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Davis-Harman Development, LLC
Attn: David R. Harman, Sr.
55 West University Parkway
Orem, UT 84058

**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
EASEMENTS, RESERVATONS AND RESTRICTIONS**

OF

**BONNEVILLE VISTA TOWNHOMES
PLAT "A" ~~XXXXXXXXXX~~
(A Commercial Project)
American Fork, Utah**

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, EASEMENTS, RESERVATONS AND RESTRICTIONS (hereinafter the "**Declaration**") is made as of the 15th day of October, 2013, by DAVIS-HARMAN DEVELOPMENT, LLC, a Utah Limited Liability Company (hereinafter the "**Declarant**").

RECITALS

1. Declarant is the record fee owner of that certain real property (the "Covered Property") situated in American Fork, County of Utah, State of Utah, more particularly described in **Exhibit A**, attached hereto and incorporated by this reference.
2. Declarant intends to develop this property into Fifty-two (52) Townhomes (the "Project"), 20 Townhomes in PLAT "A" and 32 Townhomes in PLAT "B" that will share common areas and maintenance expenses for the common areas. To accomplish this, Declarant desires to establish master protective covenants, conditions, easements, reservations and restrictions upon the Covered Property which will constitute a general plan for the improvement, development, and management of the Project, and for the use, occupancy and enjoyment thereof by those who acquire ownership therein.
3. Declarant is in the process of acquiring property that is adjacent to the Covered Property, and if acquired the adjacent property will become PLAT "C" of the

Project and will be a part of and be subject to the same Declaration, as well as any Supplementary Declaration(s).

4. To provide efficient management for the Project and to preserve its value, desirability and attractiveness, Declarant, pursuant to this Declaration, has established Bonneville Vista Homeowners Association, a Utah non-profit corporation (the "Association"), and has delegated and assigned to such Association, through its Board, the powers of managing the Project; of maintaining and administering Common Areas; of administering and enforcing all covenants, conditions, easements, reservations and restrictions; or collecting and dispersing funds pursuant to the Assessments and charges hereinafter created and referred to; and of performing such other acts as shall generally benefit the Project.
5. Declarant will hereafter hold and convey title to all the Covered Property, subject to the protective covenants, conditions, easements, reservations and restrictions hereinafter set forth.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of the interests held by Declarant in the Covered Property, as the same may from time to time appear, shall be held and conveyed subject to the following covenants, conditions, easements, reservations and restrictions to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant, Its successors and assigns and to all parties hereafter and owning interests in the Covered Property.

ARTICLE I DEFINITIONS

When used in this Declaration (including that portion hereof captioned "RECITALS") each of the following terms shall have the meaning indicated:

- 1.01 **Assessment** shall mean and refer to the amount which is to be paid by each Member to the Association for Common Expenses.
- 1.02 **Association** shall mean and refer to the Bonneville Vista Homeowners Association, a Utah non-profit corporation, Its successors and assigns.
- 1.03 **Board** shall mean and refer to the Board of Directors of the Association.
- 1.04 **ByLaws** shall mean and refer to the ByLaws of the Association as set forth and embodied herein.

- 1.05 **Common Expenses** shall mean and refer to the actual and estimated costs of maintenance (including the costs associated with watering the Landscape in the Common Areas and planter strips including those planter strips within the public right of way), management, operation, repair, and replacement of the Common Areas, and all other areas on or adjacent to the Covered Property which are required to be maintained by the Association.
- 1.06 **Covered Property** (also known as Common Area) shall mean and refer to any and all real property, including any personal property thereon which may be owned by or under lease or easement to the Association from time to time for the common use and benefit of the members.
- 1.07 **Improvements** shall mean and refer to any buildings, structures, residences, landscaping and lawns, exterior walkways, parking areas, drives, fences, utility, water lines (whether public or private), sewer lines, lighting, excavations, grading, berms, drainage facilities, wells and all other structures or objects of any kind installed or constructed on the Covered Property.
- 1.08 **Declaration** shall mean and refer to this “Declaration of Protective Covenants, Conditions, Easements, Reservations and Restrictions of Bonneville Vista Homeowners Association.
- 1.09 **Member** shall mean and refer to any person or entity who qualifies for membership in the Association pursuant to the provisions of this Declaration, including Declarant.
- 1.10 **Mortgages** shall mean and refer to any recorded first mortgage or first deed of trust encumbering a Unit.
- 1.11 **Reimbursement Assessment** shall mean and refer to a charge against a particular Owner or his/her Unit for the purpose of reimbursing the Association for costs incurred in bringing the Owner, or his/her Unit into compliance with the provisions of the Declaration.
- 1.12 **Supplemental Development Declaration** shall mean and refer to each declaration or protective covenants, conditions, reservations, restrictions, and easements, and any further supplements thereto, recorded concurrently with any final subdivision plat filed by Declarant with respect to any area of the Project and which may establish more detailed and/or additional improvement, development and/or use restrictions for such area within the Covered Property than are set forth herein.
- 1.13 **Unit** shall mean and refer to each Townhome that is transferred by deed to an individual or entity. In PLAT “A” there are 20 Units planned, which will be numbered 1-20. In PLAT “B” there are 32 Units planned, which will be

numbered 21-52. If there is a PLAT "C" the Units will begin with number 53.

ARTICLE II THE ASSOCIATION

2.01 **Purpose.** With respect to the Project, the Association shall, through its Board, maintain and administer Common Areas (including any area or system adjacent to the Project for which the Association has responsibility); administer architectural control matters; enforce the covenants, conditions, easements, reservations and restrictions set forth in this Declaration; levy and collect Assessments; pay Common Expenses; and, in general, manage the Project in a manner which will protect and enhance the value, desirability and attractiveness of the Project and the quality of the residential environment therein.

2.02 **Membership.** Every owner of a Townhome Unit shall be a Member of the Association and be subject to the terms of this Declaration, any Supplementary Declaration, the Association ByLaws as set forth herein, and any rules promulgated by the Association.

2.03 **Transfer.** An Owner's membership in the Association shall not be transferred or alienated in any way except upon the conveyance or encumbrance of such Owner's Unit and then only to the grantee or mortgagee of such Unit.

ARTICLE III ASSOCIATION BYLAWS

3.01 **Board of Directors: Composition, Election, Vancancies.** The Association, through its Board ("Board"), is responsible for the maintenance of any Common areas, the determination, imposition and collection of Assessments, the enforcement of the provisions of this Declaration and, in general, the preservation of the residential quality and character of the Project to the benefit and general welfare of each person or entity that is an Owner. The Declarant, as the developer of the Project, shall have authority to appoint the members of the Board until such time as 80% of the Project has been developed and sold. Thereafter, the Board shall be elected by the Members of the Association, as outlined in the ByLaws of the Bonneville Vista Homeowners Association. Members of the Board shall serve for a 3 year period as outlined in the ByLaws of the Association.

3.02 **Voting Rights.** All voting rights of Members shall be subject to the restrictions and limitations in this Declaration, any Supplementary Declaration, the Association's ByLaws and any rules promulgated by the Association.

3.03 **Multiple Ownership.** When more than one person owns a portion of the Unit interest required for membership, each such person shall be a Member and the vote of the Unit owned by more than one person shall be exercised as they among themselves determine, but in no event shall more than one vote be cast for each Unit in the Project.

3.04 **Approval of Members.** Member's votes may be cast in person or by proxy designated in writing and filed with the Association. In any matter requiring the consent of Members, but not specifically provided for in this Declaration or any Supplementary Declaration, a simple majority of the voting power of Members entitled to vote on such matters shall suffice whether done at a meeting of Members specifically called or by written consent.

3.05 **Notice of Meetings.** The Secretary of the Association shall mail or deliver to each Owner of record a notice of each annual or special meeting stating the purpose thereof, as well as the time and place at least ten (10) but not more than twenty (20) days prior to such meeting. The mailing of notice by prepaid U.S. Mail or by delivery in person shall be considered notice served.

ARTICLE IV **BOARD OF DIRECTORS**

4.01 **General Authority.** A Board of Directors shall have and is hereby granted the following authority and power:

- a) The authority to serve as the officers of the Association and to act for and in behalf of the Association as set forth in the Association ByLaws.
- b) The authority to sue on behalf of the Association and to defend any suits against the Association.
- c) The authority to enter into contracts on behalf of the Association, relating to Common Areas and other matters over which the Association has jurisdiction, so long as any vote or consent of Members necessitated by the subject matter or the Agreement has been obtained.
- d) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Board in carrying out Its functions or to insure that the Project is maintained and used in a manner consistent with the collective interests of the Owners.
- e) The authority to perform any other acts or enter into any other transactions which may be reasonably necessary for the Board to perform Its functions as agent for the Association and the Owners.

4.02 **Rights and Duties.** The Board of Directors shall be responsible to carry out the purposes of the Association.

4.03 **Rules and Regulations.** The Board shall make reasonable rules and regulations governing the maintenance and use of any Common Areas and other matters over which It has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in the Declaration. The Board may also take judicial action against any owner to enforce compliance with such rules and regulations or other obligations and provisions of this Declaration.

4.04 **Indemnification of Board.** Each of the Trustees shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, without limitation, attorneys fees reasonably incurred in connection with any proceeding in which such Trustee may become involved by reason of being or having been a member of said Board.

ARTICLE V ASSESSMENTS

5.01 **Agreement to Pay Assessments.** Declarant, for each Unit owned by Declarant, and each Unit Owner on behalf of the Unit they own, hereby covenant and agree to pay, an annual Assessment for the purposes set forth in this Declaration. The Assessment, together with interest thereon, late charges, reasonable attorney fees and court costs, and any other costs of collection (collectively the "related charges"), shall be a charge on the land and shall be a continuing lien upon the Unit against which the Assessment is made.

5.02 **Purpose of Assessment.** The Assessments levied by the Association shall be used exclusively to promote the purposes of the Association, to promote the comfort, health, interests, safety and welfare of the Members collectively and to pay for Common Expenses.

5.03 **Assessment.** The amount and time of payment of Assessments shall be determined by the Board after giving due consideration to the current maintenance, operational and other costs, and future costs of the Association.

ARTICLE VI USE RESTRICTIONS

6.01 **Residential Use.** All Units within the Covered Property will be for residential and related purposes only.

6.02 **Maintenance of Units.** All Units and all improvements thereon shall be kept and maintained by the Owner thereof in clean, safe, attractive, and sightly condition and in good repair.

6.03 **General Restrictions and Prohibited Uses.** The following uses and/or activities of or upon the Covered Property are restricted and/or prohibited:

- a) No noxious or offensive activity shall be carried on or shall anything be done or placed on any Unit which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others.
- b) Garbage cans shall be set out on the street on the day of pick up only.
- c) The Fire Marshall of American Fork has designated the streets in this development as "fire lanes" and therefore no vehicles are permitted to park on the streets at any time. All owners and renters must park in their own garage, driveway, or other designated space for visitors and/or RV parking.
- d) No inoperable vehicles may be parked in the visitor and/or RV parking areas. Inoperable vehicles, to include all trailers, following a warning to the owner, will be towed at the owner's expense.
- e) No commercial vehicles (more than 4 wheels) can be parked on the property.
- f) Homeowners may not modify the landscaping, without approval from the HOA.
- g) Homeowners are not permitted to place any signs, including "For Rent" and/or "For Sale" signs in the common areas.
- h) Homeowners may not alter any of the exterior colors on their units.
- i) Homeowners must obtain prior approval of the HOA before any antenna or satellite dish is installed.

ARTICLE VII GENERAL PROVISIONS

7.01 **Declaration Conflicts.** To the extent the provisions of any Supplemental Declaration is inconsistent with the provisions of this Declaration, the provisions of the instrument imposing the strictest interpretation shall be followed.

7.02 **Enforcement.** The Association, American Fork City, or any Owner, shall have the right to enforce by proceedings at law or in equity all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration or any supplement thereto.

7.03 **Term.** The provisions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Association or any Member, their respective legal representative, heirs, successors, and assigns, for a term of thirty (30) years from the date of the recording of this Declaration and will be automatically renewed for an additional thirty (30) years, and automatically renewed at the conclusion of each thirty (30) year period unless amended, altered or changed by the Members.

7.04 **Construction.** The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Covered Property and any Common Areas.

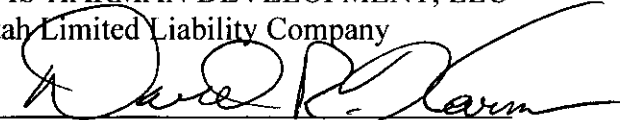
7.05 **Amendments.** On the 10 year anniversary and the 20 year anniversary of the Mast Declaration, a majority of the Members may vote to hold a special meeting to amend the Declaration, which amendments must then be approved by a majority vote, not less than sixty-six and two-thirds percent (66.67%) of Association Members and approval by the city of American Fork. After this Declaration has been in effect for 20 years, it may be amended at any time by the affirmative vote of not less than sixty-six and two-thirds percent (66.67%) of the Members, and approval of any change by the city of American Fork.

7.06 **Effective Date.** This Declaration shall take effect upon recording thereof in the office of the County Recorder of Utah County, Utah.

IN WITNESS WHEREOF the Declarant has executed this Declaration as of the date first hereinabove set forth.

DECLARANT:

DAVIS-HARMAN DEVELOPMENT, LLC
A Utah Limited Liability Company

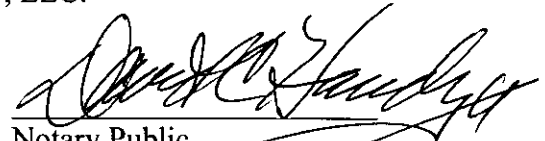
BY: 

David R. Harman, Trustee of
DAVID R. HARMAN TRUST, Member

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of UTAH)

The foregoing instrument was acknowledged before me this day, October 15, 2013, by David R. Harman, in his capacity as Trustee of the DAVID R. HARMAN TRUST, which Trust is a Member of DAVIS-HARMAN DEVELOPMENT, LLC, and is signing on behalf of DAVIS-HARMAN DEVELOPMENT, LLC.


Notary Public

My Commission Expires: 04-15-2015
I reside at: 168 W. 620 S., Orem, UT 84058



EXHIBIT "A"

to

**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
EASEMENTS, RESERVATIONS AND RESTRICTIONS**

OF

BONNEVILLE VISTA TOWNHOMES

PLAT "A" & ~~PLAT "B"~~

(A Commercial Project)

American Fork, Utah



PLAT "A"

Legal Description for

BONNEVILLE VISTA TOWNHOMES PLAT A AMENDED

Commencing 6.95 chains East and 9 chains South from the Northwest corner of the Northwest Quarter of Section 19, Township 5 South, Range 2 East, Salt Lake Base and Meridian; thence South 9.424 chains; thence East 1.515 chains; thence North 9.424 chains; thence West 1.515 chains to the point of beginning.

Less and Excepting therefrom:

Beginning at a point on the South line of Main Street, American Fork, Utah, said point being North 89 degrees 32' 54" East 229.69 feet along the Section line and South 580.97 feet from the Northwest Corner of Section 19, Township 5 South, Range 2 East, Salt Lake Base and Meridian; thence South 89 degrees 28' 58" East 231.10 feet along said South line; thence South 1 degree 47' 57" East 331.09 feet along a fence line; thence South 88 degrees 40' 54" West 10.42 feet along a fence line; thence South 0 degrees 47' 48" East 323.48 feet along a fence line; thence South 88 degrees 19' 23" West 223.09 feet along a fence line; thence North 1 degree 48' 52" West 88.33 feet along a fence line; thence North 88 degrees 24' 37" East 5.81 feet along a fence line; thence North 1 degree 33' 12" West 575.00 feet along a fence line to the point of beginning.

Less and Excepting Well Right #55-640

Subject to:

Boundary Line Agreement recorded on March 31, 1999, as Entry No. 37210, in Book 5030, at Page 605 of official records which reads: Beginning at a point on the West line of 1100 East Street, American Fork, which point lies North 89°32'54" East 1052.58 feet, along the Section line and South 1218.40 feet from the Northwest corner of Section 19, Township 5 South, Range 2 East, Salt Lake Base and Meridian; and thence South 89°46'35" West 587.74 feet along a fence; thence South 0°47'48" East 23.47 feet along a fence; thence South 88°19'23" West 223.09 feet along a fence; thence South 1°44'05" East 147.50 feet along a fence; thence South 1°11'33" East 181.45 feet along a fence; thence South 0°30'38" East 226.89 feet along a fence; thence South 77°38'17" East 132.53 feet along a fence; thence South 76°53'14" East 80.35 feet along a fence; thence North 64°57'00" East 32.92 feet along a fence; thence North 0°50'06" West 256.95 feet along a fence; thence South 89°41'28" East 562.91 feet along a fence to the West line of said 1100 East Street; thence North 0°21'27" East 155.87 feet along said street; thence North 0°31'45" East 33.66 feet along said street; thence North 0°42'84" East 177.37 feet along said street to the point of beginning

BYLAWS

BONNEVILLE VISTA HOMEOWNERS ASSOCIATION

ARTICLE IREGISTERED AGENT AND OFFICE

1. Office and Registered Agent. The initial Registered Agent for the Bonneville Vista Homeowners Association ("Association") shall be David R. Harman, Sr. The initial Registered Office shall be 55 West University Parkway, Orem, UT 84058. However, after transfer of management and control of the Association is made by the Declarant to the members of the Association, the Registered Agent shall be the President of the Association and the Registered Office shall be the home of the President or such other place as shall be designated by him.

ARTICLE IIASSOCIATION

1. Composition. The Bonneville Vista Homeowners Association is a mandatory Association consisting of all Unit Owners, hereinafter referred to as "Member."
2. Place of Meeting. Meetings of the Association shall be held at a suitable place as may be designated by the Officers of the Association prior to each annual or special meeting and included in the "notice of meeting" provided to each Member.
3. Notice of Meeting. It shall be the duty of the Secretary to hand deliver or mail to each Member at his last known address, by regular U.S. Mail postage prepaid, a notice of (a) each annual meeting of the Association so that said Notice of Meeting reaches each Member no less than ten (10) and no more than thirty (30) days in advance of such meeting. The notice shall state the purpose, day, date, time and place of the meeting. The mailing of a Notice of Meeting in the manner provided in this Section shall be considered service of notice.
4. Qualified Voters. A Member shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if he is in full compliance with all of the terms, covenants, and conditions of the Project Documents, and shall have fully paid his share of the Common Expenses and all Assessments and/or Additional Charges due.
5. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member, or in cases where the Member is more than one person, by or on behalf of all such persons. 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 (a) if the Member attends the meeting in person, (b) it is revoked in writing and written notice of the revocation is given to the Secretary of the Association prior to the meeting, and (c) 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 Association prior to the meeting. Only individual Members or the legal representative of an institutional Member may be proxies.

6. Quorum. A quorum, meaning at least 51% of the Members of the Association, must be present in order to adopt any decisions that will be binding on the Association. If however, such quorum shall not be present or represented at any scheduled meeting, the Members entitled to vote at that meeting (whether the Member is there in person or represented by a proxy) shall have power to adjourn the meeting and reschedule said meeting for a time no earlier than two (2) days after the set time for the original meeting. No written Notice of the rescheduled meeting shall be required, but every effort must be made to contact the Members who were not present to let them know of the time, day, date and location of the rescheduled meeting. Those Members present at the rescheduled meeting shall constitute a quorum for the adoption of decisions. When a quorum is present at any meeting, a majority vote of the Members present shall decide any question brought before the meeting. If the Declaration requires a fixed percentage of Members to approve any action, however, that percentage shall be required, anything to the contrary notwithstanding.
7. Order of Business. The order of business at all meetings of the Association shall be as follows:
 - a) Roll Call of Members;
 - b) Reading of the Notice of Meeting and affirmation from the Secretary that all Members of the Association were properly notified;
 - c) Reading of the minutes from the previous meeting of the Association;
 - d) Reports from Officers, if any;
 - e) Reports from special committees, if any;
 - f) Nomination of Officer(s), if needed;
 - g) Appointment of 3 Members to count votes, if needed;
 - h) Election of Association Officer(s), if needed;
 - i) Any unfinished business;
 - j) Assignments, if any, for the next Association meeting, including if possible the date of the next annual meeting.
8. Conduct of Meeting. The President shall, or in his absence the Vice-President, preside over all meetings of the Association; and the Secretary shall keep the minutes of the meeting; conduct a roll call of members prior to the start of a meeting; keep a record of all proxy votes submitted for the meeting; keep a record

of the votes on Officers; keep a record of all proposals passed by the Association Members; keep a record of all transactions occurring at the Meeting; and prepare a written summary of the Association Meeting minutes to be kept on file with the paperwork of the Association.

9. Actions by Officers. In order for the actions of an Officer of the Association to be binding upon the Association, those actions need to be approved by a majority vote of the Officers at a meeting of the Officers. However, an Officer may act prior to a meeting being held by the Officers if there is a written consent, setting forth the action to be taken and signed by all the Officers. Actions taken by Officers that impact the Association shall be communicated to all the Members, either by mail, email or posting of the actions in the Common Areas of the Project within seven (7) days of the actions that were taken.

ARTICLE III BOARD OF DIRECTORS

1. Powers and Duties. The affairs and business of the Association shall be managed by the Board, consisting of three (3) or more Association Members. The Board 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 shall have the power from time to time to adopt any Rules and Regulations deemed proper for the exercise of its management powers. The Board may delegate some of its duties to a property Manager or management firm, when approved by a majority vote of the Members attending an official Association Meeting. The Board shall be responsible for at least the following:
- a) Preparing annual budget;
 - b) Allocating Common Expenses;
 - c) Maintaining the Common Areas and Facilities;
 - d) Collecting Assessments;
 - e) Adopting, amending, and enforcing the Rules and Regulations;
 - f) Enforcing by legal means the Project Documents;
 - g) Obtaining Insurance to cover common areas and actions of Officers;
 - h) Keeping books and records of the Association, its meetings and its actions;
 - i) Taking all necessary actions to accomplish the foregoing and any other action not inconsistent with the Declaration or ByLaws, or do anything else required by a proper resolution of the Board or the Association.
2. Composition of the Board. The Board shall be composed of at least three (3) Association Members. The Association may be expanded to no more than seven (7) Association Members, when a majority of Members, at a duly held Association Meeting, vote to expand the Board. The three members of the Board shall hold the titles of "President," "Vice President/Treasurer," and "Secretary."

If the Board is expanded beyond three (3) members, the Member who receives the highest number of votes at the Association Meeting where the Officers are elected by the Members, shall serve as the President. The person with the second highest number of votes shall serve as the "Vice President/Treasurer." The person with the third highest number of votes shall serve as the "Secretary."

3. Election and Term of Office for Board Members. The Officers of the Association are elected at the annual Association Meeting. Three Officers will be elected: President; Vice President/Treasurer; and Secretary. At the initial meeting to elect Officers the person with the most votes will serve as President; the person with the second most votes will serve as Vice President/Treasurer; and the person with the third highest number of votes will serve as Secretary. After one (1) year, at the next annual Association Meeting, the President is released, the Vice President/Treasurer becomes the President for the following year; and the Secretary becomes the Vice President/Treasurer for the following year and elections are held for a new Secretary. Other than the initial set of Officers, all officers elected at future meetings will serve for three (3) years (one year as Secretary, the next year as Vice President/Treasurer, and their final year as President.
4. Meetings of the Board. A meeting of the Board shall precede each annual Association Meeting, or at such other time and place designated by the Board. Regular meetings of the Board to discuss the management of the Association 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 not less often than monthly. Every effort should be made to have all three members of the Board present at all Board meetings.
5. Quorum for Board Meetings. All meetings of the Board shall be conducted only if there is a Quorum present. A Quorum is defined as a majority of the Board Members serving at the time of the Board Meeting.
6. Special Meetings. Special meetings for the Association Members may be called by the President, Vice President/Treasurer or a majority of the Association Members. Prior notice must be given personally, or by U.S. Mail postage prepaid, at least forty-eight (48) hours prior to such special meeting(s). Prior notice shall include the time, place and purpose of the meeting. A quorum, fifty-one (51) percent of Association Members, must be present or represented in order for the Special Meeting to proceed.
7. Waiver of Notice. Attendance by an Association Member at any meeting, whether it be the annual scheduled Association meeting or any other special meeting called for Association Members, shall constitute a waiver of notice. In addition any Association Member may waive notice, in writing, and such waiver shall be deemed equivalent to the giving of such notice.

8. Vacancy in the Board. Vacancies will occur in the Board if a Member sells his Unit, passes away, becomes incapacitated, resigns or is removed by a process outlined in paragraph "9" and paragraph "10" below. Vacancies in the Board caused by any reason other than removal of a Board Member, as outlined in paragraph "9" and in paragraph "10" below, shall be filled by vote of the majority of the remaining Board Members at a special meeting of the Board held for that purpose as soon as possible after the vacancy has occurred. The new Board Member, who is appointed to fill the vacancy of a previously elected Board Member, shall fill the remainder of the term of the Board Member he is replacing.
9. Automatic removal of a Board Member. A Board Member shall be automatically removed if he misses twenty-five percent (25%) or more of the Board Meetings in a calendar year, or if he misses three (3) consecutive Board Meetings in a calendar year. A special meeting for all Association Members shall be called in order to elect a Board Member to replace the Board Member automatically removed. A majority vote of Association Members at the special meeting is necessary to elect the new Board Member, who will fill the remainder of the term of the removed Board Member.
10. Removal of Board Member by Vote of Association Members. A member of the Board may be removed with or without cause, and his successor shall be elected at a duly called regular or special meeting of the Association where there is a quorum of Association Members present. The Board Member who is the subject of the removal procedure shall be given an opportunity to speak at the Association Meeting prior to a vote being taken for his removal. A majority vote of Association Members is necessary to remove a Board Member and the Member receiving the highest number of votes as a replacement Board Member shall fill the remainder of the term of the removed Board Member.
11. Presiding Authority. The President shall preside over all meetings of the Board and he shall also preside at all Association Meetings. The Vice President/Treasurer shall preside when the President is not in attendance at Board or Association Meetings.
12. Minutes. The Secretary shall keep a Minute Book of the Board Meetings and a separate Minute Book for the Association Meetings. All proposals and resolutions, together with the voting on said resolutions, shall be kept in the appropriate Minute Books for that Meeting. The Minute Book for the Association Meetings shall also contain a list of the Unit Owners (Members) present at the meeting and shall also preserve any written approval for a proxy representing a Member.
13. Report of Board. The Board shall present at each annual meeting, and when called for by vote of the Association Members at any special meeting, a full and clear statement of the business conducted and the present condition and state of financial affairs of the Association.

ARTICLE IV
OFFICERS

1. Designation. The Board shall serve as the principal officers (Officers) of the Association. The Officers shall be designated as President, Vice President/Treasurer and Secretary. The Officers must be Unit Owners (Members) of the Association. Initially, during the construction and development stage of the Project, two offices may be held by one Member, except that the President may not hold two offices.
2. Election of Officers. The Officers of the Association are elected at the annual Association Meeting. Three Officers will be elected: President; Vice President/Treasurer; and Secretary. At the initial meeting to elect Officers the person with the most votes will serve as President; the person with the second most votes will serve as Vice President/Treasurer; and the person with the third highest number of votes will serve as Secretary. After one (1) year, at the next annual Association Meeting, the President is released, the Vice President/Treasurer becomes the President for the following year; and the Secretary becomes the Vice President/Treasurer for the following year and elections are held for a new Secretary. Other than the initial set of Officers, all officers elected at future meetings will serve for three (3) years (one year as Secretary, the next year as Vice President/Treasurer, and their final year as President.
3. Vacancy of Officer position. Vacancies will occur if an Officer sells his Unit, passes away, becomes incapacitated, resigns or is removed by a process outlined in paragraph "4" and paragraph "5" below. Vacancies caused by any reason other than removal of a Board Member, as outlined in paragraph "4" and in paragraph "5" below, shall be filled by vote of the majority of the remaining Board Members at a special meeting of the Board held for that purpose, as soon as possible after the vacancy has occurred. The new Officer, who is appointed to fill the vacancy of a previously elected Officer, shall fill the remainder of the term of the Officer who is being replaced.
4. Automatic removal of an Officer. An Officer shall be automatically removed if he misses twenty-five percent (25%) or more of the Board Meetings in a calendar year, or if he misses three (3) consecutive Board Meetings in a calendar year. A special meeting for all Association Members shall be called in order to elect an Association Member to replace the Officer automatically removed. A majority vote of Association Members is necessary to elect the new Officer, who will fill the remainder of the term of the removed Officer.
5. Removal of an Officer by Vote of Association Members. An Officer may be removed with or without cause, and his successor shall be elected at a duly called regular or special meeting of the Association where there is a quorum of

Association Members present. The Officer who is the subject of the removal procedure shall be given an opportunity to speak at the Association Meeting prior to a vote being taken for his removal. A majority vote of Association Members is necessary to remove an Officer and the Member receiving the highest number of votes as a replacement Officer shall fill the remainder of the term of the removed Officer.

6. President. The President shall be the chief executive Officer. He shall preside at meetings of the Association and at Board Meetings. He shall have general and active management of the business of the Association. He shall have all of the general powers and duties which are usually vested in or incident to the use of a president of a corporation organized under the laws of the State of Utah, with the qualification that all business decisions, carried out by the President, shall be done after discussion of the business matter with the other members of the Board and with a majority approval of the Board.
7. Vice President/Treasurer. The Vice President/Treasurer 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. He shall also serve as the Treasurer. If the Board decides to use a property management firm to handle the collection of all Members fees and the payment of Association bills, the Vice President/Treasurer will be the Officer assigned to closely monitor all the activities, collections and expenditures of the property management firm and provide regular reports to the Board and give a full report to the Association Members at the annual Association Meeting. In the absence of a property management firm, the Vice President/Treasurer shall be responsible for all the financial affairs of the Association, including the creation of an Association bank account, the collection of all Member dues and the expenditure of all Association funds for the expenses of the Association. The bank account of the Association shall be set up with all three Officers on the signature card. Two signatures shall be required on every check issued by the Association.
8. Secretary. The Secretary shall be responsible for the following items:
 - a. Attend and keep records of all the meetings of the Officers and all Association annual meetings, as well as special meetings.
 - b. Create and maintain a current record of all Association Members, including their Unit number, phone number, email address, and any other contact information that will enable the Officers to quickly and easily contact Association Members.
 - c. Record the attendance of Members at each meeting to verify that a quorum exists.
 - d. Keep a record of all the written proxies for each meeting.
 - e. Record all issues raised by the Officers or Members; together with a brief description of the discussion; the proposals made at the meetings; and the votes taken on each issue.

- f. Keep current and retain all the Board and Association records in a location where they can be easily accessed.
- g. Make all Association records available for inspection by Association Members, when requested, at a convenient time and place during reasonable hours during regular business days.
- h. The Vice President/Treasurer shall also be responsible for giving notices for all meetings of the Association, whether annual meetings or special meetings, assuring that all Members of the Association have been notified.

ARTICLE V FISCAL YEAR

The fiscal year of the Association shall be the calendar year, beginning January 1st of each year and terminating on December 31st of each year. The fiscal year may be changed by the Board if it deems that it would be in the best interest of the Association. The Board, however, shall prepare a written report documenting all the reasons and justifications for making the change; send said report to all Association Members; allow a 2 week period for feedback from Association Members; keep a file on all responses from Association Members; and, keep a record of the discussion and vote by the Board, after receiving the feedback from Association Members.

ARTICLE VI INVESTMENT OF COMMON FUNDS

Any funds held by the Association may only be deposited into institutions which are federally insured. Funds that are being retained for specific improvement needs or expenses may be deposited into short term guaranteed return investments (CD's, etc.). No Common Funds of the Association shall be placed into any investment or institution for which any Board Member, or family and friends of any Board Member, has a conflict of interest or may be compensated for the investing of Association funds.

ARTICLE VII AMENDMENT TO BYLAWS

1. Amendment. These ByLaws may be amended as follows:
 - a) General. Except as provided elsewhere in these ByLaws, including by way of illustration but not limitation to sections pertaining to the addition or annexation of any land, any amendment to these ByLaws shall require the affirmative written vote or consent of at least a majority of the total

undivided ownership interest in the Project, cast either in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such majority of Members without a meeting.

- b) Initial Declarant Right to Amend. The Declarant alone may amend or terminate these ByLaws prior to the closing of a sale of the first Unit.
- c) Unilateral Right to Amend Under Certain Conditions. Notwithstanding anything contained in these ByLaws to the contrary, these ByLaws may be amended unilaterally at any time and from time to time by Declarant if such Amendment is (1) necessary to correct typographical errors or inadvertent omissions; (2) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (3) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Units subject to these ByLaws; provided, however, any such amendment shall not materially adversely affect the title to any Unit unless the Owner of said Unit shall consent thereto in writing.
- d) Declarant's Right to Amend Unilaterally Prior to Termination of Declarant's Right to Control. Prior to the expiration of the Period of Declarant's Control, Declarant may unilaterally amend these ByLaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the express written consent of said Unit Owner.
- e) To Satisfy Requirements of Lenders. Anything to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of these ByLaws to such extend and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of these ByLaws or approval of the sale of Units, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot, or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Units and all persons having an interest

therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions hereof deletes, diminishes or alters such control in any manner whatsoever in the opinion of Declarant, then Declarant shall have the unilateral right to amend these ByLaws to restore such control.

- f) Declarant's Rights. No provision of these ByLaws reserving or granting to Declarant any unexpired developmental rights may be amended, including by way of illustration but not limitation a modification which would terminate or decrease any developmental right, without the prior express written consent of Declarant, which consent may be withheld, conditioned or delayed for any reason or for no reason at Declarant's sole and exclusive discretion.
- g) Execution of Amendments. The following shall govern the execution of amendments:
- An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder.
 - An amendment which requires the affirmative written assent or vote of the Unit Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association, who shall certify that all of the voting requirements have been satisfied, and the Declarant, if the Declarant's consent is also required, and recorded in the office of the County Recorder.
2. Effective Upon Recording. An amendment to these ByLaws shall become effective immediately upon recordation in the Office of the County Recorder.

ARTICLE VIII NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under these ByLaws (except as to notices of Association meetings which were previously addressed in Article II of these ByLaws) shall be in writing and shall be deemed to have been duly given if delivered personally or sent by regular U.S. Mail postage prepaid, (a) if to an Unit Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary; or (b) if to the President of the Homeowners Association at the principal office or such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration, or of these ByLaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Declaration.

ARTICLE IX BOOKS AND RECORDS

1. Books and Records. All books and records shall be kept in accordance with generally accepted accounting practices.
2. Financial Statements. Upon the written request of any Unit Owner, the Board shall mail to such Member its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operation, unless the member has already received the same.
3. Limitation of Liability. Neither the Association nor any director, officer, employee or agent of the Association shall be liable to the Member or anyone to whom the Member discloses the financial statement or any information contained therein for any error or omission therein, whether caused without fault, by negligence or by gross negligence, unless (1) the error or omission is material, (2) the director, officer, employee or agent in question knew of the error or omission and intended for the Member or other person to rely thereon to his detriment, (3) the Member or other Persons did reasonably rely thereon, and, in addition, (4) he is otherwise liable under applicable law.
4. Independent Compilation, Review or Audit. Within 120 days of the end of the Association's fiscal year, the Board shall provide either a Compilation Report, Reviewed Financial Statement, or an Audited Financial Statement¹, prepared by

¹ The Board should be sensitive to the legal requirements for, and the costs involved in, preparing financial reports. The Board may require preparation of anything from merely compiled financial statements to a full audit. With **Compiled financial statements**, the accountant simply takes information supplied by the Homeowners Board and puts it in proper financial statement form, without attempting to verify the information supplied. The accountant expresses no assurances regarding the financial statements. **Reviewed financial statements** involve certain inquiries and analytical procedures by the accountant concerning the Association's accounting methods. A review should provide the accountant with a reasonable basis for expressing limited assurances to home owners that no material modification need be made to the financial statements. **Audited financial statements** require detailed examination, tests of accounting records and methods, and direct verification of assets and liabilities with banks, attorneys, creditors, and others. Generally, the accountant will give the Association an unqualified opinion that the financial statements fairly represent the financial position of the Association. Although audited financial statements may be the most thorough, they are also the most expensive financial report and may be unnecessary for the average Association. A compilation is generally the least expensive type of report, but it gives the homeowners no assurances that the Homeowners Board is accounting for Association monies in accordance with generally accepted accounting principles. For this reason, the Homeowners Board may

an independent CPA.² Every third year, or whenever requested in writing by a majority of Members of the Board or Association Unit Owners, the Board shall provide an Audited Financial Statement, which shall be a common expense.

ARTICLE X
COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Conflict. These ByLaws are subordinate and subject to all provisions of the Declaration. 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. In the event of any conflict between these ByLaws and the Declaration, the provision of the Declaration shall control.
2. 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.
3. 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.
4. Interpretation. Whenever in these ByLaws the context so requires, the singular number shall refer to the plural and the converse; and the use of any gender shall be deemed to include both masculine and feminine; and the term "shall" is mandatory while the term "may" is permissive.
5. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

Dated the 15th day of October, 2013.

wish to require only a review, which should be adequate to fulfill the Board's fiduciary duty to account to the Home Owners (Members).

² The CPA may not own or reside in a Unit, serve on the Homeowners Board, be an officer, agent, representative or employee of the Association, or otherwise have a conflict of interest, real or apparent.

