements necessary for ingress from, maintenance of, and replacement of all such pipes, lines, cable, wires, utility lines, and similar facilities
 - vi. And to each covenant, restriction, condition, and easement contained within this proclamation.

3-2. Division into Lots.

The Development is divided into four (4) Lots, as described on the Plat. All of which are entitled to equal rights concerning the use and enjoyment of the Common Areas and towards obligations pertaining to assessments, maintenance, and the like, as set forth within this Proclamation.

3-3. Annexation by Declarant.

Declarant may expand the Development, subject to this Proclamation by the annexation of all or part of the lands forming the Additional Land. Declarant is subject to compliance with the conditions imposed by Paragraph 3-4. The annexation of any such land will become effective upon the recordation of the Plat of Additional Land. The Plat of Additional Land, signed by the owner of the Plat, is to be recorded in the office of the County Recorder of Utah County, Utah along with a supplemental Proclamation ("Supplemental Proclamation") which:

- a. Is signed by the then Owner(s) of such Additional Land as the Declarant.
- b. Describes the land that is to be annexed.
- c. Declares that the annexed land is to be held, transferred, sold, conveyed, and occupied as part of the Property subject to this Proclamation.

- d. Sets forth such additional limitations, restrictions, easements, covenants and conditions, consistent with those found within this Proclamation as applicable to the annexed land. When any such annexation becomes effective, the annexed land will become part of the Property and the Development and subject to the Proclamation and any amendment or supplement of it.

3-4. Limitation on Annexation.

The Declarant's right to annex land to the Development is subject to the following limitations:

- a. The annexed land must be part of the Additional Land described within this Proclamation.
- b. Declarant may not annex any amount of land that would cause the total number of Lots existing within the Development to exceed Sixty-Four (64).
- c. The holder of each mortgage, deed of trust, or any other security device affected by any part of the Additional Land being annexed into the Development must consent, through appropriate means, to the recordation of the Supplemental Proclamation and to its associated Plat, recorded in Utah County, Utah.
- d. The Additional Land added to the Development must be divided into Lots and Common Areas designed to be used for purposes similar to those described in this Proclamation. All of the Units and Lots are to be similar in concept as the Units and Lots in Phase 5 of the Development. In each succeeding phase of the Development, the architectural style of the Units must remain consistent and in harmony of the prior developed phase.
- e. All Common Areas described within the Supplemental Proclamation and designated on the Plat must be conveyed to the Association in accordance with the provisions of Paragraph 5-3.
- f. Declarant's right to annex land to the Development expires seven (7) years after this Proclamation is filed for record in the office of the County Recorder of Utah County, Utah.

3-5. No Obligation to Annex or Develop.

The Declarant has no further obligation to annex any Additional Land to the Development or to develop or preserve any portion of Additional Land in any particular way or according to any particular time schedule. No land, other than the Property described in this Proclamation, and any other land that is annexed to the Property (in accordance with the terms of this Chapter) will be considered subject to this Proclamation, whether or not it is shown on any subdivision plat filed by Declarant, or described or referred to in any documents executed or recorded by the Declarant, including Exhibit A to this Proclamation.

3-6. Other Annexation.

The Declarant may annex all or any part of the Additional Land to the Development. Anything herein to the contrary notwithstanding, to the extent that Declarant does not now or in the future may not own all of the Additional Land, the then Owners of such Additional Land or parts of it ("Adjoining Owners") may annex all or any part of the Additional Land to the Development and subject the same to the terms of this Proclamation, if:

- a. The same limitations imposed on Declarant under Paragraph 3-4 of this Chapter 3 shall be applicable to Adjoining Owners; and
- b. Adjoining Owners make the recordation and comply with all the other requirements referred to in Paragraph 3-3 of this Chapter 3.

CHAPTER 4

Duties and Obligations of Owners:

4-1. Maintenance and Repairs.

Each Owner is responsible to maintain their Lot and any improvements constructed on it at their own cost. It is to be kept in good repair at all times. The Unit exteriors, roofs, and patio fences are to be maintained and repaired by the Association as provided in Paragraph 12-1 of this Proclamation. In the

event of damage or destruction to any Unit, the Owner of the Lot, on which the damage of said Unit is situated upon, either needs to rebuild the damaged or destroyed area within a reasonable time or raze the remains of it. This is in order to prevent unsightly appearance and dangerous conditions of a partially destroyed building within the Development. The painting, remodeling, rebuilding or modification of any Unit exterior, or any part of the said Unit, must first be submitted to, and approved by, the Architectural Review Committee. Aside from the obligations of the Association to maintain and repair Unit exteriors, roofs and patio fences as described, no Owner shall openly or intentionally neglect, or fail to do all within his power, to keep such items in attractive condition.

4-2. Insurance.

Aside from any insurance coverage required by the Association, each Owner shall obtain, and maintain in force, hazard insurance for their personal contents and any liability coverage as is customary in projects such as the Development and which is consistent with each Owner's individual circumstances. (See also 8-1)

4-3. Assessments and Rules Observance.

Every Owner is responsible for prompt payment of any Assessments described in this Proclamation and for the obedience to the rules and regulations as assigned by the Association from time to time. Owners who are in violation of the provisions of this Paragraph 4-3 will not be considered to be in good standing for Association voting purposes.

4-4. Transfer of Interests.

Except for any obligations previously accrued, an Owner who (for other than purposes of security) transfers all of their interests in their Lot to another, either voluntarily or by operation of law, will be relieved of all obligations under this Proclamation, following such transfer.

CHAPTER 5

Property Rights And Conveyances:

5-1. Rights Concerning Common Areas.

Every Lot has an indiscriminate and equal right to utilize and enjoy the Common Areas in the manner that they were intended for. Such right shall pass along with title to each Lot, and in no event can it be separated from the said Lot.

5-2. Form of Conveyance; Leases.

Any deed, lease, mortgage, deed of trust, purchase contract or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

Lot No. _____ as identified in the Plat recorded in the office of the Utah County Recorder as Entry No. _____, and Map Filing No. _____ contained within Plat _____ of Townhomes at Pointe Meadows, A Planned Unit Development (Expandable), SUBJECT TO the "Proclamation of Easements, Covenants, Conditions and Restrictions of Townhomes at Pointe Meadows, A Planned Unit Development (Expandable)" recorded in the office of the Utah County Recorder in Book _____, at Page _____, as Entry No. _____ (to which the said Proclamation may have been amended or supplemented), TOGETHER WITH a right of use and enjoyment in and to the Common Areas described, and as provided for, in said Proclamation of Easements, Covenants, Conditions and Restrictions (to which the said Proclamation may have been amended or supplemented.)

Regardless of the description employed is in the above-specified form or not, all provisions of this Proclamation shall be binding upon and will adapt to the benefit of any party who acquires any interest in a Lot.

5-3. **Transfer of Title to Common Areas.**

Concurrent with or immediately following the recordation of this Proclamation and the Plat, the Declarant will convey title to the Association the various Common Areas associated with the individual phase being recorded, free and clear of all liens, other than the lien of current general taxes and the lien of any non-delinquent Assessments, charges, or taxes imposed by governmental or quasi-governmental authorities.

5-4. **Limitation on Easement.**

Every Lots' right and easement of use and enjoyment to the Common Areas is subject to the following:

- a. The right of the Association to govern use of the Common Areas by setting reasonable rules and regulations in order provide for the enjoyment of the Common Areas in a manner consistent with the collective rights of all Owners.
- b. The right of the City of Lehi, Utah, and any other governmental or quasi-governmental body having jurisdiction over the Property, to enjoy access and rights of ingress over and across any street or driveway, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection and providing any other governmental or municipal service.
- c. The right of Association to dedicate or transfer any part of the Common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association; provided that such dedication or transfer must first be presented in writing to:
 - i. The holder of each and every Mortgage that encumbers each Lot.
 - ii. The Owners of Lots to which at least sixty-six percent (66%) of the total votes in the Association pertain.

5-5. **Utility Easements.**

Each Lot is subject to incidental easements for underground lines for utility purpose under and through portions of the Common Areas that are comprised of roads, walkways, and landscaped areas. If any Owner utilizes such easement rights with respect to his Lot or Unit, they shall be responsible for the restoration of it to its former state along with any portion of the Common Areas which may have been disturbed or damaged as a result.

5-6. **Easements for Encroachments.**

If any structure or Unit improvement (including without limitation, roof overhangs) constructed on any Lot, whether or not constructed in replacement of the structure or improvement previously located thereon (so long as such structure or improvement is in substantially the same configuration and location as such prior structure or improvement), encroaches upon any portion of the Common Areas, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure (including without limitation, roof overhangs) on any Lot shall be partially or totally destroyed and then rebuilt in a manner intended to substantially duplicate the location and configuration of the structure so destroyed, minor encroachments of such structure upon any other Lot or upon any portion of the Common Areas due to the reconstructed structure's being in a slightly different location than its predecessor shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

CHAPTER 6**Use Restrictions:****6-1. Use of Common Area.**

The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots and Units set forth within this Chapter.

6-2. Residential Use.

The Property is zoned Planned Community and is restricted to residential use applicable to the provisions of Lehi City Ordinances. Each Lot, Unit and Owner are subject to the uses and restrictions imposed by such zoning, including occupancy and parking, and no Lot or Unit shall be used, occupied, or altered in violation of such ordinances or so as to create a nuisance or to interfere with the rights of any other Owner.

6-3. Prohibited Use and Nuisances.

The following uses and practices are specifically prohibited, in addition to any additional prohibitions which may, from time to time, be adopted by the Board pursuant to Paragraph 12-3 of this Proclamation:

- a. No Unit or any part thereof shall be used or occupied by any persons not coming within the definition of "Family" as such term is defined and intended in the Lehi City Ordinances as of date; provided, however, that no more than three (3) non-related persons may live with the residing family as such term is therein defined.
- b. No lease of any Unit shall be for less than the whole thereof.
- c. No animals, livestock, or poultry of any kind shall be permitted on any Lot or within any Unit except such domesticated household pets or birds as are allowed pursuant to the rules and regulations, including leash laws, adopted by the Board pursuant to Paragraph 12-3 of this Proclamation.
- d. No outside television or radio aerial or antenna, or other similar device for reception or transmission shall be permitted on any Lot or the exterior of any Unit except pursuant to written approval of the Architectural Review Committee pursuant to rules and regulations adopted by it and/or as set forth in this Proclamation.
- e. No Unit within the Development shall:
 - i. Contain any coal or wood-burning fireplace, stove, or other similar device unless the same is EPA approved or unless such fireplace, stove or other device is fueled by natural gas only;
 - ii. Contain a swamp cooler.

CHAPTER 7**Architectural Standards:****7-1. Architectural Review Committee.**

The Board of Trustees of the Association shall appoint a three (3) member Architectural Review Committee (The "Committee"), the function of which shall be to ensure that all improvements and landscaping within the Development harmonize with its existing surroundings and structures. The Committee does not need to be composed of Owners. If such a Committee is not appointed, the Board itself will perform the duties required of the Committee.

7-2. Submission to Committee.

No Unit, accessory of or addition to a Unit which is visible from the Common Areas shall be constructed or maintained, and no alteration, repainting, or refurbishing of the exterior of any Unit shall be performed, unless complete plans and specifications pertaining to the structure have been submitted to and approved by the Committee.

7-3. **Architectural Standard.**

In deciding whether or not to approve the plans and specifications submitted to it, the Committee shall use its best judgment to insure that all improvements, construction, landscaping, and alterations on Lots within the Development conform and harmonize with the existing surroundings and structures. Any structure later constructed on any Lot in replacement of the structure that was previously located thereon shall be constructed in substantially the same configuration, location and architectural style and be approximately the same size as the prior structure. If the same plans and specifications meet such criteria, the Committee must approve the plans.

7-4. **Approval Procedure.**

All plans and specifications submitted to the Committee must be approved or disapproved in writing within thirty (30) days after submission. If the plans and specifications for any replacement structure is in substantially the same configuration, location and architectural style and substantially the same size as its predecessor, it shall be approved or disapproved within ten (10) days after submission. In the event the Committee fails to take any action within such specified periods to address the material submitted, by default it will be considered to be approved, except when the submitted material is not in conformity with the provisions of this Proclamation. In that case, the material submitted will be considered disapproved.

7-5. **Construction.**

Once begun, any improvements, construction, landscaping, or alterations approved by the Committee shall be diligently prosecuted to completion. If reasonably necessary to enable such improvement, construction, landscaping, or alteration, the person carrying out the same shall be entitled to temporarily use and occupy portions of the Common Areas in the vicinity of the activity provided that they shall promptly restore such areas to their prior condition when the use thereof is no longer required.

7-6. **Liability for Damages.**

Neither the Committee nor any member of the Committee can be held liable for damages by reason of any action, inaction, approval, or disapproval taken or given, without malice, by the Committee with respect to any request made in regards to Chapter 7.

7-7. **Declarant's Obligation.**

Declarant hereby covenants in favor of each Owner the following:

- a. That all Units to be erected by it and all improvements of the Common Areas to be accomplished by it in the Development will be architecturally compatible with respect to one another; and
- b. That on the date on which this Proclamation is filed for record in the office of the County Recorder of Utah County, Utah, all Lots and Common Areas of the Development will be located approximately in the same locations shown on the Plat.

CHAPTER 8

Insurance:

8-1. **Hazard Insurance.**

The Board shall obtain and maintain a hazard insurance policy (or policies) from a company (or companies):

- a. Holding a financial rating of Class VI or better from Best's Key Rating Guide.
- b. In an amount (or amounts) equal to (or exceeding) the full replacement value (exclusive of the value of land, foundations, excavation and other items normally excluded from coverage) of the Common Areas owned by the Association and of all the Units (and/or buildings in which such Units exist, including all building service equipment, if any, and the like) and all roofs, surfaces and structures comprising Units (regardless of any definition thereof in Chapter 2)

- c. With an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement and such other endorsements as the Board may deem to be reasonable.
- d. Such insurance policy (or policies) shall name the Association as the insured for the benefit of the Owners and shall afford protection, to the extent applicable, against at least the following occurrences:
 - i. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by vandalism, malicious mischief, windstorm, and water damage.
 - ii. Such other risks as shall customarily be covered with respect to facilities similar in construction, location and use.
 - iii. A deductible of \$1,000 or less.

Each Unit Owner is responsible to purchase their own Townhome unit Owners content policy. All claims for damage to an individual Unit must be submitted first on its Townhome unit Owners content policy. The Association will not be required to file claims on the master policy for damage that would have been covered under a Townhome unit Owners policy.

8-2. **Liability Insurance.**

To insure the Association, the Board, the Managing Agent and employees of the Association and the Owners against claims for bodily injury and property damage arising out of the conditions or activities on the Common Areas. The Board shall obtain and maintain a Public Liability insurance policy (or policies) from a company (or companies) under a Comprehensive General Liability form:

- a. Holding a financial rating of Class VI or better from Best's Key Rating Guide.
- b. The insurance shall be for such limits as the Board may decide, but:
 - i. Not less than those limits customarily carried in connection with properties of comparable character and usage in the County of Utah
 - ii. Nor less than \$1,000,000 for personal injury and property damage arising out of a single occurrence
- c. Such coverage to include protection against:
 - i. Water damage liability
 - ii. Liability for non-owned and hired automobile
 - iii. Liability for the property of others
 - iv. And such risks as shall customarily be covered with respect to property similar in construction, location and use.
- d. The Policy shall contain a "Severability of Interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of negligent acts of the Association or other Owners and a cross-liability endorsement pursuant to which the rights the named insures as between themselves are not prejudiced.
- e. The Policy shall provide that it may not be canceled or substantially modified by the insurer unless it gives at least thirty (30) days prior notice thereof to each insured.
- f. Any such coverage procured by the Board shall be without prejudice to the right of the Owners to insure their personal liability for their own benefit at their own expense.

8-3. **Additional Insurance; Further General Requirements.**

The Board may also procure insurance which insures the Common Areas and the Association or the Owners and others against such additional risks as the Board may deem advisable. Insurance procured and maintained by the Board shall not require contribution from insurance held by any of the Owners of their Mortgagees. Each policy of insurance obtained by the Board shall, if reasonably possible, provide:

- a. A waiver of the insurer's right of subrogation against the Association, the Owners and their respective directors, officers, agents, employees, invitees, and tenants.
- b. That it cannot be canceled, suspended or invalidated due to the conduct of any particular Owner or Owners.

- c. That it cannot be canceled, suspended or invalidated due to the conduct of the Association without a prior written demand that the defect be cured.
- d. That any "no other insurance" clause therein shall not apply with respect to insurance maintained individually by any of the Owners.

8-4. Fidelity Coverage.

The Association may obtain fidelity coverage to protect against dishonest acts on the part of officers, trustees, Managing Agents, directors and employees of the Association. In that event, such fidelity bonds:

- a. Will name the Association as obligee.
- b. Be written in amount based upon the best business judgment of the Association and shall not be less than the estimated maximum of funds (including reserve funds) in the custody of the Association or the Managing Agent at any given time during the term of each bond, but in no event be less than a sum equal to three (3) months Assessment on all Lots including the reserve funds.
- c. Contain waivers of any defense based upon the exclusion of volunteers or persons who serve without compensation from any definition of "employee" or similar expression.
- d. Provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the insured.

8-5. Review of Insurance.

The Board shall periodically, and whenever requested by the Owners entitled to exercise at least twenty percent (20%) of the outstanding votes in the Association, review the adequacy of the Association's insurance program(s). The Board shall report, in writing, the conclusions and actions taken on such review to the Owner of each Unit and to the holder of any Mortgage on any Lot who requested a copy of the said report. Copies of every policy of insurance procured by the Board are to be available for inspection by any Mortgagee.

8-6. Other Insurance Provisions.

All Insurance required by this Chapter 8 is to be written by insurers licensed in the State of Utah. Notwithstanding anything in this Chapter 8 to the contrary, any insurance required to be obtained by the Association in accordance to Paragraph 8-1, 8-2, 8-3 or 8-4 of this Chapter shall be required only to the extent that such coverage is reasonably obtainable at reasonable rates and is customarily obtained by improvements or facilities have the same or similar characteristics of the Common Areas and Units or risks being insured.

CHAPTER 9

Rights of Mortgagees:

9-1. Title and Mortgage Protection.

A breach of any of the covenants, provisions, or requirements of this Proclamation shall not result in any forfeiture or reversion of title or of any other interest in a Lot or any other portion of the Property. A breach of any of the covenants, provisions, or requirements of this Proclamation shall not defeat, impair, or render invalid the lien of or other rights under any Mortgage. Unless and until it enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, any Mortgagee interested under any Mortgage affecting a Lot or any portion of the Property, shall have no obligation to take any action to comply with, and may not be compelled to take any action to comply with, any of the covenants, provisions, or requirements of this Proclamation (other than those, if any, concerning a consent or approval to be given by a Mortgagee, in the event a Mortgagee's failure to give same is wrongful). No amendment to this Proclamation shall in any way affect the rights of any Mortgagee interests under a Mortgage which is in effect at the time of the amendment concerned or the rights of any successor in interest or title to such Mortgagee, either before or after such Mortgagee or its successor enters into

possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, unless such Mortgagee has consented in writing to such amendment.

9-2. **Preservation of Common Area.**

The Common Areas are to remain substantially of the same character, type, size and configuration as when the Common Areas became part of the Development. Unless the Association receives prior written approval of all first Mortgagees of Lots and the Owners of all Lots, and the City of Lehi. The Association is not entitled by act or omission to abandon, partition, subdivide, encumber, sell, transfer or materially modify the Common Areas, except to grant reasonable easements for utilities and similar related purposes.

9-3. **Notice of Matters Affecting Security.**

The Association is required give written notice to any Mortgagee of a Lot requesting such notice whenever any of the following apply:

- a. There is any material default by the Owner of the Lot subject to the Mortgage in performance of any obligation under this Proclamation or the Articles of the Association which is not cured within sixty (60) days after default occurs.
- b. Damage to the Common Areas from any one occurrence exceeds \$10,000.
- c. There is any condemnation or taking by eminent domain of any material portion of the Common Areas.

9-4. **Notice of Meetings.**

The Board shall give to any Mortgagee of a Lot requesting the same, notice of all meetings of the Association. Such Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

9-5. **Notice to Examine Association Records.**

Upon request, any Mortgagee has the right to inspect the books and records of the Association and receive financial statements as the Owner of the Lot securing the Mortgage.

9-6. **Right to Pay Taxes and Charges.**

Mortgagees have the right, but not an obligation, to jointly or singly to:

- a. Pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Areas.
- b. Pay overdue premiums on insurance policies pertaining to the Common Areas
- c. Secure new insurance coverage pertaining to the Common Areas on the lapse of a policy

Mortgagees making such payments are owed immediate reimbursement from the Association.

9-7. **No Priority Accorded.**

No provision of this Proclamation gives a Lot Owner or any other party priority over any rights or Mortgagees pursuant to their respective Mortgages in the case of a distribution to Lot Owners of insurance proceeds or condemnation awards for loss to or taking of Lots and/or the Common Areas.

9-8. **Construction.**

In the event another provision or clause of this Proclamation deals with the same subject matter as is dealt with in any provision or clause of this Chapter 9, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Association with respect to the subject concerned.

CHAPTER 10

Party Walls:

- 10-1. **General Rules of Law to Apply.**
Each wall to be built as a part of the original construction of the Units and placed substantially on a dividing line between Lots shall constitute a party wall and to the extent consistent with the provisions of this Chapter. The general rules of law regarding party walls and liability for damage due to negligence or willful acts or omissions shall apply as well.
- 10-2. **Sharing of Repair and Maintenance.**
The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.
- 10-3. **Destruction by Fire or Other Casualty.**
If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the Owner of another Lot thereafter makes use of the wall, such other Owner shall contribute to the cost of the restoration in proportion to such use; the previously mentioned provision is not to be used to alter the right of any Owner to call for a larger contribution from another Owner under any rule of law regarding liability for negligent or willful acts or omissions.
- 10-4. **Weatherproofing.**
Notwithstanding any other provision of this Chapter 10, any Owner who, by their negligent or willful act, causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- 10-5. **Right to Contribution Runs with Land.**
The right of any Owner to contribution from any other Owner under this Chapter 10 shall be appurtenant to the land and shall pass to such Owner's successors in title.

**THE ASSOCIATION'S BYLAWS WITHIN
THIS PROCLAMATION IDENTIFIED AS
CHAPTERS 11, 12 AND 13.
AND MISCELLANEOUS PROVISIONS OF
CHAPTER 14
OF THIS PROCLAMATION ARE
APPLICABLE TO BOTH THE PROCLAMATION
AND THE BYLAWS PROVISIONS.**

CHAPTER 11

Bylaws:

- 11-1. **Membership.**
Every Owner upon acquiring title to a Lot automatically becomes a member of the Association and remains a member of the Association until ownership of the applicable Lot ceases for any reason. Afterwards the membership in the Association with respect to the stated Lot automatically ceases and the succeeding Owner becomes a member. Membership in the Association is mandatory, necessary, and inseparable in ownership of the Lot.

11-2. Voting Rights.

The Association initially has two (2) classes of voting memberships. The votes of both classes are of equal value to all matters:

a. Class A.

Each Owner, including Declarant, is considered a Class A member entitled to ten (10) votes for each Lot in which the member holds the interest required for such Class A membership.

b. Class B.

The Declarant is the only Class B member and is entitled to ten (10) votes for each Association Class A membership currently outstanding at any point in time. That includes any votes entitled to a Class A member. However, the Class B membership lapses and become invalid upon the first instance of the following events:

- i. Ninety (90) days after the total outstanding Class A memberships (other than those held by Declarant) equal the total number of Class B votes the Declarant is entitled to in regards to Paragraph 11-2-b.
- ii. On December 31, 2007.
- iii. Surrender of the above mentioned Class B membership by the Declarant, in writing, to the Association.

Upon the lapse or surrender of the Class B membership the Developer remains a Class A, in respect to each and every Lot in which Declarant holds interest otherwise required for Class A membership.

11-3. Multiple Ownership Interests.

If there is more than one Owner to a particular Lot, the Owners may determine in a Quorum amongst themselves the vote to be cast in respect to any issue. In no case may one Lot be entitled to more than one vote. Whether the vote is cast by written consent, in person, or by proxy it is presumed as and counted as a single vote at any Association meeting unless an objection is made at the meeting or in writing by another Owner of the same Lot. In that event, no vote will be counted in respect to that Lot except to determine the presence or absence of a Quorum.

11-4. Records of Ownership.

Every Owner is responsible to promptly file a copy of the conveyance document (or in case of a contract buyer, a copy of the sales contract or notice of interest) to the Secretary of the Association. The Secretary shall maintain a record of ownership of all the Lots. Any Owner who mortgages their Lot or any interest therein is responsible to notify the Secretary of the Association of the name and address of the Mortgagee and also of the release of such Mortgage. The Secretary of the Association shall maintain all such information in the records of ownership. The Association may at any time obtain and rely on information from the Utah County Recorder regarding the Owners and Mortgagees of Lots.

11-5. Place of Meeting.

Meetings of the Association are to be held at a suitable place that is convenient to the Owners and the members of the Association. The Secretary is responsible to secure such location.

11-6. Annual Meetings.

Annual meetings of the membership of the Association are to be held in the month of September of each year beginning in the year 2002. The day and time is to be set forth in a notice provided after the first Annual Meeting. A month other than September may be chosen if it is determined by the membership to be more convenient. At the Annual Meetings, members of the Board of Trustees are to be elected, as needed, according to the provisions of this Proclamation. Financial and budget reports are also to be presented at the meetings, as well as any other business of the Association.

11-7. **Special Meetings.**

The President shall call a special meeting of the Owners as directed by a resolution of the Board or on a petition signed by Owners holding at least thirty percent (30%) of the total votes of the Association and having been presented to the Secretary. No business shall be transacted at a Special Meeting except as stated in the notice unless consented to by fifty percent (50%) or more of the Owners present whether in person or by proxy.

11-8. **Notice of Meetings.**

The Secretary is responsible to mail a notice of each Annual or Special Meeting. The notice must state the purpose of the meeting as well as the time and place of the meeting to each Owner of record at least ten (10), but not more than twenty (20), days prior to such meeting. The mailing of the notice by prepaid U.S. Mail or by delivery in person shall be considered notice served.

11-9. **Quorum.**

Owners present in person or by proxy at any membership meeting duly called pursuant to notice shall constitute a quorum at all meetings, both Annual or Special; provided, however, that such Owners collectively be entitled to cast at least a forty percent (40%) of the total Association votes eligible to vote.

11-10. **Adjourned Meetings.**

If any meeting of Owners cannot be organized because a Quorum is not present, the Owners who are present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called at which time the requirements of a Quorum shall be reduced by one-half that required in Paragraph 11-9.

11-11. **Officers.**

The Association is to have a President, a Vice President and a Secretary/Treasurer. All of whom are to be elected by and from the Board. The Board may appoint an Assistant Secretary and Assistant Treasurer if necessary. Only the offices of Secretary and Treasurer may be filled by the same person. The Officers shall be elected by the Board in an organizational meeting of the Committee immediately following each Annual Meeting of Owners at which the new Board has been elected.

a. **President.**

The President is the chief executive officer of the Association and presides at all meetings of the Association and of the Board. The President has all the general powers and duties that are usually vested in the office of president of a similar type association.

b. **Vice President.**

The Vice President takes the place of the President and performs the duties of the President in the instance of absence of the President or if the President is unable to act. If neither the President nor Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President also performs any other duties as imposed on him/her from time to time as appointed by the Board.

c. **Secretary.**

The Secretary keeps the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary has charge of books and records as the Board may direct. The Secretary shall, in general, perform all duties incident to the office of secretary of a similar type association.

d. **Treasurer.**

The Treasurer has the responsibility of Association funds and is responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all money and any other valuables in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board.

11-12. Initial Composition of Board.

The Declarant alone has the right to select the initial Board of Trustees. The Board of Trustees may be composed of less than five (5) Trustees but not less than three (3), none of whom need be Owners. Such right of the Declarant to appoint the Board shall remain in Declarant until the expiration of three (3) years after the first conveyance of title to any Lot Owner or until Declarant voluntarily waives such right, in whole or in part, in writing and requests the Association to elect members of the Board in accordance with the Association's Bylaws set forth in Paragraph 11-13, whichever event shall first occur. The Board may be expanded up to and including seven (7) Trustees if Declarant deems the same to be warranted by reason of annexation and development of the Additional Land.

11-13. Board of Trustees: Composition, Election, Vacancies.

The Association, through its Board of Trustees, is responsible for the maintenance of the Common Areas, the determination, imposition and collection of Assessments, the enforcement of the Proclamation and, in general, the preservation of the residential quality and character of the Development to the benefit and welfare of the Owners. Subject to the provisions of Paragraph 11-12, the Board is to be composed of five (5) Trustees. Each Trustee is to be an Owner (or officer, director, or agent of a non-individual Owner). The Owners may increase the maximum number of Trustees to and including seven (7) at any meeting of the Association members. At the first meeting of Owners to elect a Board of Trustees, two (2) are to be elected to a three-year term, two (2) to a two-year term, and one (1) to a one-year term. When the Trustees term expires, new Trustees are to be elected for three-year terms and they will serve on the Board until their successors are elected. Vacancies on the Board are to be filled by the remaining Trustees from among the Owners and such appointees serve until the next Annual Meeting of Owners when their successors are to be elected for the unexpired term of the Trustee that they were appointed to replace.

11-14. Indemnification of Board.

Each Trustee is indemnified and held harmless by Lot owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, and without limitations, attorneys fees incurred in connection with any proceeding in which such Trustee may become involved by reason of being, or having been, a member of said Board.

11-15. Board Meetings, Quorum, Board Action.

The Board of Trustees establishes rules for meetings, whether regular or special. A majority of current Board members constitute a Quorum. The action of a majority of the Trustees attending a meeting at which a Quorum is present is sufficient to constitute the action of the Board. Action by consent requires the unanimous consent of all current Trustees.

CHAPTER 12**Bylaws: Duties and Powers of the Association:****12-1. Duties of the Association.**

Without limiting any other duties which are be imposed upon the Association by its Articles of Incorporation, Bylaws or the Proclamation, the Association has the obligation and duty to do, and perform, each and every one of the following for the benefit of the Owners and Maintenance and improvement of the Property:

- a. The Association accepts all Owners as members of the Association.
- b. The Association accepts title to all Common Areas conveyed to it, whether by Declarant or by others, provided the same is free and clear of all liens and encumbrances.
- c. The Association maintains, repairs, and replaces the landscape in the Common Areas.
- d. The Association maintains, repairs, and replaces the streets and sidewalks in the Common Areas.
- e. In connection with its duties to maintain and repair Common Areas, the Association provides maintenance and repair upon the Exterior surfaces and roofs of the Units (and/or the buildings in

- which such Units exist) and patio fences. This includes, but is not limited to, painting, replacing, and caring for roofs, gutters, downspouts, exterior surfaces, window casings, trim, fences and other exterior improvements, with exception to glass surfaces.
- f. To the extent not assessed to or paid by the Owners directly, the Association is to pay all real property taxes and Assessments levied upon any portion of the Common Areas, provided that the Association has the right to contest or compromise any such taxes or Assessments;
 - g. The Association obtains and maintains in force the policies of insurance required of it by the provisions of the Proclamation.
 - h. The Association may employ a reasonable corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Common Areas, subject at all times to direction by the Board, with such administrative functions and powers as delegated to the Managing Agent by the Board. The compensation of the Managing Agent is to be reasonable as specified by the Board. Any agreement appointing a Managing Agent is terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days written notice. The term of any such agreement may not exceed on (1) year, renewable by agreement of the parties for successive periods of one (1) year, renewable by agreement of the parties for successive periods of one (1) year each. Any Managing Agent may be an agent or employee of the Association or an independent contractor, as the Board deems appropriate.

12-2. **Powers and Authority of the Association.**

The Association has all the powers set forth in its Articles of Incorporation and Bylaws, together with its general powers as a nonprofit corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of the Proclamation or the Bylaws, including the power to levy and collect Assessments. Without in any way limiting the generality of the following, the Association has the following powers:

- a. To enter upon any Lot, at any time, for the purpose of maintaining and repairing such Lot or any improvement on the Lot without liability to any Owner for trespass, damage or otherwise. If for any reason the Owner fails to maintain and repair such Lot or improvement as required, the Association has the power and authority to maintain actions and suits to restrain any breach or threatened breach of the Proclamation, the Bylaws or any rules and regulations set by the Board, or to enforce by mandatory injunction or otherwise all of the provisions of the Proclamation, the Bylaws and such rules and regulations.
- b. In fulfilling any of its duties under the Proclamation, including its duties for the maintenance, repair, operation or administration of the Common Areas and Lots (to the extent necessitated by the failure of the Owners of such Lots) or in exercising any of its rights to construct improvements or other work upon any of the Common Areas, the Association has the power and authority to obtain, contract and pay for, or otherwise provide for:
 - i. Construction, maintenance, repair of the Common Areas on such terms and conditions as the Board deems appropriate.
 - ii. Insurance policies or bonds as the Board deems appropriate for the protection or benefit of the Association, the members of the Board and the Owners.
 - iii. Utility services related to the Common Areas as the Board, from time to time, deems necessary or desirable.
 - iv. The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Board deems desirable.
 - v. Fire, police and other protection services as the Board deems desirable for the benefit of the Owners or any of the Property.
 - vi. Materials, supplies, furniture, equipment, services and labor as the Board deems necessary.

12-3. Association Rules.

Subject to and not inconsistent with the provisions of the Proclamation or the Bylaws, the Board (from time to time) may adopt, amend, repeal and enforce reasonable rules and regulations governing, among other things:

- a. The use of the Common Areas.
- b. The use of any roads or utility facilities owned by the Association.
- c. The collection and disposal of refuse.
- d. Uses and nuisances pertaining to the Property.
- e. All other matters concerning the use and enjoyment of the Property and the conduct of Owners and their invitees withing the Development.

12-4. Limitation of Liability.

No member of the Board acting in good faith will be personally liable to any Owner, guest, lessee or any other person for any errors or omissions of the Association, its representatives and employees, the Board, any Committee of the Board, or the Managing Agent.

CHAPTER 13**Bylaws: Assessments:****13-1. Personal Obligation and Lien.**

By acquiring, or in any way becoming vested with their interest in a Lot, each Owner covenants and agrees to pay to the Association the Annual Assessment, Special Assessments and Reimbursement Assessments described in this Chapter, together with late payment fees, interest and cost of collection, if and when applicable. All such amounts shall be, constitute, and remain:

- a. A charge and continuing lien upon the Lot with respect to which such Assessment is made until fully paid.
- b. The personal, joint and several obligation of the Owner or Owners of such Lot at the time the Assessment falls due.

No Owner can exempt themselves or their Lot from liability for payment of Assessments by waiver of his rights in the Common Areas or by abandonment of his Lot. In a voluntary conveyance of a Lot, the grantee is jointly and severally liable with the grantor for all such unpaid Assessments, late payment fees, interest and costs of collection, including reasonable attorney's fees, which will 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 therefor.

13-2. Purpose of Assessments.

Assessments levied by the Association are to be used exclusively for the purpose of:

- a. Promoting the Development.
- b. Promoting the interests of the Owners.
- c. Paying costs properly incurred by the Association
- d. The maintenance, operation and caring of the Common Areas, including cost of irrigation water.

The use made by the Association of funds obtained from Assessments may include, but are not limited to the payment of:

- a. Taxes and insurance on the Common Areas.
- b. Basic coverage cable TV.
- c. Internet access providing coverage availability to each Unit in the Development
- d. Establishment and finding of a reserve to cover major repair or replacement of improvements within the Common Areas

- c. Any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under the Proclamation or its Articles of Incorporation, Bylaws or rules and regulations.

13-3. **Annual Assessments.**

Annual Assessments are to be computed and assessed against all Lots in the Development based upon advance estimates of the Association's cash requirements to provide for payment of the cost of those items set forth in Paragraph 13-2.

13-4. **Annual Budget.**

Annual Assessments are to be determined on the basis of a fiscal year beginning January 1 and ending December 31 of the same year, provided that first fiscal year begins on the date of recordation of this Proclamation. On or before December 15 of each fiscal year the Association is to prepare and furnish to each Owner an operating budget for the upcoming fiscal year. The operating budget for the first fiscal year will be prepared and furnished to each Owner within thirty (30) days of such Owner's initial purchase. The budget will itemize the estimated cash requirements for such fiscal year, anticipated receipts, reserves, and any deficit or surplus from the prior operating period. The budget serves as the supporting document for the Annual Assessments for the upcoming fiscal year and as the major guideline under which the Development operates during such annual period.

13-5. **Notice and Payment of Annual Assessments.**

Except with respect to the fiscal period ending December 31, 2003, the Association is to notify each Owner to the amount of the Annual Assessment against their Lot on or before December 15 of the year preceding the year which the Annual Assessment is made each annual calendar month during the fiscal year to which the Assessment relates. However, the Annual Assessment for the date of the fiscal period ending December 31, 2003 will be based upon the portion of the calendar year 2001 as follows the date of recordation of the Proclamation and payable in installments and times as the Association, in the sole discretion of its Board of Trustees, may determine. The failure of the Association to give timely notice of any Annual Assessment as provided herein cannot be deemed as a waiver or modification in any respect of the provisions of the Proclamation, or a release of any Owner from the obligation to pay such Assessment or any other Assessment; but the date when the payment becomes due in such case will be deferred to a date fifteen (15) days after notice of the Assessment has been given to the Owner in the manner provided in the Proclamation.

13-6. **Initial Fee.**

In addition, each Owner (other than Declarant), is required to prepay at the time of purchase of his Unit, whether as a first time or subsequent Owner, a sum of \$175.00. This sum is in addition to any portion of the Assessment which is due for the month in which the purchase takes place. The fee becomes part of the Association's general fund to be utilized as necessary.

13-7. **Maximum Annual Assessment.**

Until January 1, of calendar year immediately following the conveyance of the first Unit to an Owner, the maximum Annual Assessment is \$840.00 per Unit. From, and after January 1 of calendar year immediately following the conveyance of the first Unit to an Owner, the maximum Annual Assessment can only be increased each following calendar year by no more than fifteen percent (15%) above the maximum Annual Assessment for the previous year without the vote of Owners entitled to cast a majority of the Association votes.

13-8. **Special Assessments.**

The Association may levy Special Assessments for the purpose of defraying, in whole or in part:

- a. Any expense or expenses not reasonably capable of being fully paid with funds generated by Annual Assessments; or
- b. The cost of any construction, reconstruction, or unexpectedly required addition to or replacement of the Common Areas.

Any such Special Assessment is apportioned among and assessed to all Lots in the same manner as the Annual Assessments. Such Special Assessments must be assented to by a majority of the votes of the membership which Owners present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of such meeting are to be sent to all Owners at least ten (10) but no more than thirty (30) days prior to the meeting date.

13-9. Uniform Rate of Assessment.

All monthly and Special Assessments authorized by Paragraphs 13-3 and 13-8 respectively, are fixed at a uniform rate for all Lots; provided, however, that until a Lot has been both fully improved with a Unit and occupied for the first time for residential purposes, the monthly and Special Assessments applicable to such Lot are to be one-third (1/3) of the monthly and Special Assessments which would otherwise apply to such Lot. During the period of time that Declarant holds the Class B membership in the Association if assessed fees collected by the Association fail to adequately meet Association expenses, then Declarant shall pay in excess of such one-third (1/3) partial Assessment per Lot, up to full assessed amount, if necessary, to apply toward such expenses.

13-10. Quorum Requirements.

The Quorum at any Association meeting required for any action authorized by Paragraph 13-8, above, shall be as follows; At the first meeting called, the presence of Owners or proxies entitled to cast sixty percent (60%) of the total votes of the Class A membership shall constitute a Quorum. If a Quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Paragraph 13-8, above) at which a Quorum shall be one-half (1/2) of the Quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

13-11. Reimbursement Assessment on Specific Lot.

In addition to the Annual Assessment and any Special Assessment authorized pursuant to Paragraph 13-8, above, the Board may levy at any time Reimbursement Assessments:

- a. On every Lot especially benefitted (i.e., benefitted to a substantially greater degree than any other Lot) by any improvement 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.
- b. On every Lot the Owner or occupant of which causes any damage to the Common Areas necessitating repairs.
- c. On every Lot as to which the Association incurs any expense for maintenance or repair work performed, or enforcement action taken, pursuant to any of the provisions of the Proclamation.

The aggregate amount of any such Reimbursement Assessment is to be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs, and all attorney's fees and costs, and to be allocated among the affected Lots according to the magnitude of special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be, and such Assessment may be made in advance of the performance of work. If a special benefit arises from any improvement which is part of the general maintenance or operation obligations of the Association, it does not give rise to a Reimbursement Assessment against the Lots benefitted.

13-12. Certificate Regarding Payment.

Upon the request of any Owner or prospective purchaser or Encumbrancer of a Lot and upon the payment of a reasonable fee to the Association to cover administrative costs, the Association will issue a certificate stating whether or not payments of all Assessments respecting such Lot are current and, if not, the amount

of the delinquency. Such certificate will be conclusive in favor of all persons who rely thereon in good faith.

13-13. Effect of Nonpayment; Remedies.

Any Assessment (whether Annual, Special or Reimbursement Assessment) not received within ten (10) days of the date on which it becomes due is subject to a late charge equal to five percent (5%) thereof, which together with interest and costs of collection shall be, constitute, and remain a continuing lien on the affected Lot. If any Assessment is not received within ten (10) days after the date on which it becomes due, the amount thereof also bears interest from the due date at the rate of one and one-half percent (1 1/2%) per month; and the Association may bring an action against the Owner who is personally liable therefor or may foreclose its lien against the Lot, or both. Any judgement obtained by the Association in connection with the collection of delinquent Assessments and related charges will include reasonable attorney's fees, court costs and every other expense incurred by the Association in enforcing its rights.

13-14. Subordination of Lien to First Mortgages.

The lien of the Assessments provided herein is subordinate to the lien of any first Mortgage given in the first instance to a bank, savings and loan association, insurance company or other institutional lender; and the holder of any such Mortgage or purchaser who comes into possession of or becomes the Owner of a Lot by virtue of the foreclosure of such first Mortgage or the exercise of a power of sale under such first Mortgage, or by deed in lieu of foreclosure, shall take free of such Assessment lien as to any Assessment installment which accrues or becomes due prior to the time such holder or purchaser comes in possession or ownership of such Lot; provided that in the event there are any proceeds of the sale on foreclosure of such first Mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such first Mortgage, the lien shall apply to such excess. No sale or transfer of a Lot in connection with any foreclosure of a first Mortgage relieves any Lot from the lien or of any Assessment installment thereafter becoming due.

13-15. No Abatement.

No diminution or abatement of any Assessments under the Proclamation can be claimed or allowed for inconvenience, annoyance or discomfort arising from any of the following:

- a. Any construction (or lack of construction) within the Development.
- b. The making of (or failure to make) any repairs or improvements to or the maintenance of any Common Areas of the Development; or any part thereof.
- c. Any action taken to comply with the provision of the Proclamation or with the laws, ordinances, regulations, rules, or orders of any governmental authority.

CHAPTER 14

Bylaws: Miscellaneous:

14-1. Notice.

Any notice required or permitted to be given to any Owner under the provisions of this Proclamation is deemed to have been properly furnished if delivered or mailed, postage prepaid, to the person named as Owner at the latest address for such person, as reflected in the records of the Association at the time of delivery or mailing. Any notice required or permitted to be given to the Association may be given by delivering or mailing the same to the Managing Agent or any Officer or trustee of the Association. Any notice required or permitted to be given to the Architectural Committee may be given by delivering or mailing the same to the Managing Agent or the Association or any member of the Architectural Review Committee.

14-2. Amendment.

Except as provided below, this Proclamation may be amended by, but only by, an instrument recorded in Utah County, Utah which is executed by Owners (including Declarant) who collectively hold at least sixty-six percent (66%) of the total outstanding votes of the Association. The foregoing right of amendment is subject to the right to supplement this Proclamation in the manner and to the extent provided for in Chapter 3 of this Proclamation. The right of amendment is subject to the following qualifications: no amendment to any provision of this Proclamation which has the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant, (in its capacity as Declarant), or to a Mortgagee or the Association shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant, or by Mortgagee as the case may be.

14-3. Consent in Lieu of Vote.

In any case in which this Proclamation requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage or number of votes outstanding in the Association or of the Owners, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from the Owners entitled to cast at least the stated percentage or number of all membership votes then outstanding in association, unless a higher percentage or a greater number is required by law. The following additional provision governs any application of this subject 14-3:

- a. All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.
- b. The total number of votes required for the applicable authorization or approval is determined as of the date on which the last consent is signed.
- c. Any change in ownership of a Lot which occurs after a consent has been obtained from the Owner thereof cannot be considered or taken into account for any purpose.
- d. Unless the consent of all Owners whose memberships are appurtenant to the same Lot are secured, the consent of none such Owners will be effective.

14-4. Declarant's Rights Assignable.

All or any portion of the rights of Declarant under this Proclamation or in any way relating to the Property or the Additional Land may be assigned

14-5. Interpretation.

The captions which precede the Chapters and Paragraphs of this Proclamation are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Proclamation shall not affect the validity or enforceability of the remainder hereof, which shall remain in full force and effect. The laws of the State of Utah shall govern the validity, construction and enforcement of this Proclamation.

14-6. Condemnation.

If at any time or times an insubstantial or minor part of the Common Areas or any part thereof is taken or condemned by any authority having the power of eminent domain, all compensation and damages are to be payable to the Association and the Association will use the said compensation, to the extent necessary, to restore or replace any improvements on the remainder of the Common Areas. In the event of any other taking or condemnation, the interests of the Association, the Owners and Mortgagees shall be as they appear.

14-7. Covenants to Run with the Land.

This Proclamation and all the provisions within constitute covenants to run with the land or equitable servitude, as the case may be, and are binding upon and shall inure to the benefit of Declarant all parties who heretofore acquired or hereafter acquire any interest in a Lot, their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Lot or Unit will comply with, and all interests in all Lots or in the Common Area are subject to, the terms of this Proclamation and the provisions of any rules, regulations, agreements, instrument, and determinations contemplated by this Proclamation. By acquiring any interest in a Lot or Unit, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Proclamation.

14-8. Enforcement of Restrictions.

The following persons shall have the right to exercise or seek any remedy at law or inequity to interpret, to enforce, compliance with or to obtain redress for violation of this Proclamation:

- a. Any Owner;
- b. The Association; or
- c. Any Mortgagee.
- d. City of Lehi.

The prevailing party in any action for the interpretation of, the enforcement of or to obtain redress for violation of any provisions of this Proclamation shall be entitled to collect court costs and reasonable attorney's fees.

14-9. Duration.

This Proclamation remains in effect until such time as there is recorded in Utah County, Utah, an instrument of termination which is executed by all of the parties required by Paragraph 14-2 hereof, plus the Mortgagee of each and every Lot.

14-10. Effective Date.

This Proclamation, any amendment or supplement hereto, and any amendment or supplement to the Plat takes effect upon its being filed for record in their office of the County Recorder of Utah, Utah.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand.

“Declarant”

Point Meadows Townhomes, L. L. C., a Utah limited liability company

By: *[Handwritten Signature]*

Its: *MEMBER*

DECLARANT’S ACKNOWLEDGMENT

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

On the 10 day of October, 2003, personally appeared before me ARMANDO AWAPAZ who being duly sworn, did say that he is the Member of Pointe Meadows Townhomes, L. L. C., a Utah limited liability company, and that said instrument was duly authorized by the limited liability company at a lawful meeting held by the authority of its operating agreement and signed in behalf of said limited liability company.

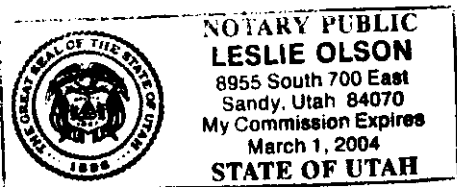
My Commission Expires

3-1-04

[Handwritten Signature]

NOTARY PUBLIC

Residing at: *Sandy*



After recordation, return to:

AHP-Lehi, L.L.C.
11775 South State Street
Draper, Utah 84020

EXHIBIT A

Beginning at a point located North 89 48'10" East along the 1/4 Section line 1,637.20 feet and North 286.59 feet from the West 1/4 corner of Section 6, Township 5 South, Range 1 East, Salt Lake Base and Meridian. Thence along the following courses and distances:

Course	Distance	Remarks			
North 49 56'05" West	36.00				
Along an arc	L=71.75	R=226.00	=18 11'26"	CH=North 49 09'38" East	71.45
Along an arc	L=41.01	R=24.00	=97 54'27"	CH=North 09 18'08" East	36.20
Along an arc	L=79.09	R=259.00	=17 29'45"	CH=North 48 23'58" West	78.78
North 31 24'15" East	122.83				
South 58 35'45" East	105.79				
Along an arc	L=117.18	R=467.00	=14 22'35"	CH=South 51 24'27" East	116.87
Along an arc	L=154.83	R=382.38	=23 11'59"	CH=South 60 06'25" West	153.77
Along an arc	L=104.93	R=190.00	=31 38'30"	CH=South 55 53'10" West	103.60

To the Point of Beginning.
 Contains 0.70 Acres (30,289 Sq. Ft.).

Basis of Bearing North 00 14'20" West along the Section line from the West 1/4 Corner to the Northwest Corner of Section 6 Township 5 South, Range 1 East.