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# DECLARATION

OF

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COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

## DANIEL'S CANYON SUBDIVISION

09-082-0059

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January 2015

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**DECLARATION**  
OF  
**COVENANTS, CONDITIONS AND RESTRICTIONS**  
FOR  
**DANIEL'S CANYON SUBDIVISION**

This Declaration of Covenants, Conditions and Restrictions for Daniel's Canyon Subdivision ("Declaration") is made and executed by River Ridge Partners, L.C., a Utah limited company ("Declarant").

**RECITALS:**

**A. Name of Project and Description of Land.** The subdivision that is the subject of this Declaration shall be known as Daniel's Canyon Subdivision ("Project"), and is situated in and upon that certain real property ("Subject Land") located in Davis County, State of Utah, as specifically described in Exhibit "A" attached hereto and incorporated herein by this reference. Declarant has prepared and has recorded or will recorded in the office of the County Recorder for Davis County, State of Utah, a plat map for Daniel's Canyon Subdivision ("Plat"). There will be ten (10) Lots in the Project, as shown on the Plat.

**B. Name of Association and Bylaws.** The name of the Association shall be the Daniel's Canyon Homeowner's Association ("Association"), which has been created as a Utah nonprofit corporation by filing articles of incorporation with the Utah Division of Corporations and Commercial Code. The Association is the governing body of the Project and is to be operated in accordance with this Declaration, the Articles of Incorporation for Daniel's Canyon Homeowner's Association, and the Bylaws of Daniel's Canyon Homeowner's Association. The Bylaws are attached hereto as Exhibit "C".

**C. Intent and Purpose.** Declarant, by recording this Declaration, does so for the purpose of: (1) creating a residential development with common areas including permanent open spaces, streets, landscaping, and other related areas and facilities for the common use and enjoyment of the Owners of the Lots; and (2) to impose upon the Subject Land mutually beneficial restrictions under a general plan of improvement for the benefit of all Lots within the Project and the Owners thereof.

**ARTICLE I**

## DEFINITIONS

- 1.1 **Defined Terms.** Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in this Article I.
- 1.2 **Additional Land.** The property identified and described in the attached Exhibit "B".
- 1.3 **Association** shall mean Daniel's Canyon Homeowner's Association, a Utah nonprofit corporation, organized to serve and act as the governing body of the Project.
- 1.4 **Board of Directors** or **Board** shall mean the Board of Directors of the Association.
- 1.5 **Common Areas** or **Common Areas and Facilities** shall mean all of the Subject Land, except all Lots, including without limiting the generality of the foregoing, all streets, open spaces, and other undesignated areas shown on the Plat as Common Areas, together with all equipment, facilities, fixtures, and other personal property and real property improvements located in the Common Area and/or owned by the Association for the use and benefit of all Owners, including without limiting the generality of the foregoing, all of the following located in the Common Area: streets, curb and gutter improvements, bushes and other landscaping, and all other personal property and real property improvements hereafter added in accordance with this Declaration. The Common Areas shall be owned by the Owners as tenants in common, each Owner possessing an equal undivided interest in the Common Areas. All Common Areas shall be managed and controlled by the Association for the common use and enjoyment of the Owners as more fully described in this Declaration.
- 1.6 **Common Expense** shall mean the actual and estimated costs of maintenance, management, operation, repair and replacement of the Common Area (including any special assessments), and including those fees not paid by the Owner responsible for payment; costs of management and administration of the Association including, but not limited to, accountants, bookkeepers, attorneys and other employees and consultants; the costs of all utilities, landscaping and other services benefitting the Common Area, and all recreational facilities thereon; the costs of any fire, casualty or liability insurance covering the Project; and the cost of bonding the Association board members and officers; any taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Project, or portion thereof; and the cost of any other expense incurred by the Association for any reason whatsoever in connection with the Project, for the benefit of all of the Owners.
- 1.7 **Common Expense Fund** shall mean the fund created or to be created and into which all funds of the Association shall be deposited and used to pay common expenses.
- 1.8 **Declarant** shall mean River Ridge Partners, L.C., a Utah limited company, its assigns or its successor in interest that develops and improves the Common Area or that purchases substantially all the Lots from River Ridge Partners, L.C.
- 1.9 **Design Committee.** The Design Committee created pursuant to Article 5 of this Restated Declaration.

- 1.10 **Dwelling** shall mean and refer to each physically constructed residential dwelling or building containing a single family residence located as an improvement on a Lot.
- 1.11 **Lot** shall mean each individual parcel of real property shown on the Plat as a Lot, together with all improvements located thereon and all appurtenances thereunto appertaining.
- 1.12 **Manager** shall mean the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.
- 1.13 **Member** shall mean a member of the Association and shall include all Owners.
- 1.14 **Mortgage** shall mean any mortgage, deed of trust, or other security instrument by which a Lot or any part thereof is encumbered.
- 1.15 **Mortgagee** shall mean (i) any person named as the mortgagee or beneficiary under any deed of trust, or (ii) any successor to the interest of such person under such Mortgage.
- 1.16 **Owner** shall mean any person or entity or combination thereof, including the Declarant, owning fee title to a Lot within the Project as shown on the records of Davis County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or entity purchasing a Lot under contract until such contract is fully performed and legal title conveyed.
- 1.17 **Period of Administrative Control** shall end seven (7) years from the date of recordation of this Declaration or the date on which eighty percent (80%) of the Lots in the Project have been conveyed to Owners other than Declarant or Declarant's successor in interest, whichever is sooner.
- 1.18 **Plat or Map** shall mean the Plat for Daniel's Canyon Subdivision., as recorded in the office of the County Recorder for Davis County, State of Utah, on \_\_\_\_\_, as Entry No. \_\_\_\_\_, in Book \_\_\_\_\_, at Pages \_\_\_\_\_.
- 1.19 **Project** shall mean the Daniel's Canyon Subdivision and all Lots and all Common Areas included therein.
- 1.20 **Subject Land** shall mean the land upon which the Project is situated, as more particularly described in Exhibit "A".
- 1.21 **Total Votes of the Association** shall mean the total number of votes appertaining to the Lots in the Project, as shown on Exhibit "D" attached hereto.

**ARTICLE II**  
**DIVISION OF PROJECT**

- 2.1 **Submission to Declaration.** All of the Subject Land is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and improved as a residential subdivision to be known as Daniel's Canyon Subdivision. All of said Subject Land is and shall be subject to the covenants, conditions, restrictions, easements, uses, limitations, and obligations set forth herein and in the Plat, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of said property and division thereof into Lots. Further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Lot Owners, their successors and assigns, and any person acquiring, leasing, or owning an interest in any Lot, their lessees, heirs, executors, administrators, devisees, successors and assigns.
- 2.2 **Subdivision into Lots.** Pursuant to the Plat, the Subject Land is divided into Lots as more particularly described on the Plat. The Owner of each Lot, regardless of the size, purchase price or location of the Lot, shall have the right to use the Common Areas.
- 2.3 **Not a Cooperative or Condominium.** The creation of the Daniel's Canyon Subdivision shall not constitute the creation of a cooperative and no portion of the Project shall contain any condominiums.
- 2.4 **Easements.** The Declarant, its successors and assigns, and the owners of the Additional Land described in Exhibit "B", possess a transferable nonexclusive easement (as further set forth herein and as described in Exhibit "F" attached), over and across the Common Area and including roads providing ingress and egress to the Project and to the Additional Land, for the purpose of doing all things reasonably necessary and proper for the construction, completion, development and sale of the Project and the Additional Land. If, in the future, only a portion of the Additional Land is combined with the Subject Land or made part of the Association, any remaining portion of the Additional Land that is not combined with or made part of the Association (herein referred to as the "Remainder Portion" and which shall consist of any portion of the Additional Land used by Neil and Lael Wall as their personal residence) shall continue to have a perpetual easement over and across the Subject Land. The Owner of the Remainder Portion shall not be required to contribute to maintenance and replacement costs of any Association Common Area, including but not limited to Association roads and snow removal, or for utility connections, for as long as either Neil or Lael Wall, or an entity in which they have an interest, possesses an ownership interest in the Remainder Portion.

### ARTICLE III IMPROVEMENTS

- 3.1 **Description of Improvements.** The Project shall initially be constructed in one phase containing ten (10) Lots, as shown on the Plat. Each of the Lots shall, when improved, contain one single family dwelling.
- 3.2 **Description and Legal Status of Lots.** The Plat shows the number of each Lot. All Lots shall be capable of being independently owned, encumbered, and conveyed.

- 3.3 **Contents of Exhibit "D"**. Exhibit "D" to this Declaration furnishes the following information with respect to each Lot: (a) the Lot number, (b) the number of votes appertaining to each Lot by the Owner as a Member of the Association, and (c) the percentage interest each Owner owns in the Common Area. As set forth below, Exhibit "D" may be modified by the Declarant without a vote of the Owners upon expansion of the Association.

#### ARTICLE IV NATURE AND INCIDENTS OF OWNERSHIP

- 4.1 **Ownership and Maintenance of Lots.** The maintenance, replacement and repair of the common areas and facilities shall be the responsibility of the Association as directed by the Board and the cost thereof shall be a Common Expense. The Lot Owners shall repair and maintain all portions of their Lot and the Dwelling thereon. The Lot Owners shall have the responsibility to maintain, repair, replace and keep in a clean and sanitary condition, at the Lot Owner's expense, all portions of the Owner's Lot and Dwelling.
- 4.2 **Landscape Installation.** Within one year of occupancy of each and every home built in the Project, the front and side yards, and within two years of occupancy, the back yard, shall be planted in lawn or other acceptable landscaping so as not to negatively impact the aesthetics of the subdivision. "Acceptable landscaping" and "lawn" shall be interpreted by the then existing Design Committee which will reflect the majority view of the then-existing homeowners in the subdivision. Trees, lawns, shrubs, or other plantings shall be properly nurtured and maintained or replaced at the property owner's expense upon request of the Design Committee.
- 4.3 **Title.** Title to a Lot within the Project may be held or owned by any person or entity or any combination thereof and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation, joint tenancy or tenancy in common.
- 4.4 **Prohibition Against Subdivision of Lot.** No Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Lot to be subdivided, partitioned or separated into physical tracts or parcels smaller than the whole Lot as shown on the Plat.
- 4.5 **Ownership and Use of Common Areas.** The Association shall own the Common Areas and the Association shall have the exclusive right and obligation to manage and maintain all Common Areas, and to repair, replace and reconstruct any existing or new Common Areas. Each Owner shall have an irrevocable license and easement to use, occupy and enjoy all Common Areas in common with all other Owners. Except as otherwise provided in this Declaration, each Owner shall be entitled to the nonexclusive use of the Common Areas in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules or regulations promulgated by the Association. Each Owner will be responsible for an equal share of the insurance, maintenance and other costs and expenses relating to the Common Areas.

- 4.6 **Exclusive Use of Lot.** All Lots are reserved for the exclusive use of the Owner of that Lot, and such Owner's invitees and guests and such areas shall be maintained and repaired at the expense of the Lot Owner.
- 4.7 **Architectural Control.** No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Design Committee as to quality of workmanship and materials, harmony of exterior appearance with existing structures and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the front building setback line unless similarly approved. The approval process is set forth in Article 5.
- 4.8 **Building Size and Construction.** All Dwellings on the Property shall comply with the following requirements:
- (a) No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed 35 feet in height (as measured from the front street elevation) and a second car garage which may be detached. Any detached garage shall be compatible in design, architecture and materials to the Dwelling and must be approved by the Design Committee before construction begins.
  - (b) All Dwellings shall have a concrete or asphalt paved driveway (or other hard surface approved by the Design Committee) from the garage to the street allowing safe ingress and egress.
  - (c) No structure of any kind shall be moved upon any Lot, nor shall any incomplete building be permitted to remain incomplete for a period in excess of one year from the date the building was started unless approved by the Design Committee.
  - (d) The ground floor square footage area of the main structure, exclusive of garage and any one-story open porches, with or without a basement, shall not be less than 2,000 square feet for a one-story dwelling.
  - (e) In a two-story home, which is two stories above the curb level, with or without a basement, the combined area of the ground story level and the story above ground-story level, exclusive of garage and any one-story open porches, shall total not less than 2,600 square feet. The main floor of a two story home, exclusive of garages and any open porches, shall not be less than 1,200 square feet.
  - (f) In a multi-level home (i.e. three or four level split), the top two levels of the main structure, exclusive of garage and any one story open porches, shall not be less than 2,000 square feet.
  - (g) Building Exteriors.



- (i) No building shall be erected or placed on any Lot having an exterior building surface of less than 30% brick or stone. The remaining exterior surface shall be of bordered stucco, Concrete Board, Hardie Board or the equivalent as approved by the Design Committee. Exterior wood siding may be used with special permission from the Design Committee.
- (ii) All exterior materials must be approved by the Design Committee prior to commencement of construction.
- (iii) Aluminum or vinyl shall be allowed in soffit and fascia areas, and in other areas as approved by the Design Committee.
- (iv) Roofing materials shall be cedar shake, tile, or architectural grade asphalt shingle (25-30-year type), or as approved by the Design Committee.
- (h) All dwellings must include a fire sprinkling system designed to cover all areas and floors of the dwelling, including all basement and garage areas.
- (i) All dwellings shall be stick built on site. No prefabricated or manufactured homes shall be permitted.
- (j) The purpose of these covenants is to assure that all dwellings shall be of a quality of workmanship and materials substantially the same as or better than that which can be produced at the date that these covenants are recorded. The minimum square footage cited in this paragraph can be waived if prior written approval of the Design Committee is obtained and the Lot size and topography justifies the waiver, and all other covenants contained in this declaration are met.
- (k) The Design Committee reserves the right to be "subjective" in approving or disapproving the construction of any home to be built in the subdivision in order to enhance and protect the value, desirability, and attractiveness of the lots. It is contemplated by this declaration, and agreed to by all Lot owners, that there will be variations and adjustments made by the Design Committee in approving or disapproving building plans. The process of approval by the Design Committee will be subjective, but not arbitrary, in approving building plans in substantial conformity with these Protective Covenants.

4.9 **Garage Requirement.** Each Dwelling shall have, at a minimum, a two car attached garage.

4.10 **Building Location.**

- (a) Any dwelling or improvements erected or placed on the Lot shall be situated within the side yard, set back and rear Lot line as required by city ordinances. Detached garages or other permitted accessory buildings may not encroach upon any easements.

- (b) For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot.

4.11 **Maintenance of Landscaping.** All areas located outside the Lots shall be maintained, cleaned, repaired and reconstructed by the Association (except as otherwise indicated herein) and shall be re-landscaped, rebuilt, replaced, repaired or materially altered only with the review, approval and consent of the Board of Directors of the Association, and in accordance with the provisions of this Declaration. Without limiting the generality of the foregoing, the Association shall:

- (a) maintain, clean, repair and keep in a sanitary condition and in a state of good repair all Common Areas;
- (b) remove all snow within a reasonable time following a snowfall from streets within the Project.
- (c) re-landscape, re-construct and repair all Common Areas at such time as the same are in a state of disrepair and require replacement.

The Association shall not be obligated to remove snow from any driveways on the Lots.

4.12 **Fences and Walls.** All Fences except for those listed below shall be maintained, repaired and replaced by the Owner of the Lot on which the fence is located. If a fence divides multiple Lots, the fence shall be maintained, repaired and replaced as a shared expense between the Owners whose Lots are divided by the fence. Lot Owners may build a fence on their Lot.

4.13 **Inseparability.** Title to any part of a Lot within the Project may not be separated from any other part thereof. Every devise, encumbrance, conveyance, or other disposition of a Lot, or any part thereof, shall be constructed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Lot, together with all appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth, and an irrevocable license to use, occupy and enjoy the Common Areas in common with all Owners.

4.14 **No Partition.** The Common Areas shall be owned by the Association, in accordance with the provisions of this Declaration, and no Owner nor the Association may bring any action for partition thereof except as allowed by law.

4.15 **Separate Mortgages by Owners.** Each Owner shall have the right separately to mortgage or otherwise encumber his Lot. No Owner nor the Association shall attempt to or shall have the right to separately mortgage or otherwise encumber the Common Areas and Common Facilities or any part thereof. Any mortgage or other encumbrance of any Lot shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose

title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

- 4.16 **No Separate Taxation.** Each Lot and all improvements located thereon shall be assessed separately for all taxes, assessments, and other charges of the State of Utah or of any political subdivision thereof or of any special improvement district or of any other taxing or assessing authority. The Common Areas shall be taxed in accordance with the ownership interest possessed by each Lot Owner.
- 4.17 **Mechanic's Liens.** No labor performed or material furnished for use in connection with any Lot with the consent or at the request of an Owner or his agent or contractor shall create any right to file a statement, claim, or notice of mechanic's lien against the Lot of any other Owner not expressly consenting to or requesting the same.
- 4.18 **Description of Lot.** Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Lot shall describe the interest or estate involved substantially as follows:

All of LOT NO. \_\_\_\_\_ contained within Daniel's Canyon Subdivision as the same is identified in the subdivision plat recorded in the Office of the Recorder of Davis County, Utah as Entry No \_\_\_\_\_, in Book \_\_\_\_\_, at Page \_\_\_\_\_ (as said subdivision plat may have heretofore been amended or supplemented) and in the Declaration of Covenants, Conditions and Restrictions for Daniel's Canyon, recorded in the Office of the Recorder of Davis County, Utah as Entry No. \_\_\_\_\_, in Book \_\_\_\_\_, at Page \_\_\_\_\_, (as said Declaration may have heretofore been amended or supplemented).

Regardless of whether or not the description employed in any such instrument is in the above specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot. Neither the membership in the Association, nor the right of non-exclusive use of Common Areas shall be separated from the Lot to which it appertains; and even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of non-exclusive use of Common Areas shall automatically accompany the transfer of the Lot to which they relate.

- 4.19 **Non-Exclusive Easements.** A non-exclusive easement is granted over and across all streets within the Project for use of Declarant, the owner and guests of the Additional Land, the Owners, their guests, occupants, lessees, and invitees, and any future Owners of the Additional Land regardless of whether the owners of the Additional Land become members of the Association.
- 4.20 **Mortgages and Liens on Common Areas.** The Association shall not attempt nor shall it have the right to mortgage or otherwise encumber the Common Areas or any part thereof. No labor performed or material furnished for use in connection with the Common Areas shall create any right to file a statement, claim, or notice of mechanic's lien against the Common Areas.

**ARTICLE V  
DESIGN COMMITTEE**

- 5.1 **Organization of the Design Committee.** There shall be a Design Committee consisting of not fewer than two (2) members. The members of the Design Committee need not be Owners. Members of the Board may also serve as members of the Design Committee. Declarant shall have the right to appoint, remove and increase the number of members of the Board and of the Design Committee; provided that such right shall vest in the Board upon the expiration of any continuous period of eighteen (18) months during which Declarant at all times owns less than two (2) of the Lots then covered by this Declaration. Declarant may voluntarily relinquish control of the Design Committee to the Board at any time. Whenever the Design Committee consists of more than three (3) members, it may designate subcommittees, each consisting of at least two (2) members. Unless authorized by the Board, the members of the Design Committee shall not receive any compensation, but all members shall be entitled to reimbursement from the Association for reasonable expenses incurred in the performance of any Design Committee function.
- 5.2 **Actions Requiring Approval.** No fence, wall, Dwelling, accessory or addition to a Dwelling, or landscaping or other improvement of a Lot shall be constructed or performed, nor shall any alteration of any structure on any Lot, including a change in exterior color, be made, unless complete plans and specifications showing the nature, color, kind, shape, height, materials and location of the same shall first be submitted to and approved by the Design Committee.
- 5.3 **Standard of Design Review.** Before granting any approval of plans and specifications, the Design Committee shall determine to its reasonable satisfaction that such plans and specifications (a) conform to all architectural standards contained in this Declaration and all further architectural standards promulgated from time to time by the Board and (b) provide for a structure, alteration, landscaping or other improvements in harmony as to external design and location with surrounding structures and topography.
- 5.4 **Design Committee Rules and Architectural Standards.** The Board may, upon recommendation from the Design Committee, adopt and file as a matter of public record reasonable rules related to the efficient review of plans and specifications including requirements as to the number of sets of plans and specifications to be submitted, the fixing of a review or variance request fee not exceeding Fifty Dollars (\$50.00) per review or variance request, the details to be shown on plans and specifications, and design guidelines consistent with this Declaration and covering such matters as setbacks, height limitations, restrictions on minimum or maximum size and quality of structures.
- 5.5 **Approval Procedure.** The Design Committee and any subcommittees thereof shall meet from time to time as necessary to perform the duties of the Design Committee. The vote or written consent of a majority of the Design Committee or any authorized subcommittee shall constitute the act of the Design Committee. Any plans and specifications submitted to the Design Committee shall be approved or disapproved within thirty (30) days after receipt by the Design Committee. If the Design Committee

fails to take action within such period, the plans and specifications shall be deemed to be approved as submitted.

- 5.6 **Variance Procedure.** If plans and specifications submitted to the Design Committee are disapproved because such plans and specifications are not in conformity with applicable architectural standards, the party or parties making such submission may submit a request for variance to the Design Committee, which shall make a written recommendation of approval or disapproval of the requested variance to the Board. The Board shall approve or disapprove the request for variance in writing. If the Board fails to approve or disapprove a request for variance within sixty (60) days after such request is submitted to the Design Committee, such request shall be deemed to be denied.
- 5.7 **Non-waiver.** The approval by the Design Committee of any plans and specifications for any work done or proposed shall not constitute a waiver of any right of the Design Committee to disapprove any similar plans and specifications.
- 5.8 **Completion of Construction.** Once begun, any improvements, construction, landscaping or alterations approved by the Design Committee shall be diligently prosecuted to completion in strict accordance with the plans and specifications approved by the Design Committee.
- 5.9 **Exemption of Declarant.** The provisions of this Article shall not apply to any improvement, construction, landscaping or alteration made or performed by Declarant on any Lot or portions of the Common Areas or expanded portions of the Project at any time Declarant is the owner of a Lot. One of the purposes for exempting Declarant from the provisions of this Article is to permit Declarant the flexibility to adjust architectural styles and schemes in the event the Declarant determines that changes are needed to reflect changes in building standards and techniques and architectural styles.
- 5.10 **Estoppel Certificate.** Within thirty (30) days after written demand therefor is delivered to the Design Committee by any Owner and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Board, the Design Committee shall issue an estoppel certificate in recordable form executed by any two of its members, certifying with respect to any Lot of such Owner that as of the date thereof either (a) all improvements and other work made or done upon or within such Lot by the Owner, or otherwise, comply with this Declaration, or (b) such improvements or work do not so comply, in which event the certificate shall also (i) identify the nonconforming improvements or work, and (ii) set forth the nature of such noncompliance. Any mortgagee or purchaser from the Owner shall be entitled to rely on such certificate with respect to the matters therein set forth.
- 5.11 **Disclaimer of Liability.** Neither the Declarant, the Design Committee, nor any member thereof acting in good faith shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or rejection of, or the failure to approve or reject, any plans, drawings and specifications, (b) the construction or performance of any work, whether or not pursuant to approved plans,

drawings and specifications, (c) the development or manner of development of any of the Property, or (d) any engineering or other defect in approved plans and specifications.

## ARTICLE VI EASEMENTS

- 6.1 **Easement for Maintenance.** The Association shall have the irrevocable right to have access from time to time to all Common Areas and to all areas maintained by the Association during such reasonable hours as may be necessary for the maintenance, cleaning, repair, and replacement thereof or for making emergency repairs at any time herein necessary to prevent damage to the Common Areas.
- 6.2 **Right to Ingress and Egress.** Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas as necessary for access to such Owner's Lot, and such rights shall be appurtenant to and pass with the title to each Lot.
- 6.3 **Easement for Completion of Project.** Declarant shall have a transferable easement over and across the Common Areas for the purpose of completing construction of the Project and improvements therein, and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. The Owners of the Additional Land
- 6.4 **Easement to Additional Land.** The owners, residents and guests of the Additional Land shall have a perpetual easement over and across Daniel Canyon Drive (as shown on the Plat), which easement shall also permit the installation and connection to utilities which service the Additional Land.
- 6.5 **Easements Deemed Created.** All conveyances of Lots within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.
- 6.6 **Easements Reserved by Declarant and Association.** The Association shall have power, without the vote or consent of the Owners or of any other person, to grant and convey to any third party, and Declarant hereby reserves unto itself for as long as Declarant has the right to add Additional Land to the Project and complete development and sales of all the Lots on the Additional Land, easements and rights of way, including but not limited to rights of ingress and egress, in, on, over and under the Common Areas, for the purpose of constructing, erecting, operating and maintaining lines, cables, wires, conduits or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities to provide common utility services to the Project and to the Additional Land.
- 6.7 **Utility Easement.** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may

damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the lot, except for those improvements for which a public authority or utility company is responsible. No structure shall be constructed within twelve (12) feet vertically or horizontally of any major power conductor (this does not apply to service lines).

- 6.8 **Additional Land Easement.** The Owner(s) of the Additional Land have an unrestricted right to access and connect to all utilities (whether privately or publicly owned) within the Daniels Canyon Subdivision (the Project) for the benefit of the owners of the Additional Land. The Owners of the Additional Land shall not be assessed a connection fee to connect to any utility within the Project and may only be required to pay a pro-rata share of maintenance and repair expenses associated with the utilities, as further set forth in Article 15.
- 6.9 **Existing Easement.** All Owners of Lots within the Project, accepting a deed to a Lot, acknowledge the existence of an easement benefitting the Additional Land and burdening the Project, a copy of which is attached as Exhibit "F".

#### ARTICLE VII RESTRICTIONS ON USE

- 7.1 **Residential Uses Only.** Each Lot contained in the Project is intended to be used for single family residential housing and is restricted to such use. No Lot or Dwelling shall be used for business or commercial activity except that an Owner may operate an office or business out of their Dwelling provided that no business activity involving clients coming to the home on a regular basis (more than once a day) may take place nor shall the deliveries to the Dwelling more than twice per day.

Nothing herein shall be deemed to prevent (a) Declarant or its duly authorized agent from using any Lots owned by Declarant or any part of the Common Areas as sales models or property management offices, or (b) any Owner or his duly authorized agent from freely renting or leasing his Lot from time to time.

- 7.2 **No Noxious or Offensive Activity.** No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No clothes drying or storage of any articles which are unsightly in the opinion of the Design Committee will be permitted on patios or in other open areas, unless the patio or area is enclosed and designed for such purpose. All roof mounted heating and cooling equipment must be set back to the back side of the roof out of view from the street. All TV antennas are to be placed in the attic out of view. Satellite dishes should be hidden from view from the street.
- 7.3 **Temporary Structures.** No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out buildings shall be used on any lot at any time as a residence either temporarily or permanently.

- 7.4 **Signs.** No sign of any kind shall be displayed to the public view on any lot except signs used by a builder to advertise the property during the construction and sales period, or signs used by a property owner advertising the property for sale.
- 7.5 **Livestock and Poultry.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose and are restricted to the owner's premises or on leash under handler's control.
- 7.6 **Restriction on Recreational Vehicles.** No boats, trailers, recreational vehicles, or inoperable vehicles shall be parked or stored on the driveway or in any area in front of any Dwelling for more than 72 hours in any 30 day period. If such vehicles are stored on a Lot, they shall be stored in a garage or behind a fence so as not to be visible from the street. No automobile, recreation or commercial vehicle, other motorized vehicle, or any portion thereof shall be dismantled, rebuilt, serviced, repaired or repainted on or in the driveway of a Lot or in front of any Dwelling or Lot unless performed within a completely enclosed garage or other structure located on the Lot which screens the sight and sound of such activity from the public streets and neighboring Lots.
- 7.7 **Vehicles.** No vehicles of any kind, including, but not limited to, passenger automobiles, trucks, buses, tractors, trailers, camping vehicles, boats, boat trailers, snowmobiles, snowmobile trailers, mobile homes, two and three wheel motor vehicles (hereinafter collectively referred to as "vehicles"), are to be parked or stored in the front or side street of the Lots, with the exception that passenger automobiles and light duty trucks may be parked in the front or side street provided they are in running condition, properly licensed, being regularly used, and are moved at least every 48 hours. With the exception of passenger automobiles and light duty trucks, all vehicles must be stored in an enclosed garage. All vehicles that are inoperable shall not be permitted to accumulate upon any street or Lot. No vehicle shall be dismantled, rebuilt, serviced, or repaired on or in front of any Lot unless performed within a completely enclosed garage or other structure located on the Lot which screens the site and sound of such activity from the public streets and neighboring Lots.
- 7.8 **No Obstructions.** There shall be no obstruction of the Common Areas by any Owner. Owners shall neither store nor leave any of their property in the Common Areas, except with the prior written consent of the Association
- 7.9 **Prohibition of Damage and Certain Activities.** Except with the prior written consent of the Association, nothing shall be done or kept in or on any Lot, in the Common Areas, or in any other part of the Project which may result in cancellation or any insurance on the Project or any part thereof, nor shall anything be done or kept in or on any Lot or Dwelling which may increase the rate of insurance on the Project or any part hereof over that which the Association, but for such activity, would have to pay. Nothing shall be done or kept in or on any Lot or Dwelling or in the Common Areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest or



invitee of any Owner, and each Owner shall indemnify and hold the Association and other Owners harmless against all loss resulting from any such damage or waste caused by such Owner, his guests, lessees, licensees, or invitees.

- 7.10 **Rules and Regulations.** The Owners shall comply with all of the rules and regulations governing use of the Common Areas, as such rules and regulations may from time to time be adopted, amended, or revised by the Board of Directors. The initial rules dealing with architectural design and restriction are contained in the attached Exhibit "E".
- 7.11 **Construction Period Exemption.** During the course of actual construction of any structures or improvements which are permitted to be located on the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which would result in a violation of any of said provisions, covenants, conditions, or restrictions following completion of such construction.
- 7.12 **Garbage and Refuse Disposal.** No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Each Lot and its abutting street are to be kept free of trash, weeds and other refuse by the Lot Owner. No unsightly materials or other objects are to be stored on any Lot in view of the general public.
- 7.13 **Sight Distance at Intersection.** No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines or in case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitations shall apply on a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.
- 7.14 **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or gas shall be erected, maintained, or permitted upon any lot.
- 7.15 **Slope and Drainage Control.** No structure, planting or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. The slope control areas of each Lot and all improvements in them shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The Association shall be

responsible to maintain the land drains on the fronts of Lots/and or in street as applicable. Affected Lots utilizing land drain system are Lots 1-8.

- 7.16 **Damage.** Any damage inflicted on existing improvements such as curbs, gutters, streets, concrete sidewalks and such, by the purchaser or owner and/or their agents or builder of any particular lot in this subdivision must be repaired as soon as possible after such damage is discovered, and the expense of such repair shall be borne by the purchaser or owner.
- 7.17 **Geotechnical Study.** The geotechnical study done by Earthtec Engineering is incorporated herein by reference and made a part hereof. Before commencing construction or any improvement upon a Lot, the Owner shall first obtain a soils test and recommendations from a Utah registered engineer regarding the location, depth, size, and structure of any and all foundations to be installed on any Lot.

## ARTICLE VIII THE ASSOCIATION

- 8.1 **Membership.** Each Owner shall be entitled and required to be a Member of the Association. Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Lot is held. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. An Owner shall be entitled to one membership for each Lot owned by said Owner. Each membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Lot shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's membership in the Association, and the rights appurtenant thereto. Except as described in Section 8.2 below, no person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot.
- 8.2 **Voting Rights.** The Association shall have the following described two (2) classes of voting membership:
- (a) **Class A.** Class A Members shall be all Owners, but excluding the Declarant until the Class B membership ceases. Class A Members shall be entitled to vote the percentage interest in the Common Area as provided in the attached Exhibit "D".
  - (b) **Class B.** The Class B Member shall be in the Declarant and its assigns or successors, and shall consist of the interest the Declarant has in the existing Lots. For voting purposes the Class B Member shall be entitled to five (5) votes for

each Lot as stated in the attached Exhibit "D" for each Lot owned by Declarant. The Class B Membership shall automatically cease and be converted to a Class A Membership on the first to occur of the following events:

- (i) When the total number of votes held by all Class A Members exceeds the total number of votes held by the Class B Member.
- (ii) The expiration of seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Davis County, Utah.

8.3 **Board of Directors.** The Board of Directors shall consist of three (3) members. Declarant reserves the right to appoint all of the Board of Directors until the first of the following occurs:

- (a) Seven (7) years from the date of recordation of this Declaration.
- (b) The date on which eighty percent (80%) of the Lots in the Project have been conveyed to Owners other than Declarant or Declarant's successor in interest.

8.4 **Amplification.** The provisions of this Article VIII may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration.

8.5 **Liability of Board.** The Association shall indemnify every officer and member of the Board against any and all expenses, including but not limited to attorney fees reasonably incurred by or imposed upon any officer or member of the Board in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer or member of the Board. The officers and members of the Board shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful and gross: misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Board shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or members of the Board may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Board free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or member of the Board, or former officer or member of the Board, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability, officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

## ARTICLE IX RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

- 9.1 **The Common Areas.** The Association shall be responsible, as described in herein and subject to the rights and duties of the Owners as set forth in this Declaration, for the exclusive management and control of the Common Areas and all improvements thereon. In particular, the Association shall be responsible for maintenance of the private roads and associated improvements located in the Project. Except as otherwise provided for in this Declaration, the Association shall also be responsible for maintenance, repair, and replacement of all improvements or other materials located upon or used in connection with the Common Areas. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.
- 9.2 **Manager.** The Association may by written contract delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund. Any agreement appointing a Managing Agent shall be terminable by the Board with or without cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed one (1) year renewable, by agreement of the parties for successive one (1) year periods. Any Managing Agent shall be an independent contractor and not an agent or employee of the Association.
- 9.3 **Miscellaneous Goods and Services.** The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project, the enforcement of this Declaration, or any other matter. In addition to the foregoing, the Association may acquire and pay for as a Common Expense, insurance, landscaping, snow removal, some exterior lighting, and other necessary or desirable utility services for the Common Areas and other goods and services common to the Lots.
- 9.4 **Real and Personal Property.** The Association may acquire, hold and own real, personal, and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. The Lot Owners shall own an undivided interest in all the Common Areas. The maintenance, repair and replacement of all such property shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall become part of such Fund.
- 9.5 **Rules and Regulations.** The Association by action of its Board of Directors may make reasonable rules and regulations governing the use of the Lots and of the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of Owners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. The Association is empowered to adopt rules allowing for the collection of lease payments from tenants as provided in Utah Code Annotated § 57-8a-310 (as amended), and to

adopt rules allowing the Association to assess a fine against those residents, Owners or tenants who violate the Association's Declaration, bylaws or rules and regulations, which rules shall be consistent with those permitted in Utah Code Annotated § 57-8a-208 (as amended). In the event of such action, with or without the filing of a judicial action, the Association shall be entitled to recover its costs, including reasonable attorney fees, from the offending Owner. During the Period of Administrative Control the Declarant is exempt from Association rules and rule making procedures.

- 9.6 **Construction Period Exemption.** During the course of actual construction of any structures or improvements which are permitted to be located on the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which would result in a violation of any of said provisions, covenants, conditions, or restrictions following completion of such construction.
- 9.7 **Implied Rights.** The Association may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably necessary to effectuate any such right or privilege.
- 9.8 **Reserves.** Following the Period of Administrative Control, the Association shall maintain an adequate reserve fund for maintenance, repair and replacement of those Common Areas that must be replaced on a periodic basis, and such reserves shall be funded from the monthly assessments described in Article X below.

## ARTICLE X ASSESSMENTS

- 10.1 **Agreement to Pay Assessments.** Declarant, for and as the owner of the Project and every part thereof on the date hereof, hereby covenants in behalf of each Lot Owner, and each Owner of a Lot by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association, to pay to the Association all assessments, both regular and special, made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article X.
- 10.2 **Date of Assessment.** All monthly and special assessments authorized by this Article X shall begin as to each Lot Owner on the date the Owner receives title to a Lot from the Declarant or from the previously Lot Owner.
- 10.3 **Uniform Assessments.** Common Area assessments shall be computed and uniformly assessed against all Lots. Assessments against any Lot created in the Additional Land shall not be assessed until the Lot has been deeded from the Declarant of the Additional Land to the first owner of a Lot.

- 10.4 **Monthly Assessment Due Dates.** The monthly assessments provided for herein shall commence as to a Lot as of the date a Lot is conveyed from the Declarant to an Owner. Assessments are due on the first day of each month. At least fifteen (15) days prior to such commencement date and at least fifteen (15) days prior to the effective date of any change in the amount of monthly assessments, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned.
- 10.5 **Annual Budget.** Annually, the Association shall prepare, or cause to be prepared, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the coming calendar year and taking into account the general condition of the Project. Each such budget, together with a written statement from the Association outlining a plan of operation for the year in question and justifying in every important particular the estimates made, shall be submitted to the Owners annually. Said operating budget shall serve as the basis for the schedule of proposed monthly assessments for the annual period for which it is prepared. Said budget shall also constitute a major guideline under which the Association shall operate during such annual period.
- 10.6 **Basis of Annual Budget.** The annual budget shall be based upon the Association's estimates of the cash required to provide for payment of expenses ("Common Expenses") arising out of or connected with maintenance and operation of the Common Areas. Such actual expenses and estimated expenses may include, among other things, the following: expenses of management; governmental taxes and special assessments; premiums for all insurance that the Association is required or permitted to maintain; repairs and maintenance; wages for Association employees, including fees for a Manager, if any; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve and reserve fund required or allowed herein; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners or by reason of this Declaration.
- 10.7 **Annual Assessments.** The Association shall establish a regular monthly assessment against each Owner, which assessment shall be equal for each Owner and be paid by each Owner into a Common Expense fund ("Common Expense Fund"). The foregoing method of assessing the Common Expenses to the Owners may be altered by the Association so long as the method it adopts is consistent with good accounting practice and requires that the portion of Common Expenses borne by each Lot shall be equal. Each monthly installment of the regular assessment not timely paid by the 5th day of the month shall bear interest at the rate of one and one-half percent (1½ %) per month from the date it becomes due and payable until paid, as well as a late fee in an amount established by the Board, not to exceed \$50.00 per month. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Lot for such assessment.
- 10.8 **Inadequate Funds.** In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments as needed. No vote of the Owners shall be required to approve an assessment needed to repair or maintain portions of the Common Area that the Association is responsible to repair and maintain. Any amounts assessed

pursuant hereto shall be apportioned equally among and assessed equally to all Lots. Notice in writing of the amount of such assessment and the time for payment thereof shall be given promptly to the Owners. No payment shall be due less than thirty (30) days after such notice shall have been mailed. All unpaid portions of any assessment shall bear interest at the rate of one and one-half percent (1½ %) per month from the date such portions become due until paid plus late fees as established by the Board not to exceed \$50.00 per month.

- 10.9 **Declarant's Obligations.** Notwithstanding the preceding provisions of this Article X to the contrary, Declarant shall not be obligated to pay any Common Area assessment or any other assessment to the Association. The Common Area assessment will be assessed when the Lot has been conveyed from Declarant to a Lot Owner.
- 10.10 **Lien for Assessments.** All sums assessed to the Owner of any Lot within the Project pursuant to the provisions of this Article X, together with interest thereon as provided herein, is secured by virtue of this Declaration as a lien on such Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Declaration, the Association may prepare a written notice of lien in conformance with Utah law. Each Owner shall be deemed to have consented to the filing of a notice of lien against such Owner's Lot. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or its attorney and may be recorded in the office of the Davis County Recorder. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by nonjudicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Utah. In any such foreclosure, the Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure and the costs and expenses of such proceeding, the costs and expenses of filling the notice of lien, and all reasonable attorney fees.
- 10.11 **Personal Obligation of Owner.** The amount of any regular or special assessment against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Lot, or by waiving any services or amenities. In the event of any suit to recover a money judgment for unpaid assessments hereunder the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorney fees.
- 10.12 **Non-Judicial Foreclosure.** All costs, expenses, assessments and fees owed to the Association for Common Expenses may be secured by a lien, which lien may be foreclosed in the same manner as foreclosures of deeds of trust under Utah law. The lien shall also secure and the Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof. In any foreclosure

or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney fees, and a reasonable rental for the Dwelling during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. If the Association elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Lot hereby irrevocably appoints the attorney of the Association, provided he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title, and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein. Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-302 to Richard W. Jones, as trustee, an attorney licensed in the State of Utah, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of assessments under the terms of the Declaration. The Association may appoint a substitute trustee by executing a substitution of trustee as authorized in Utah Code Annotated, Section 57-1-22, without amending this paragraph.

- 10.13 **Statement of Account.** Upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot and payment of any reasonable fee assessed as authorized by law, the Association shall issue a written statement setting forth the following: (a) the amount of the unpaid assessments, if any, with respect to such Lot, and (b) the amount of the current regular assessment with respect to such Lot and the date such assessment becomes or became due. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.
- 10.14 **Personal Liability of a Purchaser.** In a voluntary conveyance, the purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Lot up to the time of the grant of conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recovery from the seller of the amount of such assessments paid by the purchaser for such assessments.
- 10.15 **Amendment of Article.** Except as may be necessary to conform to the law, as it may be amended from time to time, this Article X shall not be amended unless the Owners of two-thirds (2/3) of the Lots in the Project consent and agree to such amendment by a duly recorded instrument.

## ARTICLE XI INSURANCE

- 11.1 **Types of Insurance.** The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by a company licensed to do business in the State of Utah:
- (a) **Public Liability and Property Damage Insurance.** The Association shall obtain a broad form of comprehensive public liability insurance coverage for the



Common Area in the Project, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death and property damage. Coverage shall include without limitation, liability for all activities in connection with the ownership, operation, maintenance, and other use of the Project.

- (b) **Worker's Compensation Insurance.** Worker's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association, if any, in the amounts and in the forms now or hereafter required by law.
- (c) **Directors and Officers Insurance.** Directors and officers insurance (aka errors and omissions insurance ) in such forms as the Association deems appropriate to cover acts of the directors, officers and agents of the Association against claims of negligence, mismanagement or breach of duty.

- 11.2 **Fire and Casualty Insurance.** The Association shall not be responsible to purchase insurance coverage on the Lots or on the Dwellings. The Association shall obtain insurance for the Association's Common Area structures as it deems necessary.
- 11.3 **Additional Coverage.** The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration in such amounts and in such forms as the Association may from time to time deem appropriate.
- 11.4 **Adjustment and Contribution.** Exclusive authority to adjust losses under the insurance policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.
- 11.5 **Insurance Carried by Owners.** Each Owner is responsible for and shall obtain insurance, at his own expense, providing coverage upon his own Lot and/or in his Dwelling, and for general liability coverage, including without limitation, coverage for personal injury, property damage, and such other risks as each Owner may deem appropriate.

## ARTICLE XII CONDEMNATION

- 12.1 **Condemnation.** If at any time or times all or any part of the Common Areas shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Common Areas in lieu of condemnation, but under threat of condemnation, shall be deemed to be taken by power of eminent domain.
- 12.2 **Proceeds.** All compensation, damages, and other proceeds from any such taking by power of eminent domain shall be allocated among and distributed to the Owners in

proportion to and based on the number of Lots in the Project, including any Lots or ownership interests in the Additional Land. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

### **ARTICLE XIII COMPLIANCE WITH DECLARATION AND BYLAWS**

- 13.1 **Compliance.** Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association or by an aggrieved Owner.
- 13.2 **Enforcement and Remedies.** The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, enforceable against the Association, shall be enforceable by Declarant or by any Owner of a Lot, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, enforceable against an Owner or any other person, shall be enforceable by Declarant or the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

### **ARTICLE XIV DECLARANT'S SALES PROGRAM**

- 14.1 **Declarant's Right to Promote and Sell the Project.** Notwithstanding any other provisions of this Declaration, until Declarant ceases to be an Owner ("Occurrence"), Declarant, its successor or assigns shall have the following rights in furtherance of any sales, promotional or other activities designed to accomplish or facilitate the sale of Lots owned by Declarant:
- (a) **Sales Offices and Model Lots.** Declarant, its successors and assigns, shall have the right to maintain sales offices, including a trailer, and model homes on Lots. Sales offices may be located on any Lot (at any location) owned by Declarant or may be located on any of the Common Areas of the Project. Declarant shall have the right to maintain any number of model homes it may desire using the Lots Declarant owns.
  - (b) **Promotional Devices.** Declarant, its successors and assigns, shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners and similar devices at any place or places on the Common Areas or Lots owned by Declarant, but any such devices shall be of sizes and in locations as are reasonable and customary.

- (c) **Right to Use the Common Areas.** Declarant shall have the right to use the Common Areas of the Project to entertain prospective purchasers or to otherwise facilitate Lot sales, provided said use is reasonable as to both time and manner.
- 14.2 **Declarant's Rights to Relocate Sales and Promotional Activities.** Declarant shall have the right from time to time to locate or relocate its sales offices, trailer, model homes and signs, banners and similar devices, but in connection with each such location or relocation Declarant shall observe the limitations imposed by the preceding portions of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any sales structures, fixtures, improvements, signs, banners and similar sales materials and properties.
- 14.3 **Limitation on Improvements by Association During Sales Program.** Prior to the Occurrence, the Association shall not, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed when initially constructed.
- 14.4 **Limitation on Amending Association Documents.** During any time Declarant holds an ownership interest in any Lot or in any portion of the property, no amendment shall be made to the Declaration, Bylaws or Rules without the written consent and approval of the Declarant.

#### ARTICLE XV PROJECT EXPANSION

- 15.1 **Reservation of Option to Expand.** Declarant hereby reserves the option to expand the Project to add the Additional Land to the Project, or to add a New Development (as hereinafter defined). This option to expand may be exercised from time to time, at different times and in any order, without limitation, provided however, the option shall expire thirty (30) years from the effective date of the Declaration unless sooner terminated by Declarant's recorded waiver of such option, there being no other circumstances which will cause the option to expire prior to said thirty (30) years. Such right may be exercised without first obtaining the consent or vote of the Association or the Lot Owners and shall be limited only as herein specifically provided. Lots may be created from the Additional Land or from any of real property adjacent to the Project. The total number of Lots in the Project, as expanded, or in a New Development, shall not exceed the number permitted by local ordinance, although no representation is made as to the total number of Lots or units that may be part of the Project in the future. It is not known if any buildings, homes or dwellings constructed on the Additional Land shall be consistent with and conform in size and design to those of the initial phase of the Project, so no representation is made that this will be the case.
- 15.2 **Supplemental Declarations and Supplemental Maps.** Expansion of the Project and the Association may be accomplished by the filing for record by Declarant, or the Declarant's successors or assigns, in the office of the County Recorder of Davis County,

Utah, no later than thirty (30) years from the date this Declaration is recorded, a supplement or supplements to this Declaration containing a legal description of the real property or sites for new Lots, together with supplemental map or maps containing the same information with respect to the new Lots as was required on the Map with respect to the original Lots. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

- 15.3 **Expansion of Definitions.** In the event of such expansion of the Project the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as expanded. (Example: "Property" shall mean the real property initially submitted under the Declaration, plus any additional property added to the Project by a supplemental declaration or by supplemental declarations, and reference to this Declaration shall mean this Declaration as so supplemented.
- 15.4 **Declaration Operative on New Lots.** The new Lots, if added as part of the expansion of the Project and Association, shall be subject to all the terms and conditions of this Declaration and therein shall be subject to ownership with all the incidents pertaining thereto as specified herein, upon recording the supplemental Map and supplemental declaration in the said office of the Davis County Recorder. At such time, the amendment hereto or supplemental declaration shall reallocate undivided interests in the common areas and facilities so that the Lots depicted on the supplemental record of survey map shall be allocated undivided interests in the common areas and facilities on the same basis as the Lots depicted on the record of survey map that was recorded simultaneously herewith.
- 15.5 **Declarant's Right to Amend.** Until (i) Declarant provides written notice that all Additional Lands are included in the Project, or (ii) until the right to enlarge the Project through the addition of Lots terminates, or (iii) until Declarant creates a New Development, whichever even first occurs, Declarant shall have, and is hereby vested with, the right to unilaterally amend the Declaration and or the Map as may be reasonably necessary or desirable to accomplish the objectives consistent in this Article XV.
- 15.6 **Other Provisions Concerning Expansion.** If the Project is expanded and added to the Association as described herein, then it is further provided that:
- (a) All or any part of the Additional Land so added may be added to the Project without any limitations whatsoever save and except that all additional Lots created must be restricted to single family residential housing limited to one family per Dwelling.
  - (b) Portions of the Additional Land may be added to the Project at different times without any limitations.
  - (c) Declarant shall have the right without further conveyance or documentation to modify or build roads and access ways to the Additional Land through the

easement areas as shown on the Map. The Association or Owners shall not allow anything to be built upon or interfere with said easement areas.

- (d) No assurances are made concerning:
  - (i) The locations of any improvements that may be made on any portion of the Additional Land that may be added to the Project.
  - (ii) Whether any Lots created on any portion of the Additional Land will be substantially identical to those within the initial Project.
- (e) Notwithstanding anything to the contrary which may be contained herein, this Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the submission of any portion of the Additional Land to the provisions of the Community Association Act or as land subject to this Declaration; (ii) the creation, construction, or addition to the Project of any additional property; (iii) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or (iv) the taking of any particular action with respect to the Additional Land, the Project, or any land.

**15.7 Development of Additional Land Without Expanding the Project or Association.**

The Declarant, or the Declarant's successor or assigns, may develop and/or subdivide adjacent property (which includes the Additional Land or any other land contiguous to the Project), and may do so without expanding the Project or making any additional lots or land part of the Association or subject to the provisions of this Declaration. The Declarant may create a separate subdivision or development on the Additional Land that is not a part of the Project or Association (hereinafter referred to as the "New Development"). The New Development shall have the right to use the easements granted to the Additional Land owners herein to access the New Development as well as the right to connect to any of the Association's utilities that could service the New Development. The New Development, if created, shall share in the costs and expenses of maintenance and repairs associated with (i) Daniel's Canyon Drive and (ii) any utility connections (herein, "Shared Costs"). The Shared Costs shall be divided between the members of the Association and the owners within the New Development on a pro-rata basis, based on the total number of Lots in the Project and lots or units in the New Development as if the New Development was an expanded part of the Association or Project. Lots or units within the New Development shall not pay any assessments to the Association until ownership of a lot or unit is transferred from Declarant. Because a New Development would most likely have private streets and roads and therefore involve the creation of an owners association in the New Development, the Association and any association created in the New Development shall enter into an agreement regarding management and payment of the Shared Costs. The agreement shall create equitable means, for all property owners who use or otherwise receive the benefit of using Daniel's Canyon Drive

and accompanying utilities, to vote on a pro-rata basis on those matters affecting the repair and maintenance of those amenities for which the Shared Costs are used.

## ARTICLE XVI MORTGAGEE PROTECTION

- 16.1 **Mortgage Protection.** No breach of any of the covenants, conditions, restrictions, and limitations contained herein shall defeat or render invalid the lien of any Mortgage made in good faith and for value; provided, however, that all such covenants, conditions, restrictions and limitations contained herein shall be binding upon an Owner whose title is derived through foreclosures or trustee's sale.
- 16.2 **Priority of Liens.** No enforcement of any lien provision herein contained shall defeat or render invalid the lien of any Mortgage. All sums assessed in accordance with the provisions herein shall constitute a lien on each respective Lot prior and superior to all other liens except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto; and (2) the lien or charge of any recorded Mortgage on such Lot made in good faith and for value and recorded prior to the date on which any such assessment or assessments become due.
- 16.3 **Prior Liens Relate Only to Individual Lots.** All taxes, assessments and charges which may become liens prior to the first Mortgage under local law shall relate only to the individual Lot and not to the Project as a whole.
- 16.4 **Mortgage Holder Rights in Event of Foreclosure.** Any Mortgagee of a Mortgage of record which obtains title to a Lot by the foreclosure of the Mortgage on the Lot or any purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid assessments and charges against the Lot which accrued prior to the date of the acquisition of title to such Lot by such acquirer.
- 16.5 **Amendment.** No provision of this Article XVI shall be amended without the consent of at least two-thirds of all first Mortgagees as appear on the official records of Davis County, Utah, as of the date of such amendment, which consent may be deemed as permitted by the provisions of the Community Association Act, U.C.A. § 57-8a-220. However, should this Article XVI be amended without the prior of at least two-thirds of all first Mortgagees, the first Mortgagees who have received a security interest in a Lot as indicated on the official records of Davis County, Utah, will not be subject to the amendment but will be bound by the provisions of Article XVI that existed of record at the time the first Mortgagee received a security interest. Any Mortgagee who receives a security interest in a Lot will be bound by the provisions of this Article XVI that existed of record at the time the Mortgagee received a security interest in a Lot.

## ARTICLE XVII

## DISPUTE RESOLUTION

- 17.1 **Introduction.** It is in the best interest of the Members, the Association, the Board, and the officers (the “Parties”) to encourage the amicable resolution of disputes arising out of the legal rights and obligations described in this Declaration without the emotional and financial costs of litigation. Each Member and the Association agrees that before filing suit in any court it will first submit to the Alternative Dispute Resolution Procedures set forth below, (the “ADR Procedures”), with respect to any claim, grievance or dispute arising out of or relating to the Declaration, Bylaws, or Rules and Regulations (the “Claims”); provided, that a Party may demand arbitration prior to complying with the ADR Procedures if demanding arbitration is required to satisfy the statute of limitations for the Party’s Claim. In such an event, the Party demanding arbitration shall simultaneously stay the arbitration until the ADR Procedures have been satisfied.
- 17.2 **Exceptions.** Notwithstanding the foregoing, the ADR Procedures shall not be required for the following Claims unless all Parties to the matter agree to submit the matter to the ADR Procedures:
- (a) any suit between Members which does not include the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Association;
  - (b) any suit in which any indispensable party is not bound by this Article XVII;
  - (c) any collection activity, action or suit brought by the Association against an Owner involving the collection of delinquent assessments, Fines or Common Area fees;
  - (d) actions by the Association to collect assessments or other amounts due from any Owner; and
  - (e) actions brought by the Association to obtain a temporary restraining order, preliminary injunctive relief, or other preliminary equitable relief and such ancillary relief as the Association may deem necessary in order to enforce the provisions of this Declaration (an “Enforcement Action”).
- 17.3 **Procedure for Disputes Between Members.**
- (a) **Good-Faith Discussion.** The aggrieved Party (“Complainant”) shall attempt to resolve the Claim with the other Party (“Respondent”) through good-faith discussion.
  - (b) **Submission of Complaint.** If the Claim is not resolved through good-faith discussion, Complainant shall provide the Board and each Respondent with a written statement of the material facts of the Claim (the “Complaint”). The Complaint shall include the following:
    - (i) the nature of the Claim, including the parties involved and the Respondent’s role in the Claim;

- (ii) a brief description of the discussions of the parties and their attempts to resolve the Claim informally;
- (iii) copies of relevant documents supportive of Complainant's position; and
- (iv) Complainant's proposed resolution or remedy.

The Complaint must include all Claims that exist between the Parties at that time. Any Claim not included in the Complaint is expressly waived by the Complainant. Respondent shall have fifteen (15) days from receipt of the Complaint to file a response (the "Response") with the Complainant and the Board. The Response must include any Claim that the Respondent has concerning the Complainant at the time that the Response is submitted to the Board. Any Claim that is not included in the Response is expressly waived by the Respondent. The Response shall include any documents, descriptions, explanations or other material supporting the Response.

**17.4 Review by Board.** The Board shall undertake a reasonable review of the Complaint and the Response and shall issue a written decision, including an explanation of the reasons for the decision, within thirty (30) days of receipt of the Response. A copy of the decision shall be sent to the Parties promptly via first class mail. The Board's decision shall be the final and binding resolution of the Claims submitted in the Complaint and the Response unless within thirty (30) days from the date that the decision is mailed either Party delivers to the Board and all other Parties a Notice of Objection to the Board's Decision and Intent to Submit to Mediation.

**17.5 Mediation.**

- (a) Within thirty (30) days of receipt of the Notice of Objection to the Board's Decision and Intent to Submit to Mediation, the Board shall contact the Parties with proposed mediation dates and a list of potential mediators. A neutral third-party or professional mediator that has been agreed to by the Parties shall conduct the mediation.
- (b) The mediation shall be held in the State of Utah at a location agreed upon by the Parties. Unless otherwise agreed by the Parties, the mediation shall take place no later than three (3) months from the date of the Board's decision. If the Parties do not agree to extend this period and mediation does not occur within this time period, then this requirement is deemed to be satisfied.
- (c) Unless otherwise agreed by the Parties, all fees and costs of the mediation shall be borne by the Party submitting the Notice of Objection to the Board's Decision and Intent to Submit to Mediation.

**17.6 Arbitration.**

- (a) All Claims between the Parties not otherwise resolved shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the



American Arbitration Association. Unless otherwise agreed upon by the Parties in writing, demand for arbitration must be made within thirty (30) days of the mediation or the expiration of the period for holding the mediation as set forth above. Failure to demand arbitration within 30 days is an express waiver of the Notice of Objection to the Board's Decision and Intent to Submit to Mediation, and upon such waiver the Board's decision becomes the final and binding resolution of the Claims.

- (b) In no event shall a Party be entitled to demand arbitration of a Claim after the time for taking legal action on the Claim has expired.
- (c) The arbitration shall be held in the State of Utah at a location agreed upon by the Parties or determined by the arbitrator.
- (d) The prevailing Party in the arbitration shall be awarded its reasonable attorneys fees and costs associated with the dispute. Punitive damages, however, shall not be awarded in any dispute. Judgment upon the award rendered by the arbitrator may be entered in any court within the State of Utah.

17.7 **Procedure Subject to Change by Board.** The procedures outlined in this Section 16 may be amended from time to time by the Board without the consent of the Owners, as the Board deems necessary, in light of experience, to better accomplish the amicable resolution of disputes arising out of the legal rights and obligations described in the Governing Documents; provided, such modifications shall not take effect until three months after a copy of the new procedures is delivered to the Owners.

17.8 **Procedure for Disputes Between the Association and Members.** Subject to the provisions of Section 17.2, any Member who has a dispute with the Association, the Board, or an officer, or any officer of member representing one of these groups, and who is not satisfied with the decision of the Association or the Board, shall follow the procedures outlined in Section 17.3 above.

## ARTICLE XVIII GENERAL PROVISIONS

18.1 **Intent and Purpose.** The provisions of this Declaration and any supplemental or amended Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a residential project. Failure to enforce any provision, restriction, covenant, or condition in this Declaration, or in any supplemental or amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

18.2 **Construction.** The provisions of this Declaration shall be in addition and supplemental to all applicable provisions of law. Wherever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders. The Article and Section

headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define or otherwise affect the context, meaning, or intent of this Declaration or any Article, section or provision hereof. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

18.3 **Registration of Mailing Address.** Upon the purchase of any Lot, the Owner of such Lot shall register with the Association his current mailing address. All notices or demands intended to be served upon any Owner shall be sent as provided in the Bylaws.

18.4 **Audit.** Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

18.5 **Amendment.**

- (a) Except as otherwise provided herein, this Declaration, and any amendments to the Declaration, may be amended with or without a meeting of the Owners by the affirmative consent or vote of at least sixty-seven percent (67%) of the Owners. All necessary written consents must be obtained prior to the expiration of ninety (90) days from the date the first written consent is obtained. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by an officer of the Association certifying that the vote required by this Article has occurred, which properly approved amendments shall be evidenced by instruments which are duly recorded in the office of the County Recorder for Davis County, State of Utah.
- (b) During the Period of Administrative Control, the Declarant shall have and is hereby vested with the right to amend this Declaration and the Plats by an instrument duly executed and acknowledged by Declarant and recorded in the Official Records of the County Recorder of Davis County, Utah. Such right of amendment shall apply without regard to the subject matter or the nature of the amendment involved, and such amendment shall not take away any substantive legal rights of those Owners who own a Lot at the time of such amendment by the Declarant. This paragraph does not restrict the Declarants right to expand under the provisions of Article XV herein.
- (c) No amendment to this Declaration shall be adopted or passed or have any effect, which amendment in any way seeks to change, reduce, restrict, modify, or impact (i) any of the rights or privileges granted under Article XV to Declarant, or to those who are intended to be benefitted by the provisions in Article XV; (ii) any of the easements and/or rights granted to the owners of the Additional Land or to any other person, group or entity referred to herein that is benefitted by an easement or right to develop or use the Additional Land; or (iii) any of the language or provisions set forth in Article XV or any other Article herein

regarding use of or development of the Additional Land; unless such amendment is first agreed to in writing by the Declarant or any person, group or entity in any manner impacted by the amendment.

- 18.6 **Effective Date.** This Declaration and any amendments thereto shall take effect upon recording.
- 18.7 **Agent for Service.** The person to receive service of process for the Association shall be the then current registered agent of the Association as shown on the records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah.
- 18.8 **Limitation on Association's Liability.** The Association shall not be liable for any failure of water service or other utility service to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, ground water, rain, snow or ice, or the settling of ground beneath a Dwelling. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs, maintenance or improvements to the Project or any part thereof, or from any action taken to comply with any law, ordinance or order of a governmental authority.
- 18.9 **Owner's Obligations.** All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling on contract his Lot. The Owner of a Lot shall have no obligation for expenses or other obligations accruing after he conveys title to such Lot.

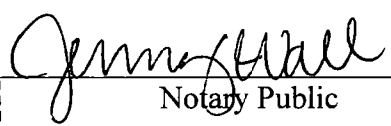
EXECUTED BY DECLARANT on the date of notarization appearing below:

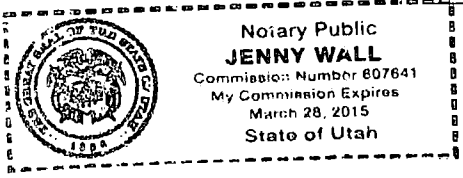
River Ridge Partners, L.C.

By   
Its: Manager

STATE OF UTAH            )  
                                      :SS.  
COUNTY OF DAVIS        )

On this 4 day of January, 2015, personally appeared before me Neil Wall, who being by me duly sworn, did say that he is manager of River Ridge Partners, L.C., and that the within and foregoing instrument was signed in behalf of said limited liability company and he duly acknowledged to me he executed the same.

  
\_\_\_\_\_  
Notary Public



# EXHIBIT "A"

## LEGAL DESCRIPTION

Beginning at a point North 0°20' 12" East 500.55 feet along the section line and West 176.05 feet from the South Quarter Corner of Section 13, Township 4 North Range 1 West, Salt Lake Base and Meridian, and running;  
Thence North 87°48'48" West 347.54 feet;  
Thence northwesterly 86.87 feet along the arc of a 50.00 foot radius curve to the right, (center bears North 2°11'12" East and long chord bears North 38°02'34" West 76.35 feet, with a central angle of 99°32'27");  
Thence South 72°33'23" West 27.14 feet;  
Thence West 178.79 feet;  
Thence South 60.89 feet;  
Thence North 89°34'56" West 230.51 feet;  
Thence North 29°00'00" East 206.24 feet;  
Thence North 61°00'00" West 32.42 feet to the Southeast Corner of Lot 70, Snow Canyon Phase 3 Subdivision;  
Thence North 31°24'00" East 90.08 feet along the east line to the Northeast Corner of Lot 70, Snow Canyon Phase 3 Subdivision;  
Thence South 61°00'00" East 28.64 feet;  
Thence North 29°00'00" East 90.00 feet;  
Thence North 61°00'00" West 24.87 feet to the Southeast Corner of Lot 68, Snow Canyon Phase 3 Subdivision;  
Thence North 31°24'00" East 89.60 feet along the east line to the Northeast Corner of Lot 68, Snow Canyon Phase 3 Subdivision, said point also being the Southeast Corner of Lot 67, Snow Canyon Phase 4 Subdivision;  
Thence North 13°15'00" East 255.27 feet along the east line to an angle point in the east line of Snow Canyon Phase 4 Subdivision;  
Thence North 1°42'40" West 414.37 feet along the east line of Snow Canyon Phase 4 Subdivision to and along the east line of Snow Canyon Phase 5 Subdivision;  
Thence South 86°00'00" East 101.76 feet;  
Thence North 5°37'42" East 103.17 feet;  
Thence northwesterly 72.76 feet along the arc of a 106.00 foot radius curve to the left, (center bears North 84°22' 18" West and long chord bears North 14°02'06" West 71.34 feet, with a central angle of 39°19'37");  
Thence northwesterly 21.20 feet along the arc of a 15.00 foot radius curve to the left, (center bears South 56°18'05" West and long chord bears North 74°10'52" West 19.48 feet, with a central angle of 80°57'54");  
Thence northwesterly 81.56 feet along the arc of a 50.00 foot radius curve to the right, (center bears North 24°39'49" West and long chord bears North 67°56'09" West 72.81 feet, with a central angle of 93°27'21");  
Thence northwesterly 17.95 feet along the arc of a 15.00 foot radius curve to the left, (center bears South 68°47'32" West and long chord bears North 55°29'49" West 16.90 feet, with a central angle of 68°34'42");  
Thence North 89°47'10" West 0.37 feet to the Northeast Corner of Lot 88, Snow Canyon Phase 5 Subdivision;  
Thence North 1°42'40" West 50.03 feet along the east line of Snow Canyon Phase 5 Subdivision to the Southeast Corner of Lot 189, Snow Canyon Phase 5 Subdivision Amended;  
Thence South 89°47'10" East 14.38 feet;  
Thence southeasterly 13.25 feet along the arc of a 151.00 foot radius curve to the right, (center bears South 0°12'50" West and long chord bears South 87°16'23" East 13.24 feet, with a central angle of 5°01'33");  
Thence northeasterly 9.47 feet along the arc of a 15.00 foot radius curve to the left, (center bears North 5°14'23" East and long chord bears North 77°08'48" East 9.32 feet, with a central angle of 36°11'11");  
Thence southeasterly 88.78 feet along the arc of a 50.00 foot radius curve to the right, (center bears South 30°56'48" East and long chord bears South 70°04'56" East 77.57 feet, with a central angle of 101°43'44");  
Thence southeasterly 8.05 feet along the arc of a 15.00 foot radius curve to the left, (center bears North 70°46'55" East and long chord bears South 34°35'56" East 7.96 feet, with a central angle of 30°45'43");  
Thence southeasterly 151.40 feet along the arc of a 156.00 foot radius curve to the right, (center bears South 40°01' 13" East and long chord bears South 22°10'33" East 145.53 feet, with a central angle of 55°36'28");  
Thence South 5°37'42" West 101.74 feet;  
Thence South 86°00'00" East 440.68 feet;  
Thence South 6°56'34" East 224.40 feet;  
Thence South 34°28'42" West 126.87 feet;  
Thence South 1°00'32" East 129.97 feet;

Thence South 10°10'04" East 139.37 feet;  
Thence South 17°46'03" West 281.35 feet;  
Thence South 0°15'01" East 60.80 feet;  
Thence South 32°37'51" East 154.99 feet to the point of beginning.

The above property lies with the following 6 recorded descriptions:

Parcel 1:

Order No. F-D50937

Beginning at a point which is South 89°34'56" East along the section line 2348.46 feet more or less and North 519.54 feet from Southwest corner section 13-T4N-R1W, Salt Lake Base and Meridian. And running Thence North 89°34'50" West 726.08 feet Thence North 29° East 547.46 feet, more or less, Thence North 1°42'40" West 177.03 feet, thence North 13°15' East 165.81 feet; Thence North 4°39' West 268.49 feet; Thence South 86° East 32.72 feet more or less; Thence South 86° East 255.16 feet, more or less, to Northeast corner of property annexed in book 1244, page 1176, thence South 25°22'26" East 358.00 feet, Thence South 11°37'52" East 300.00 feet, Thence South 2°33'30" West 147.00 feet, Thence South 8°43'15" West 288.93 feet, more or less, to the point of beginning.

09-082-0111

Parcel 2

Beginning at a point North 0°20' 12" East 1588.53 feet along the section line and West 652.14 feet from the South 1/4 corner of section 13-T4N-R1W, SALT LAKE BASE AND MERIDIAN and running Thence North 5°37'42" East 103.17 feet; Thence Northwesterly 72.76 feet along the arc of a 106.00 foot radius curve to the left, (center bears North 84°22'18" West and LC Bears North 14°02'06" West 71.34 feet, with a central angle of 39°19'37"); Thence Northwesterly 21.20 feet along the arc of a 15.00 foot radius curve to the left, (center bears South 56°18'05" West and LC Bears North 74°10'52" West 19.48 feet, with a central angle of 80°57'54"); Thence Northwesterly 81.56 feet along the arc of a 50.00 foot radius curve to the right (center bears North 24°39'49" West and LC bears North 67°56'09" West 72.81 feet, with a central angle of 93°27'21"); thence Northwesterly 17.95 feet along the arc of a 15.00 foot radius curve to the left, (center bears South 68°47'32" West and LC Bears North 55°29'49" West 16.90 feet, with a central angle of 68°34'42"); Thence North 89°47' 10" West 0.37 feet to the Northeast Corner of Lot 88, Snow Canyon Phase 5 Subdivision; Thence North 1°42'40" West 50.03 feet along the East line of Snow Canyon Phase 5 Subdivision to the Southeast corner of Lot 189; Snow Canyon Phase 5 Subdivision amended; Thence South 89°47'10" East 14.38 feet; Thence Southeasterly 13.25 feet along the arc of a 151.00 feet radius curve to the right, (center Bears South 0°12'50" West and LC Bears South 87°16'23" East 13.24 feet, with a central angle of 5°01'33"); thence Northeasterly 9.47 feet along the arc of a 15.00 foot radius curve to the left (center bears North 5°14'23" East and LC bears North 77°08'48" East 9.32 feet, with a central angle of 36°11'11") Thence Southeasterly 88.78 feet along the arc of a 50.00 foot radius curve to the right, (center Bears South 30°56'48" East and LC Bears South 70°04'56" East 77.57 feet, with a central angle of 101°43'44") Thence southeasterly 8.05 feet along the arc of a 15.00 foot radius curve to the left, (center Bears North 70°46'56" East and LC Bears South 34°35'56" East 7.96 feet, with a central angle of 30°45'43") Thence Southeasterly 151.40 feet along the arc of a 156.00 feet radius curve to the right, (center Bears South 40°01'13" East and LC bears South 22°10'33" East 145.53 feet, with a central angle of 55°36'28"); Thence south 5°37'42" West 101.74 feet; Thence North 86°00'00" West 50.02 feet to the point of beginning.

Cont 0.451 acres.

09-082-0122

Parcel 3:

Beginning at a point which is South 89°34'56" East along the Section line 2516.89 feet, more or less, from the Southwest Corner of Section 13, Township 4 North, Range 1 West, Salt Lake Meridian; and running thence North 0°01' East 500.00 feet; thence North 89°34'56" West 906.62 feet; thence North 29° East 20.96 feet, more or less, thence south 89°34'56" East 726.08 feet, more or less, thence North 8°43'15" East 288.93 feet, thence North 2°33'30" East 147.00 feet, thence North 11°37'52" West 300.00 feet, thence North 25°22'26" West 358.00 feet, more or less, to South line of Layton City Boundary annexed in book 328, page 2, thence South 86°00' East 441.83 feet, more or less, thence south 0°20'12" West 5.64 feet; thence North 86°00'00" West 141.30 feet to the East line

of a trail; thence 7 courses along aid trail as follows: South 6°56'34" East 219.48 feet; South 34°28'42" West 128.03 feet; South 1°00'32" East 121.97 feet; South 10°10'04" East 142.74 feet; South 17°46'03" West 283.15 feet; South 0°15'01" East 51.84 feet and South 32°37'51" East 66.20 feet; thence south 89°39'48" East 204.43 feet to the N-S Centerline or said Section 13; thence South 0°20'12" West 580.01 feet; thence North 89°34'56" West 96.91 feet, more or less, to the point of beginning. (09-082-0104)

Parcel 4:

Beginning at an angle Corner of Lot 66, Snow Canyon Phase #4, which point is approximately 1162.366 feet North  $0^{\circ}11'20''$  East along the Section line and due East 1876.818 feet from the Southwest Corner of Section 13, Township 4 North, Range 1 West, Salt Lake Meridian and running thence south  $1^{\circ}42'40''$  East 177.03 feet; thence South  $29^{\circ}$  West 633.009 feet; thence North  $61^{\circ}$  West 43.74 feet to the Southeast Corner of Snow Canyon Phase 3; thence along the East line of said subdivision North  $31^{\circ}24'$  East 540.00 feet; thence North  $13^{\circ}15'$  East 254.78 feet to the point of beginning. Less to 1354-743, 746 and 1355-40 and less to 1443-595. (09-082-0065)

Parcel 5:

Beginning at the most Easterly corner of Lot 66, Snow Canyon Phase 4; which point is approximately 1162.366 feet North  $0^{\circ}11'20''$  East along the Section line and due East 1876.818 feet from the Southwest Corner of Section 13, Township 4 North, Range 1 West, Salt Lake Meridian and running thence North  $1^{\circ}42'40''$  West 243.98 feet; thence South  $89^{\circ}16'$  EAST 38.63 feet; thence South  $4^{\circ}39'$  East 82.26 feet; thence South  $13^{\circ}15'$  West 165.81 feet to the point of beginning. (09-082-0056)

Parcel 6:

Beginning at a point which is due North 956.28 feet and due East 1411.90 feet and North  $11^{\circ}12'35''$  East 660.99 feet and North  $36^{\circ}33'46''$  East 90.66 feet and south  $83^{\circ}53'17''$  East 77.07 feet and South  $89^{\circ}47'10''$  East 194.48 feet and South  $1^{\circ}42'40''$  East 93.46 feet from the Southwest Corner of Section 13, Township 4 North, Range 1 West, Salt Lake Meridian and running thence south  $85^{\circ}48'40''$  East 29.99 feet; thence South  $4^{\circ}39'$  East 186.23 feet; thence North  $89^{\circ}16'$  West to the East line of Snow Canyon Phase 4; thence along the East line of said Subdivision North  $1^{\circ}42'40''$  West 187.38 feet to the point of beginning. (09-082-0069)

# EXHIBIT "B"

## ADDITIONAL LAND LEGAL DESCRIPTION

A PART OF THE SW 1/4 OF SEC 13-T4N-R1W, SLM: BEG AT THE SE COR OF  
NATURAL ESTATES #2, SD PT IS S 89°34'56" E 1510.00 FT ALG THE SEC LINE FR THE  
SW COR OF SD SEC 13 & RUN TH N 0°01' E 398.00 FT; TH N 25°00' E 72.00 FT; TH S 61°  
E 43.74 FT; TH N 29° E 64.589 FT; TH S 89°34'56" E 906.62 FT; TH S 0°01' W 500.00 FT;  
TH N 89°34'56" W 1006.89 FT ALG THE SEC LINE TO THE POB. CONT. 11.39 ACRES



# Exhibit "C"

## Bylaws

**BYLAWS**  
**FOR**  
**DANIEL'S CANYON HOMEOWNER'S**  
**ASSOCIATION**

The following are adopted as the administrative Bylaws of Daniel's Canyon Homeowner's Association ("Daniel's Canyon").

**ARTICLE I**  
**PLAN OF LOT OWNERSHIP AND INCORPORATION**

- 1.1 **Submission.** These Bylaws are adopted by the Owners of Lots in Daniel's Canyon. These Bylaws shall govern the administration of Daniel's Canyon Homeowner's Association.
- 1.2 **Definitions.** The words defined in Article I of the Declaration of Covenants, Conditions and Restrictions for Daniel's Canyon Subdivision P.R.U.D., shall have the same meaning when used herein unless the context clearly requires another meaning.
- 1.3 **Conflict.** In the event of any conflict, incongruity or inconsistency between the provisions of these Bylaws and the provisions of the Declaration or any amendments thereto, the latter shall in all instances govern and control.
- 1.4 **Office and Registered Agent.** The Registered Agent of the Association shall be the President or Secretary of the Association and the Registered Office of the Association shall be the office of the President or such other place as shall be designated by him.
- 1.5 **Bylaws Applicability.** All present and future Owners, residents, tenants, renters, lessees, and their guests, licensees, invitees, servants, agents or employees, and any other person or persons who shall be permitted at Daniel's Canyon shall be subject to and abide by these Bylaws.

## ARTICLE II ASSOCIATION

- 2.1 **Composition.** The Association of Owners is a mandatory association consisting of all Owners at Daniel's Canyon.
- 2.2 **Voting.** Each Owner shall have an equal number of votes.
- 2.3 **Place of Meeting.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Board from time to time and stated in the notice of meeting.
- 2.4 **Annual Meeting.** Unless otherwise designated by the Board, the annual meeting of the Association shall be held at 7:00 o'clock p.m. on the second Tuesday of November of each year, or at such other suitable day, date and time as may be designated by the Board from time to time. When such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be the principal office of the Association unless otherwise specified in the notice of meeting.
- 2.5 **Special Meetings.** The President shall call a special meeting (a) if he or she so desires, (b) if a majority of the members of the Board of Directors direct him to do so, or (c) upon receipt of a petition signed and presented to the Secretary of the Board by at least twenty-five percent (25%) of the members of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.
- 2.6 **Notice of Meeting.** It shall be the duty of the Secretary to give notice of (a) each annual meeting of the Owners not less than ten (10) and not more than thirty (30) days in advance of such meeting; and (b) each special meeting of the Owners at least three (3) days and not more than twenty (20) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of his respective Lot or such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.
- 2.7 **Notification by Mail, Website and Email.** Any notice permitted or required to be delivered by the Board or from the Association to the Owners may be delivered either personally, by U.S. mail, or by electronic means.
- (a) If notice is by mail, it shall be deemed to have been delivered 24 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each Owner at the address given by such person to the Board of Directors for the purpose of service of such notice or to the Lot of such person if no address has been given. Such addresses may be changed by Owner from time to time by notice in writing to the Board of Directors.

- (b) If notice is by electronic means, any notice delivered by the Association to Owners under the provisions of the Declaration or these Bylaws may be sent by electronic means, including text message, email, or the Association's website. The Association shall maintain records of all notices sent to Members by electronic means, including the electronic address to which notice was sent. When a notice is sent electronically, the Association shall first compile a list of Owners' current electronic addresses (such as email or text messaging addresses or other types of well known electronic forms, such as Facebook) and the Association shall send notification of all Association meetings and business to the electronic address of the Owners. The Association secretary shall thereafter send an electronic notice, via email or a comparable electronic means, of all Association meetings and business to those Owners who do not object to electronic notification in this manner. A member may, by written demand, require the Association to provide notice to the Lot Owner by mail.
- (c) If notice is by personal means, notice may be delivered to Owners by hand delivery directly to the Owner or a responsible occupant of an Owner's Dwelling, or by securely attaching a copy of the notice to the front entry door of the Owner's Dwelling.

- 2.8 **Voting Requirements.** An Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall be in full compliance with all of the terms, covenants, and conditions of the Project Documents, and shall have fully paid all assessments due.
- 2.9 **Proxies.** The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or in cases where the Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual written notice to the person presiding over the meeting, by the Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice, or if it is not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Unless it expressly states otherwise, a proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy. Each proxy must be filed with the Secretary of the Board before the meeting. Only individual Owners or the legal representative of an Organizational Owner may be proxies.
- 2.10 **Quorum Requirements.** The quorum at any meeting of the members shall be as follows: At the first meeting called, the presence of the Owners or of proxies entitled to cast fifty percent (50%) of all of the Class A Members 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 Section 2.6 above at which a quorum shall be one-half 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.
- 2.11 **Order of Business.** The order of business at all meetings of the Association shall be as follows:

- (a) roll call to determine quorum status;
- (b) proof of notice of meeting;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) report of special Boards, if any;
- (f) appointment of inspectors of election, if applicable;
- (g) election of Board Members, if applicable;
- (h) unfinished business; and
- (i) new business.

2.12 **Conduct of Meeting.** The President shall, or in his absence the Vice-president, preside over all meetings of the Association; the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted by the meeting as well as record of all transactions occurring thereat.

### ARTICLE III BOARD OF DIRECTORS

3.1 **Powers and Duties.** The affairs and business of the Association shall be managed by the Board of Directors. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration, and may do all such acts and things necessary to operate and maintain the Project. The Board may delegate its authority to a manager or managers. Subject to any limitations or provisions contained in the Declaration, the Board shall be responsible for at least the following:

- (a) Preparation of an annual budget;
- (b) Determining the annual assessment of each Owner;
- (c) Managing the Association;
- (d) Maintaining the Common Areas and Facilities;
- (e) Collecting the assessments;
- (f) Depositing the collections into a federally insured interest bearing account or accounts;
- (g) Adopting and amending rules and regulations;
- (h) Enforcing the Project Documents;
- (i) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (j) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty.
- (k) Commencing legal action when necessary;
- (l) Purchasing and maintaining insurance for the Association and the Board;
- (m) Paying the cost of all services rendered to the Project and not billed directly to Owners of individual Lots.
- (n) Keeping books and records of the Association;
- (o) Providing common utility services as needed;

- (p) Paying any amount necessary to discharge any mechanic's or materialman's lien or other encumbrance levied against the Common Area or Facilities;
- (q) Giving notice of alleged violations of the Project Documents and providing the alleged violator the opportunity to be heard;
- (r) Levying fines, sanctions and citations;
- (s) Making emergency repairs;
- (t) Towing or impounding motor vehicles;
- (u) Evicting non-Owner residents in material violation of the Project Documents or who have created and failed to abate a nuisance; and
- (v) Doing such other things and acts necessary to accomplish the foregoing.

3.2 **Composition of Board of Directors.** The Board of Directors shall be composed of three (3) members of the Association.

3.3 **Qualification.** Only individual Owners or officers or agents of organizational Owners other than individuals shall be eligible for Board Membership. Only one Owner per Lot shall serve on the Board at any given same time.

3.4 **Election and Term of Office of the Board.** The term of office of membership on the Board shall be one (1) year and each member shall serve on the Board until such time as his successor is duly qualified and elected.

3.5 **Initial Organizational Meeting.** The first meeting of the members of the Board shall be immediately following the annual meeting of the Association or at such other time and place designated by the Board.

3.6 **Regular Meetings.** Regular meetings of the Board shall be held from time to time and at such time and place as shall be determined by a majority of the members of the Board, but no less often than monthly.

3.7 **Special Meetings.** Special meetings of the Board may be called by the President, Vice-president or a majority of the members on at least forty-eight (48) hours prior notice to each member. Such notice shall be given personally, by regular U.S. mail postage prepaid, by telephone or electronic means, and such notice shall state the time, place and purpose of the meeting. Any meeting attended by all members of the Board shall be valid for any and all purposes.

3.8 **Waiver of Notice.** Before or at any meeting of the Board, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any such meeting of the Board shall constitute a waiver of notice. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.9 **Quorum.** At all meetings of the Board, a majority of the members then in office shall constitute a quorum for the transaction of business, and the acts of the majority of all the Board members present at a meeting at which a quorum is present shall be deemed to be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for

no shorter than two (2) days nor more than 5 days and give notice of the rescheduled meeting to the members not in attendance. At any such rescheduled meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

- 3.10 **Vacancies.** Vacancies in the Board caused by any reason other than removal of a member by a vote of the Association shall be filled by vote of the majority of the remaining members of the Board at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the total members remaining may constitute less than a quorum of the Board; and each person so elected shall be a member for the remainder of the term of the member so replaced. A vacancy created by the removal of a member by a vote of the members of the Association at a special meeting called for that purpose shall be filled by the election and vote of the members of the Association at said meeting.
- 3.11 **Removal of Board Member.** A member may be removed, with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum of the Association is present, by an affirmative vote of a majority of the members of the Association. Any member whose removal has been proposed by the Owners shall be given at least thirty (30) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Any Board Member who misses twenty-five percent (25%) or more of the Board Meetings in any twelve month period or who misses three (3) consecutive meetings in any calendar year, shall be automatically removed from the Board.
- 3.12 **Compensation.** Board members shall not be compensated for their services but shall be reimbursed for all expenses reasonably incurred in connection with Board business and approved by the Board.
- 3.13 **Conduct of Meetings.** The President shall preside over all meetings of the Board and the Secretary shall keep a Minute Book of the Board recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings, subject to the following:
- (a) **Open Meetings.** A portion of each meeting of the Board shall be open to all members of the Association, but members other than members of the Board may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board. The Board shall establish procedures, policies, and guidelines for conducting of its meetings, retiring to executive session, and prohibiting photographs and/or any electronic (video or audio) recordation of the meetings, or any part thereof.
  - (b) **Executive Session.** The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in an Executive Session to discuss and vote upon private, confidential, sensitive or personnel matters, litigation, and orders of business of a similar nature. The nature of any and all business to be considered in an Executive Session shall first be announced in open session.

- (c) **Action Without a Formal Meeting.** Any action to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members of the Board.

- 3.14 **Report of Board.** The Board shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Association.

#### ARTICLE IV NOMINATION AND ELECTION OF BOARD MEMBERS

- 4.1 **Nomination Process.** The process for the nomination and election of the Board of Directors shall proceed as set forth herein.
- 4.2 **Nominating Committee.** Nominations for election to the Board shall be made by a Nominating Committee, whose purpose is to seek out and locate qualified individuals as candidates for election to the Association's Board of Directors. The Nominating Committee shall consist of a Chairman, who shall be a member of the existing Board, and three or more additional members of the Association, who may or may not be current members of the Board. The Nominating Committee shall be appointed by the Board not less than 30 days prior to each annual meeting of the Association at which an election will be held. The Nominating Committee shall serve for a term of one year. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of vacant Board seats to be filled. The Nominating Committee may notify members that it is seeking qualified candidates and interview all candidates interested in serving on the Board to determine if, in the Nominating Committee's sole discretion, the potential candidate has the proper demeanor, experience, ability and character to serve the interests of the Association if elected. The Nominating Committee shall submit to the Board those names as candidates which a majority of the Nominating Committee recommend be placed on the Association ballot. Those nominated as candidates shall have the opportunity to communicate their qualifications to the members and to solicit votes. Should the Board fail to follow the procedures outlined in this Section 4.2, then nominations shall be made from the floor at the annual meeting or any special meeting.
- 4.3 **Nomination Approval.** Anyone nominated as a candidate prior to or at the Association's election meeting should have first granted their approval and affirmatively stated that he or she is willing to serve for the term if elected.
- 4.4 **Nominations.** The names of the candidates recommended by the Nominating Committee shall be included in the Notice of the annual meeting sent to members of the Association, and may be included on proxy and absentee ballots sent to members. Write-in candidates are permitted. Nominations may also be received from members of the Association from the floor at the annual meeting of the members.
- 4.5 **Election.** At the annual meeting for the election of new Board members, the Board shall prepare and distribute a ballot to each Owner. Owners who do not attend the meeting



may vote by proxy ballot or by written ballot. Each Lot is entitled to vote as provided in the Declaration and Bylaws. Voting need not be conducted by secret ballot.

## ARTICLE V OFFICERS

- 5.1 **Designation.** The principal officers of the Association shall be a President, a Vice-president, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may appoint assistant secretaries and such other officers as in its judgment may be necessary. All officers shall also be members of the Board. Two or more offices may be held by the same person, except that the President shall not hold any other office.
- 5.2 **Election of Officers.** The officers of the Association shall be elected by the members of the Board of Directors at their first meeting after the annual meeting of the Association. Any vacancy in an office shall be filled by the remaining members of the Board of Directors at a regular meeting or special meeting called for such purpose.
- 5.3 **Removal of Officers.** The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the Board, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purposes.
- 5.4 **President.** The President shall be the chief executive officer; he shall preside at meetings of the Association and the Board and shall be an ex officio member of all Boards; he shall have general and active management of the business of the Board and shall see that all orders and resolutions of the Board are carried into effect. He shall have all of the general powers and duties, which are usually vested in or incident to the use of president of a stock corporation organized under the laws of the State of Utah.
- 5.5 **Vice-president.** The Vice-president shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board or the President shall prescribe. If neither the President nor the Vice-president is able to act, the Board shall appoint a member of the Board to do so on an interim basis.
- 5.6 **Secretary.** The Secretary shall attend all meetings of the Board and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him or her for that purpose and shall perform like duties for Boards when required. He shall give, or cause to be given, notices for all meetings of the Association and the Board and shall perform such other duties as may be prescribed by the Board. The Secretary shall compile and keep current at the principal office of the Association, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Board including resolutions.

- 5.7 **Treasurer.** The Treasurer shall have custody of all funds and securities. He shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all monies and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and members, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Project.

#### ARTICLE VI FISCAL YEAR

- 6.1 The fiscal year of the Association shall be the calendar year consisting of the twelve month period commencing on January 1 of each year terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Board should it be deemed advisable or in the best interests of the Association.

#### ARTICLE VII AMENDMENT TO BYLAWS

- 7.1 **Amendments.** These Bylaws may be modified or amended either (i) by the affirmative vote of a majority of the members of the Association or (ii) pursuant to a written instrument of consent duly executed by a majority of the members of the Association provided all of the written consents are obtained within a ninety day period.

#### ARTICLE VIII COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

- 8.1 **Compliance.** These Bylaws are set forth in compliance with the requirements of the Declaration.
- 8.2 **Conflict.** These Bylaws are subordinate to and are subject to all provisions of the Declaration, except in those cases where the provisions of the Bylaws are clearly intended to govern (administrative matters). All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration.
- 8.3 **Severability.** If any provisions of these Bylaws or any section, sentence, clause, phrase, or work, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby and to this end, the provisions hereof are declared to be severable.
- 8.4 **Waiver.** No restriction, condition, obligation, or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

- 8.5 **Captions.** The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.
- 8.6 **Construction.** Whenever in these Bylaws the context so requires, the singular number shall refer to the plural and the converse; the use of any gender shall be deemed to include both masculine and feminine, and the term “shall” is mandatory and “may” permissive.
- 8.7 **Effective.** These Bylaws shall be effective upon recording in the Office of the County Recorder of Davis County.

# EXHIBIT "D"

## LIST OF UNITS, VOTES AND ASSESSMENT PERCENTAGES

All Units and their Owners have an equal number of votes and are assessed an equal percentage of the Common Area expenses, as follows:

<u>Lot</u>	<u>VOTES</u>	<u>ASSESSMENT PERCENTAGE &amp; PERCENTAGE OWNERSHIP IN COMMON AREA</u>
1	1	10%
2	1	10%
3	1	10%
4	1	10%
5	1	10%
6	1	10%
7	1	10%
8	1	10%
9	1	10%
10	1	10%
<b>Totals</b>	<b>10</b>	<b>100%</b>

**Exhibit "E"**

**INITIAL RULES AND REGULATIONS**

While control exercised by the Board must be maintained, the Board does not intend to stifle innovative designs or architectural freedom. If any design elements of a prospective home appear to be in conflict with the controls or recommendations set forth, such conflicts must be resolved by the Board and will, whenever possible, be resolved in favor of aesthetic and design quality.

The guidelines and restrictions contained herein are consistent with the provision of the recorded covenants of the Project. Any violations of the Declaration or these guidelines may result in required changes to floor plans, colors, materials, etc. at the owner's and/or contractor's expense.

No construction may begin in the Project without the issuance of a proper building permit issued by the building inspector.

**SECTION "A"**

Three (3) complete sets of plans shall be submitted to the Design Committee and shall contain the minimum exhibits as listed below. Two (2) sets will be stamped and returned, one for the City Building Inspector and one for construction use.

A. SITE PLAN

1. Show scale and over-all dimensions.
2. Indicate lot number and street name.
3. Indicate setback from street.
4. Indicate grade elevations at front corners of lot finished floor elevations.
5. All finished floor elevations.
6. Location of the HVAC shall be noted. No HVAC unit will be placed on the roof.

B. FLOOR PLAN

1. Show scale and over-all dimensions.
2. Indicate window and door locations and sizes.
3. Show location of the HVAC units, satellite dishes, and any other mechanical and/or non-mechanical devices. Location of these items must be in the rear of the house or out of street view. Special consideration will be given when rear installation is not feasible. In such a situation, the unit must be screened from the street view with materials compatible with materials used in the construction of the house.

C. ELEVATIONS

1. Note scale on plan.

D. COLOR SCHEMES AND EXTERIOR MATERIALS

1. Stucco colors shall be subdued earth tones. The color scheme should compliment the neighborhood. The Design Committee reserves the right to reject any scheme it deems not consistent with the area.
2. The general design expressed in the front of the house must continue to each side elevation.
3. Innovative designs used on the front of the house using stone, brick or other materials will be considered on an individual basis.

E. CONSTRUCTION AND MATERIALS WHICH ARE NOT PERMITTED

1. Log house.
2. Pre-manufactured houses.
3. Earth or berm houses.
4. Re-located houses.

F. IMPROVEMENTS, LANDSCAPING AND SPECIAL RESTRICTIONS

1. All storage units, detached garages, etc., are to have the same design and materials as the main dwelling.
2. Basements: A geo-technical investigation was performed by Earthtec Engineering in a report dated August 31, 1998. This report is on file with Davis County. Owners, builders and contractors should become familiar with this report and comply with its recommendations.

**EXHIBIT "F"**

**EXISTING EASEMENT BENEFITTING THE ADDITIONAL LAND  
AND BURDENING THE PROJECT**

E 2821713 B 6095 P 6-10  
RICHARDT. MAUGHAN  
DAVIS COUNTY, UTAH RECORDER  
9/4/2014 8:13:00 AM  
FEE \$19.00 Pgs: 5  
DEP eCASH REC'D FOR FOUNDERS TITLE

The undersigned River Ridge Partners, LC as the current owner of the property described in Exhibit "A" attached hereto, hereby grants unto Lael Wall and Neil J. Wall, Trustees, or their successors in trust, under the Lael Wall Living Trust, dated December 16, 2004, the current owners of the property described in Exhibit "B" attached hereto (hereinafter the "Wall Property"), an easement for ingress and egress over and across that certain tract of land which is defined as "Daniels Canyon Drive" on the proposed plat of Daniel's Canyon Subdivision which is attached hereto as Exhibit "C".

This easement over "Daniels's Canyon Drive" shall provide the means of unlimited ingress and egress to the "Wall Property".

This document shall further serve as notice that should a portion or portions of the "Wall Property" be subdivided or developed in: the future, the access to "Daniel's Canyon Drive", granted herein, shall also serve as ingress and egress to any future development or subdivision.

This Grant of Easement shall also include the right of any future development or subdivision on the "Wall Property" to connect to Storm drain lines, water, sewer and secondary water lines which presently exist in "Daniel's Canyon Drive" as well as an easement for the secondary water. line. currently existing in "Daniels Canyon Drive" which includes the right and access to maintain and repair said secondary waterline.

This Grant of Easement and Notice of Potential Future Development shall run with the land and be binding upon any future owners of any of the subject properties described herein.

Dated this 30 day of August, 2014

River Ridge Partners, LC  
By: Neil J. Wall  
Its: Manager