When recorded return to:

Trappers Ridge Homeowners Association 5801 E Elkhorn Drive Eden, UT, 84310

AMENDED AND RESTATED DECLARATION

OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

TRAPPERS RIDGE HOMEOWNERS ASSOCIATION

Table of Contents

Article 1	1 - De	finitions	4
1	1.1	"ACC"	4
1	1.2	"Acts"	4
1	1.3	"Additional Charges"	4
1	1.4	"Additional Land"	4
1	1.5	"Annual Meeting"	4
1	1.6	"Articles"	4
1	1.7	"Assessment"	4
]	1.8	"Association"	4
]	1.9	"Board of Directors" or "Board"	4
]	1.10	"Bylaws"	4
]	1.11	"Common Area"	4
1	1.12	"Common Expenses"	5
1	1.13	"Common Expense Fund"	
1	1.14	"Common Improvements"	
1	1.15	"Community Act"	
1	1.16	"County"	
]	1.17	"Declarant"	
1	1.18	"Declaration"	
	1.19	"Declaration of Annexation"	
]	1.20	"Dwelling"	
	1.21	"Eligible Mortgagee"	
	1.22	"Governing Documents"	
	1.23	"Landscaping"	
	1.24	"Lot"	
	1.25	"Majority of the Owners"	
	1.26	"Manager"	
	1.27	"Member"	
	1.28	"Mortgage"	
	1.29	"Mortgagee"	
	1.30	"Nonprofit Corporation Act"	
	1.31	"Owner"	
	1.32	"Owner Improvements/Amenities"	
	1.33	"Percentage Interest"	
	1.34	"Phase"	
	1.35		8
	1.36	"Project"	
	1.37	"Public Improvements"	
	1.38	"Public Streets"	
	1.39	"Recorder's Office"	
	1.40	"Recording Date"	
	1.41	"Reimbursement Assessment"	
	1.42	"Reserve Fund"	
	1.43	"Rules and Regulations"	
	1.44	"Vacant Lot"	
3			_

Article 2	– Description of Project
2.	1 Project 9
2.	2 Association
2.	3 Legal Description and Location
2.	4 Lots
2.	5 Common Area
2.	6 Common Improvements
2.	7 No Cooperative or Condominiums
2.	8 Right to Expand Project
2.	9 No Restrictions on Alienation
2.	Appointment of Trustee
Article 3	– Owner's Association
3.	
3.	
3.	1
3.	
3.	
3.	·
Article 4	- Board of Directors
4.	
4.	1
4.	11
Article 5	– Maintenance, Repair and Replacement
5.	
5.	- J
5.	\mathcal{O}
5.	
5.	1 J
5.	1 0
5.	
5.	1
5	

Article 6 – A	esthetics and Architectural Standards	23
6.1	Generally	23
6.2	Design and Construction Guidelines	23
6.3	Architectural Control Committee	23
6.4	Dwellings / Owner Improvements/Amenities	24
6.5	Common Area / Common Improvements	
6.6	Vacant Lots	24
6.7	No "Grandfather" Rights	24
6.8	Enforcement/Fines	25
Article 7 – R	estrictions on Use	25
7.1	Occupancy and Use	
7.2	Prohibited Occupation or Uses	
7.3	Commercial / Retail Activities	
7.4	Storage of Waste, Materials or Equipment	
7.5	Vacant Lots	
7.6	Fencing	
7.7	Privacy Zone	
7.8	Drones Prohibited	27
7.9	Clotheslines Prohibited	
7.10	Outdoor Recreational Equipment Prohibited	
7.11	Storage Sheds Prohibited	
7.12	Signage	
7.13	Lighting / "Dark Sky" Compliance	
7.14	Cardboard/Reflective Window Materials Prohibited	
7.15	No Lot Subdivision	29
7.16	Irrigation/Sprinkler Systems	29
7.17	Vehicle Parking	29
7.18	Vehicle Speed Limits	30
7.19	Nuisances and Offensive Activity	30
7.20	Mailbox Banks	31
7.21	No Hazardous Activity	. 31
7.22	Communication Devices	31
7.23	Driveways and Walkways	32
7.24	Hot Tubs	32
7.25	Animals	33
7.26	Dwelling Completion Before Occupancy	34
7.27		
7.28	Effect on Association Insurance	
7 29	Board Rules / Fines	36

Article	8 – Fir	nes	36
	8.1	Generally	36
	8.2	Imposition of Fines	36
	8.3	Amount of Fines	38
	8.4	Tenants/Guests/Occupants	38
Article	9 – Bu	dgets and Expenses	39
	9.1	Association Budget and Estimated Expenses	
	9.2	Reserve Fund Line Item	40
	9.3	Common Expense Fund	40
	9.4	Reserve Analysis	40
	9.5	Reserve Fund	41
	9.6	Funds to be Maintained Separately	41
	9.7	Recordkeeping	41
Article	2 10 – A	ssessments	42
	10.1	Owner Payment of Assessments	42
	10.2	Annual Assessments	46
	10.3	Special Assessments	46
	10.4	Reimbursement Assessments	47
	10.5	Collection of Assessments / Failure to Pay	48
	10.6	Lien / Foreclosure	49
	10.7	Remedies Cumulative	51
Article	: 11 – C	Compliance and Enforcement	51
	11.1	Enforcement	
	11.2	Remedies	51
	11.3	Action by Owners	52
	11.4	No Waiver of Strict Performance	
Article	: 12 – Ir	nsurance	52
	12.1	Property Insurance	
	12.2	General Liability Insurance	53
	12.3	Insurance Coverage for Theft and Embezzlement of Association Funds	
	12.4	Directors and Officers Insurance	
	12.5	Association Personal Property	
	12.6	Workers' Compensation Insurance	
	12.7	Insurance Trustee	
	12.8	Insurance Trustees; Power of Attorney	
	12.9	Miscellaneous	
		Owner Insurance Coverage	55

	3 – Easements
13	3.1 In General
13	3.2 Association Functions
13	3.3 Utility Infrastructure 50
13	3.4 Easement of Enjoyment
13	3.5 Governmental Public Services
Article 14	4 – Encroachments and Remaining Lot Areas
14	4.1 Encroachments
14	1.2 Remaining Lot Area 5
Article 15	5 – Damage, Destruction or Condemnation
15	5.1 Damage or Destruction
15	5.2 Condemnation
15	5.3 Authority of Board to Represent Owners in Condemnation
15	5.4 Settlement Proceeds
15	5.5 Excess Insurance
15	5.6 Inadequate Insurance
Article 16	6 – Consent in Lieu of Vote
16	5.1 Sixty-Day Limit 59
16	S.2 Revocation of Written Consent
16	5.3 Notice 59
16	Statutory Requirements or Restrictions
Article 1	7 – Limitation of Liability
17	7.1 No Personal Liability
17	7.2 Indemnification of Board Members
Article 18	B – Rights of First Mortgagee
Article 19	9 – Declarant's Expansion of Project and General Rights & Obligations 6
19	P.1 Expansion of Project
19	9.2 New Common Improvements
19	9.3 Membership
19	9.4 Board of Directors
19	9.5 Architectural Control Committee / Design and Construction Guidelines 65
19	9.6 Voting Rights
19	9.7 Assessments
19	9.8 Model Homes
19	9.9 Miscellaneous
Article 20	Annevation of Additional Common Area

Article 21 – A	Amendment to Declaration	67
Article 22 – N	Miscellaneous	67
22.1	Service of Process	67
22.2	Delivery of Notices to the Association	67
22.3	Delivery of Notices to the Owners	67
22.4	Delivery of Notices to Mortgagees	68
22.5	Security Disclaimer	69
22.6	Mechanics Lien	69
22.7	Severability	69
22.8	Effective Date	69
22.9	Rules Against Perpetuities and Unreasonable Restraints	69
22.10	Consistent with Acts	69
22.11	Liberal Construction	70
22.12	Covenant Running with Land	70
22.13	"Person", etc	70
22.14	Captions and Exhibits	71

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TRAPPERS RIDGE HOMEOWNERS ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TRAPPERS RIDGE HOMEOWNERS ASSOCIATION ("Declaration") is made by the Trappers Ridge Homeowners Association, Inc., a Utah domestic nonprofit corporation (the "Association") which has been established to govern the common affairs of the Association's members, protect property values and enforce the covenants, conditions, restrictions, rules and regulations of the Association.

RECITALS

- A. On or about October 22, 2002, Russell Watts executed that certain Articles of Incorporation of Trappers Ridge Homeowners Association, Inc. (the "**Original Articles**"), which were recorded in the Weber County Recorder's Office on October 30, 2002 in Book 2279 at Page 1361 et. seq. as Entry No. 1885576. The Original Articles were never recorded with the Utah Division of Corporations. Although the Original Articles were recorded with the Weber County Recorder's Office, that recording was unnecessary and did not serve to establish Trappers Ridge Homeowners Association, Inc. as a Utah nonprofit corporation.
- B. On or about October 22, 2002, Russell Watts, on behalf of Eden Village, LLC, a Utah limited liability company ("**Eden Village**") executed that certain Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D. (the "**Original Declaration**") which was recorded in the Weber County Recorder's Office on October 30, 2002 in Book 2279 at Page 1367 et. seq. as Entry No. 1885577.
- C. On or about October 22, 2002, Russell Watts, on behalf of Trappers Ridge Homeowners Association, Inc. executed that certain Bylaws of Trappers Ridge Homeowners Association, Inc. (the "**Original Bylaws**"). The Original Bylaws were never recorded with the Weber County Recorder's Office.
- D. On October 30, 2002, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 1" which was recorded in the Weber County Recorder's Office on October 30, 2002 in Book 56 at Page 87 as Entry No. 1885575 (the "**Phase 1 Map**").
- E. On February 8, 2004, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 2" which was recorded in the Weber County Recorder's Office on February 10, 2004 in Book 59 at Page 24 as Entry No. 2010626 (the "**Phase 2 Map**").

- F. On or about January 21, 2004, Eden Village made and executed that certain document entitled "The First Amendment to the Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D., which was recorded in the Weber County Recorder's Office on February 10, 2004 as Entry No. 2010627 (the "**First Amendment**").
- G. On August 9, 2004, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 3" which was recorded in the Weber County Recorder's Office on August 18, 2004 in Book 60 at Page 24 as Entry No. 2050968 (the "**Phase 3 Map**").
- H. On or about August 11, 2004, Eden Village made and executed that certain document entitled "The Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D., which was recorded in the Weber County Recorder's Office on August 18, 2004 as Entry No. 2050969 (the "Second Amendment").
- I. On April 4, 2005, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 4" which was recorded in the Weber County Recorder's Office on April 28, 2005 in Book 61 at Page 60 as Entry No. 2099635 (the "**Phase 4 Map**").
- J. On or about April 24, 2005, Eden Village made and executed that certain document entitled "The Third Amendment to the Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D., which was recorded in the Weber County Recorder's Office on April 28, 2005 as Entry No. 2099636 (the "**Third Amendment**").
- K. On July 19, 2005, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 5" which was recorded in the Weber County Recorder's Office on August 10, 2005 in Book 62 at Page 23 as Entry No. 2121629 (the "**Phase 5 Map**").
- L. On or about August 10, 2005, Eden Village made and executed that certain document entitled "The Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D., which was recorded in the Weber County Recorder's Office on August 10, 2005 as Entry No. 2121630 (the "Fourth Amendment").
- M. On July 3, 2006, Russell Watts, in his capacity as Manager of Eden Village executed that certain plat map entitled "Trappers Ridge at Wolf Creek P.R.U.D., Phase 6" which was recorded in the Weber County Recorder's Office on July 17, 2006 in Book 64 at Page 29 as Entry No. 2194026 (the "**Phase 6 Map**").
- N. On or about May 26, 2006, Eden Village made and executed that certain document entitled "The Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions of Trappers Ridge, P.R.U.D., which was recorded in the Weber County Recorder's Office on July 17, 2006 as Entry No. 2194027 (the "**Fifth Amendment**").

- O. The sole purpose of the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, and the Fifth Amendment (collectively, the "Amendments") was to annex each Phase into the Community and cause each such Phase to be subject to the Original Declaration. Aside from updating Exhibit "C" to the Original Declaration (which set forth the pro rata rate of Assessment for each Lot) the Amendments did not amend, revise or alter the Original Declaration in any substantive manner whatsoever.
- P. On October 26, 2016, the "Articles of Incorporation of Trappers Ridge Homeowners Association, Inc." (the "Articles") were received by, and recorded with, the Utah Division of Corporations and Commercial Code of the Utah Department of Commerce. The Articles legally formed that certain Utah nonprofit corporation known as "Trappers Ridge Homeowners Association, Inc." (the "Association"). To the extent the Original Articles were previously deemed to have any relevancy or enforceability whatsoever, immediately upon their recordation with the Utah Division of Corporations and Commercial Code, the Articles completely replaced and superseded the Original Articles in their entirety.
- Q. The Association, on behalf of its Owners now desires to adopt and record this Declaration and the attached Bylaws to, among other things: (i) establish a uniform set of covenants, conditions and restrictions for the Community consistent with current applicable laws, rules and regulations related to community associations and Planned Residential Unit Developments, (iii) formally establish the Association's Bylaws, and (iii) clarify the Declarant's rights, obligations and authority with regard to the Community.
- R. Accordingly, this Declaration and the attached Bylaws shall completely replace and supersede, and restate in their entirety: (i) the Original Declaration, (ii) the Original Bylaws, (iii) each of the Amendments, and (iv) any other recorded or unrecorded declarations or bylaws, and any amendments or supplements to any such other declarations or bylaws, or any similar recorded or unrecorded documents that may have been solely recorded or enforced against the Property (or any portion thereof) prior to the date this Declaration is recorded.
- S. Consistent with the requirements of the Community Act, the Original Declaration and the Original Bylaws, this Declaration and the attached Bylaws have been adopted and approved by an affirmative vote of at least two-thirds (2/3) of the Owners.

DECLARATION

It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment respecting the Project or any Lot that the Governing Documents together with the Plat Map referred to herein, sets forth covenants, conditions, restrictions, and reservations effecting a common plan for a planned unit development that is mutually beneficial to the owners of each of the described Lots, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Project and upon each Lot as a parcel of realty, and upon such Lot's owners or possessors, and their respective heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of Lots under security instruments.

ARTICLE 1 - DEFINITIONS

The following words when used in the Governing Documents and/or the Plat Map(s) (unless the context otherwise requires) shall have the following meanings:

- 1.1 "ACC" means and refers to the Architectural Control Committee as more particularly described under Article 6.
- 1.2 "Acts" collectively means and refers to the Community Act and the Nonprofit Corporation Act, as such Acts may be supplemented or amended from time to time.
- 1.3 "Additional Charges" cumulatively means and refers to all collection and administrative costs, including but not limited to all attorney's fees, late charges, accruing interest, service fees, filing and recordation fees, and other expenditures incurred or charged by the Association.
- 1.4 "Additional Land" means and refers to any additional real property that Declarant may add to the Project as provided under <u>Subsection 19.1.2</u>. No portion of the Additional Land shall be subject to or governed by any provisions of the Governing Documents unless and until such portion of the Additional Land has been annexed into the Project as provided in this Declaration.
- 1.5 "Annual Meeting" means and refers to the annual meeting of the Owners/Members which shall be held at the Project as more particularly described under <u>Section 2.2</u> of the Bylaws.
- 1.6 "**Articles**" means the Articles of Incorporation of Trappers Ridge Homeowners Association, Inc. as referenced and described under <u>Recital P</u> of this Declaration.
- 1.7 "Assessment" means any charge imposed or levied by the Association on or against an Owner or Lot pursuant to the provisions of the Governing Documents or any applicable law, including Annual Assessments, Special Assessments, Reimbursement Assessments and any other Assessments which may be applicable to one or more Owners.
- 1.8 "Association" means and refers to Trappers Ridge Homeowners Association, Inc., or any other entity as the Association may be known and identified by the business entity records of the Utah Division of Corporations and Commercial Code of the Utah Department of Commerce.
- 1.9 "**Board of Directors**" or "**Board**" shall mean and refer to the governing board of the Association vested with the authority to manage and maintain the Project and to enforce the Governing Documents.
- 1.10 "**Bylaws**" means the Bylaws of the Association, as they may be amended from time to time, which are attached to and made part of this Declaration as <u>Exhibit "B"</u>.
- 1.11 "Common Area" means any portion of the Project that is <u>not</u> a Public Street or a Lot. Without in any way limiting the previous sentence, Common Area shall include those portions of the Project identified on the Plat Maps as "COMMON AREAS" and/or "CA" pursuant to the Plat Map notes.

The notes for the Phase 3 Map, Phase 4 Map, Phase 5 Map, and Phase 6 Map imply that the Common Areas of the Project are separate and apart from various utility and drainage easements that are identified and depicted on the Plat Maps. This is incorrect – the utility and drainage easements identified and depicted on the Plat Maps are located within, and are part of, the Common Area. This will also be true with regard to any such easements that may be located on or within any Common Area for any future Phases of the Project.

- 1.12 "Common Expenses" means and refers to any costs incurred by the Association in order to exercise any of the powers provided for in the Governing Documents, including, for example, but without limitation:
 - (a) Expenditures lawfully made or incurred by or on behalf of the Association for the administration, maintenance, repair, or replacement of the Common Area (including certain Common Improvements as more particularly set forth in this Declaration);
 - (b) Any sums that may be required by the Board and/or the Manager to perform or exercise their functions, duties, or rights under the Acts or the Governing Documents;
 - (c) Expenditures lawfully made or incurred by or on behalf of the Association for the operation, management and regulation of the Project; and
 - (d) Any other expenses that are identified or defined as Common Expenses under the Acts or the Governing Documents.
- 1.13 "Common Expense Fund" means and refers to that fund more particularly described under Section 9.3, which is to be used to cover basic expenses related to administration, maintenance, and management of the Association and Project including, without limitation, the Common Expenses and those expenditures more particularly described under Section 4.3 of this Declaration.
- 1.14 "Common Improvements" means, refers to and includes any infrastructure, facilities and/or improvements located within the Project that: (a) the Association intends to be used or enjoyed by all Owners or more than one Owner; and (b) have been recognized and identified as a Common Improvement by either: (x) this Declaration; (y) a majority of the Board; or (z) a Majority of the Owners. Common Improvements are generally intended to include any improvements that have been placed or installed on the Common Area by the Association or were previously placed or installed on the Common Area by the Declarant as part of the Declarant's original development of the Project. Common Improvements do not include any such improvements that may have been placed or installed on any portion of the Common Area by an Owner.

As used in this Declaration, the term "Common Improvements" shall include the following improvements located within the Project: (i) any thoroughfares that are not Public Streets, (ii) any sidewalks, curbs, gutters or similar improvements located on Common Area that are not Public Improvements and are not Owner Improvements/Amenities, (iii) parking areas, (iv) mailbox banks, (v) tennis courts, basketball courts or fencing or other improvements that enclose or are part of such tennis courts or basketball courts, (vi) the Club House as shown on the Phase 2 Map and any other clubhouse or similar structure intended for use by the Owners that may be constructed on any other portion of the Project, (vii) the swimming pool and whirlpool that are part of the Club House and any other swimming pools, whirlpools or similar amenities that may be installed on any other portion of the Project for use by the Owners, (viii) Project signage, monuments or statues,

- (ix) various permanent water features that have been or may be installed by the Association or the Declarant as part of the Project's development plan, (x) streetlights, (xi) walking trails, (xii) any fencing that may be installed and/or maintained by the Association, (xiii) any secondary water irrigation/sprinkler systems, including any Irrigation System Control Devices or other components of such systems, (xiv) any Landscaping located within the Project, and (xv) any other facilities, improvements or amenities located on the Common Area that are intended to be used or enjoyed by all Owners or more than one Owner.
- 1.15 "**Community Act**" means and refers to the Utah Community Association Act (Utah Code Section 57-8a-101 *et. seq.*) as may be supplemented or amended from time to time.
- 1.16 "County" means and refers to Weber County, located in the State of Utah.
- 1.17 "**Declarant**" means and refers to Eden Village, LLC, a Utah limited liability company, or any assignee or successor of Eden Village, LLC.
- 1.18 "**Declaration**" means and refers to this Amended and Restated Declaration of Covenants, Conditions, and Restrictions, as may be amended or supplemented from time to time.
- 1.19 "**Declaration of Annexation**" means and refers to a written declaration that has been executed and recorded by both the Association and the Declarant. The Declaration of Annexation is to be used for the sole purpose of annexing all or any portion of the Additional Land into the Project so that the annexed Additional Land becomes subject to the terms, conditions, covenants and restrictions of this Declaration and all other Governing Documents. Without in any way limiting the previous sentence, the Declaration of Annexation may not be used to amend, revise or clarify any term or condition of this Declaration or any other Governing Document.
- 1.20 "**Dwelling**" means and refers to the single-family residential structure that has been built, or may be built, on any Lot, including the attached garage.
- 1.21 "**Eligible Mortgagee**" means and refers any mortgagee, beneficiary under a trust deed, or lender who has requested written notice of certain matters from the Association in accordance with this Declaration.
- 1.22 "Governing Documents" means and refers to this Declaration, the Bylaws, the Rules and Regulations of the Association, and the Design and Construction Guidelines, as such documents may be amended or supplemented from time to time.
- 1.23 "Landscaping" means and refers to any and all vegetation and flora located within the Project such as, for example, grass, lawns, flowers, plants, hedges, shrubs, bushes, trees, or any other similar vegetation or flora.
- 1.24 "Lot" shall mean and refer to any numbered Lot as shown on the Plat Maps. Each Lot indicates the intended "footprint" or "building envelope" for the construction of a Dwelling. Each Owner of a Lot owns his or her Lot in fee simple.

- 1.25 "Majority of the Owners" shall mean and refer to more at least 51% of the Owners of all Lots that are part of the Project. As set forth under Section 3.4.3, the vote for each Lot must be cast as a single vote. Accordingly, if a Lot is owned by more than one Owner, the co-Owners of such Lot will be deemed as one Owner for the purpose of determining whether a "Majority of the Owners" have approved or disapproved a particular matter.
- 1.26 "Manager" shall mean and refer to any person and/or entity that may be retained by the Association to manage, operate and/or maintain the Project by, among other matters, enforcing the Governing Documents. The obligations, duties and authority of the Manager shall be set forth in a written agreement that has been adopted and signed by the Manager and by the Board on behalf of the Association. The term "Manager" shall <u>not</u> refer to any person and/or entity (i.e. property manager, rental management company, etc.) that may be retained by any Owner(s) to manage or maintain that Owner's Lot or Dwelling.
- 1.27 "**Member**" shall mean and refer to the Owner of a Lot (whether or not the Dwelling located on such Lot serves as the Owner's primary residence). Each Member is entitled to participate in decisions made by the Association. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. The term "Owner" and "Member" shall be deemed as synonymous under the Governing Documents.
- 1.28 "Mortgage" means any mortgage or deed of trust encumbering any Dwelling or Lot and any other security interest existing by virtue of any other form of security instrument or arrangement, provided an instrument evidencing any such mortgage, deed of trust or other form of security instrument or arrangement has been recorded with the Recorder's Office. The term "Mortgage" shall not mean or refer to an executory contract of sale.
- 1.29 "**Mortgagee**" means the person or entity secured by a Mortgage, or the holder of the mortgage or deed of trust on a Lot. The term "Mortgagee" shall not mean or refer to a seller under an executory contract of sale.
- 1.30 "**Nonprofit Corporation Act**" means and refers to the Utah Revised Nonprofit Corporation Act (Utah Code Section 16-6a *et seq.*) as may be supplemented or amended from time to time.
- 1.31 "Owner" shall mean and refer to the owner(s) of record of any Lot (and the Dwelling constructed on such Lot, if any) according to the Recorder's Office. As used in this Declaration, the term "Owner" does <u>not</u> include a mortgagee, a beneficiary or trustee under a deed of trust, or any other person or entity holding a security interest in a Lot (including the Dwelling constructed in such Lot, if any) unless and until such party has acquired title to the Lot (and the Dwelling constructed upon such Lot, if any) pursuant to foreclosure or any arrangement or proceeding in lieu thereof. The term "Owner" and "Member" shall be deemed as synonymous under the Governing Documents.

1.32 "Owner Improvements/Amenities" refers to and includes: (a) exterior improvements that are appurtenant to a particular Dwelling such as driveways, walkways, steps, porticos, patios, decks, exterior railings, and similar exterior Dwelling improvements; (b) exterior landscaping décor such as planters, pergolas, trellises, landscaping curbs, fountains, or any other similar exterior landscaping décor or improvements; (c) hot tubs, Jacuzzis, barbeque grills, fire bowls, patio heaters, canopies, awnings, benches, picnic tables, patio furniture, hammocks, and patio or courtyard lighting; (d) exterior statues, sculptures or similar items; and (e) any other similar exterior improvements, equipment and/or amenities located in the Project that are appurtenant to a particular Dwelling and are owned, leased or controlled by the Owner(s) of such Dwelling or an agent of such Owner(s).

The term "Owner Improvements/Amenities" also refers to and includes water pipes, sewer lines, natural gas lines, electrical wires/conduits, phone lines or any similar or related infrastructure (collectively, "**Utility Infrastructure**") that runs between, or is situated between, any Dwelling and the location at which the utility company or utility district is responsible for maintaining, repairing or replacing such Utility Infrastructure (as solely determined by the utility company or utility district) including, without limitation, any such Utility Infrastructure that may run under or through any Common Area.

The definition of "Owner Improvements/Amenities" set forth under this <u>Section 1.32</u> includes any of the above-described improvements, equipment or amenities that any Owner (or the agent of any Owner) may have temporarily or permanently constructed, stored or installed upon any portion of the Common Area, provided the construction, storage or installation of such improvements, equipment or amenities has been approved by the Board as more particularly described in or required by the Governing Documents.

- 1.33 "Percentage Interest" means and refers to the percentage of undivided ownership interest of each Lot Owner in the Common Area. The Percentage Interest of each Lot Owner shall be calculated by dividing the number "1" by the total number of Lots in the Project.
- 1.34 "**Phase**" shall mean and refer to a particular stage or area of development within the Project as designated by the Declarant.
- 1.35 "Plat Maps" collectively means and refers to the Phase 1 Map, the Phase 2 Map, the Phase 3 Map, the Phase 4 Map, the Phase 5 Map, the Phase 6 Map, and any other plat maps that may be recorded as part of the Project. The term "Plat Map" individually refers to any one of the Plat Maps as applicable under the circumstances.
- 1.36 "**Project**" means that certain residential subdivision commonly known as "Trappers Ridge at Wolf Creek." The "Project" includes the land upon which the Project is located, as well as any Lots, Dwellings, Owner Improvements/Amenities, Common Area, Common Improvements, Public Streets and Public Improvements located upon such land. The term "Project" also includes all easements, rights, restrictions and servitudes related to the Project.
- 1.37 "**Public Improvements**" means and refers to those improvements located within the Project that are maintained, repaired and replaced by the County including, for example and without limitation, any pavement, curbs and gutters that are part of the Public Streets. The County shall solely determine which improvements located within the Project are Public Improvements.

- 1.38 "**Public Streets**" means and refers to those streets located within the Project that, pursuant to the Plat Maps, have been dedicated as public thoroughfares that are to be maintained, repaired and replaced by the County. Such streets are also identified in the Plat Map notes as "R.O.W.'S" (Right Of Ways).
- 1.39 "**Recorder's Office**" means the Recorder's Office of Weber County, State of Utah.
- 1.40 "**Recording Date**" means the date upon which this Declaration is recorded in the Recorder's Office.
- 1.41 "**Reimbursement Assessment**" means and refers to any Assessment that may be imposed against one or more Owner (but less than all Owners) pursuant to <u>Section 10.4</u>.
- 1.42 "**Reserve Fund**" means and refers to that certain fund more particularly identified and described under <u>Section 9.5</u>, which is used to pay the cost of repairing, replacing, and/or restoring Common Area, including certain Common Improvements that have a useful life of three (3) years or more.
- 1.43 "Rules and Regulations" means and refers to any rules and/or regulations that may be adopted, passed, amended, revised and/or enforced by the Board from time to time as deemed by the Board as necessary for the Owners' use and enjoyment of the Project. Prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, the Board must first comply with the requirements of Section 217 of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and allowing Owners an opportunity to be heard at a Board meeting before the Board takes any action regarding any proposed Rule or Regulation.
- 1.44 "Vacant Lot" means and refers to any Lot upon which construction of a Dwelling has yet to begin. As with any Lot: (A) each Vacant Lot is the intended "footprint" or "building envelope" for construction of a Dwelling; and (B) the Owner of any Vacant Lot shall own such Vacant Lot in fee simple. A Lot shall cease to be deemed a "Vacant Lot" immediately upon the completion of construction of a Dwelling, or any improvements related to such Dwelling, upon such Lot.

ARTICLE 2 – DESCRIPTION OF PROJECT

The purpose of this <u>Article 2</u> is to provide certain information required under Section 57-8a-212 of the Community Act.

2.1 Project

The name of the Project is "Trappers Ridge at Wolf Creek." The Project is a Planned Residential Unit Development (PRUD). The Project consists of Lots, Common Areas and Public Streets, upon which Dwellings, Owner Improvements/Amenities, Common Improvements and Public Improvements have been or will be constructed, placed or installed. Certain elements of the Project, such as Lots, Common Area, Public Streets, and utility and drainage easements are identified and/or depicted on the Plat Maps.

2.2 Association

The name of the Association is "Trappers Ridge Homeowners Association, Inc." which shall manage, govern and administer the entire Project.

2.3 Legal Description and Location

The legal description of the land on which the Project is located as of the Recording Date is set forth under <u>Exhibit "A"</u> which is attached to and made part of this Declaration. The entire Project is located within Weber County in the State of Utah.

2.4 Lots

Each Lot is identified, depicted and numbered on the Plat Maps. Each Lot may be independently owned, encumbered, and conveyed. Each Lot reflects the intended "footprint" or "building envelope" for the construction of a Dwelling.

2.5 Common Area

The Common Areas of the Project are identified and depicted on the Plat Maps. The Common Areas of the Project are labeled or identified on the Plat Maps as "COMMON AREAS" and/or "CA." The Common Areas constitute all portions of the Project that are not Lots or Public Streets.

The notes for the Phase 3 Map, Phase 4 Map, Phase 5 Map, and Phase 6 Map imply that the Common Areas of the Project are separate and apart from various utility and drainage easements that are identified and depicted on the Plat Maps. This is incorrect – the utility and drainage easements identified and depicted on the Plat Maps are located within, and are part of, the Common Area. This will also be true with regard to any such easements that may be located on or within any Common Area for any future Phases of the Project.

2.6 Common Improvements

As of the Recording Date, the Project includes the following Common Improvements: the Club House (including the swimming pool and whirlpool that are part of the Club House), tennis courts, basketball courts, open space, walking trails, water features, benches and picnic tables, and viewing areas.

2.7 No Cooperative or Condominiums

The Project is not a cooperative, and no portion of the Project contains or will contain any condominiums.

2.8 Right to Expand Project

Pursuant to <u>Article 19</u> of this Declaration, Declarant has the option to expand the Project by annexing all or a portion of the Additional Land into the Project by recording one or more Declarations of Annexation with the Recorder's Office.

2.9 No Restrictions on Alienation

Except as otherwise provided under the Governing Documents, there shall be no restriction or restraint on alienation of any Lot or any Dwelling located on such Lot. The language of this Section 2.9 is subject to any applicable laws, rules, regulations or ordinances that may be imposed by Weber County or any local government agencies (e.g. restrictions on short-term rentals). The language of this Section 2.9 is also subject to any Rules and Regulations the Association may adopt regarding short-term rentals or long-term leases.

2.10 Appointment of Trustee

Metro National Title ("**Metro**") located at 1366 South Legend Hills Drive, Suite #140, Clearfield, UT 84015 is hereby appointed and designated as the trustee for purposes of enforcing and securing payment of Assessments pursuant to Utah Code Sections 57-1-20 and 57-8a-302.

ARTICLE 3 - OWNERS' ASSOCIATION

3.1 Form of Association

The Association is a Utah nonprofit corporation organized under the laws of the State of Utah.

3.2 Membership

- 3.2.1 <u>Qualification</u>. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association.
- 3.2.2 <u>Transfer of Membership</u>. Each Owner's Association membership shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer of any Association membership shall be void. Any transfer of title to a Lot shall automatically transfer to the Lot's new Owner the membership in the Association that is appurtenant to such Lot.
- 3.2.3 <u>Mandatory Membership</u>. The Owner of each Lot is required to be a Member of the Association. Likewise, each purchaser of a Lot, by virtue of accepting a deed or other document of conveyance thereto, shall automatically become a Member of the Association. Membership may not be partitioned from the ownership of any Lot.
- 3.2.4 No Membership for Tenants or Lessees. Limited membership privileges shall be extended to the tenants and lessees of Dwellings as provided for in the Governing Documents, but tenants and lessees shall not be Members nor shall they have the right to vote.

3.3 Change of Ownership

In the event a Lot and/or Dwelling is conveyed, sold or otherwise transferred, no later than five (5) business days following the date the conveyance document (*i.e.* recorded grant deed, quitclaim deed, etc.) has been recorded with the Recorder's Office, the new Owner shall deliver (or shall cause to be delivered) to the Association a transfer fee of \$50 or such higher amount as may be permitted under the Community Act. The new Owner may either deliver the transfer fee directly to the Secretary or may cause the transfer fee to be delivered to the Association as part of the closing of escrow on the new Owner's purchase of the Lot/Dwelling. As set forth under Section 22.3, each new Owner shall provide the Secretary of the Association with an email address and mailing address where the Association may deliver notices as set forth under the Governing Documents.

3.4 Voting

- 3.4.1 <u>Number of Votes</u>. The collective voting power of the Owners shall be equal to the total number of Lots that comprise the Project. The Owner(s) of any one Lot shall be entitled to one (1) vote.
- 3.4.2 <u>Voting Owner</u>. There shall be one "voting representative" for each Lot. If a person owns more than one Lot, that person shall have the votes for each Lot owned. For any Lot held in trust, the Owner shall be the acting trustee of the trust at the time.
- 3.4.3 <u>Joint Owner Disputes</u>. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event the joint Owners of any Lot are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.
- 3.4.4 <u>Pledged Votes</u>. In the event the record Owner or Owners of any Lot have pledged their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendor under a duly recorded real estate contract, only the vote of such mortgagee, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with such a pledge has been filed with the Board.
- 3.4.5 <u>Notice of Owners' Vote</u>. The Association may provide all Owners with notice of any matter upon which the Owners must vote, or have been invited to vote, in any manner permitted under <u>Section 22.3</u> of this Declaration.
- 3.4.6 <u>Mail-In Ballots</u>. In any instance where voting on a matter is permitted or required herein, such vote may be carried out without a meeting by mail-in ballot sent to all Owners entitled to vote on the matter pursuant to the applicable procedure set forth in the Bylaws, and the approval of a majority of the votes actually cast shall be sufficient to approve such matter, except where a different threshold is specifically required herein.

3.4.7 Online/Electronic Mail Voting. Unless otherwise prohibited by the Acts, with regard to any matter upon which the Owners must vote, or have been invited to vote, the Association may utilize online balloting as provided and administered through a reputable third party online/website service. The Association may not simply send an email to Owners requesting that Owners vote by replying to the email. The Association may, however, email a scanned copy of a ballot to Owners and permit the Owners to either mail the completed ballot back to the Association, or email a scanned copy of the completed ballot to the Association. Notwithstanding any other provision of this Declaration, the Association must mail to, and receive from, all Owners a hardcopy (paper) ballot for any vote related to an amendment to this Declaration. Any such vote related to an amendment of this Declaration may not be administered via email or an online/website service. All other matters, including for example and without limitation, the election of Board members or the approval of a Special Assessment may be administered via email or an online/website service.

3.5 Bylaws of Association

3.5.1 Adoption of Bylaws

Bylaws for administration of the Association and the Project and for other purposes not inconsistent with the Acts or with the intent of this Declaration, have been adopted by the Association and a copy of such Bylaws is attached to and made part of this Declaration as Exhibit "B".

3.5.2 Bylaws Provisions

The Bylaws may contain supplementary provisions, not inconsistent with this Declaration, regarding the operation, management and administration of the Project.

3.6 Attorney in Fact

Each Owner, by the mere act of becoming an Owner or contract purchaser of a Lot, irrevocably appoints the Association as such Owner's attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association, including but not limited to the duties to manage, operate, maintain, repair and improve the Project, to negotiate with insurance carriers upon damage or destruction to certain portions of the Project, and to secure insurance proceeds.

ARTICLE 4 – BOARD OF DIRECTORS

4.1 Board Purpose

Administrative, management, and enforcement authority of the Association is vested in the Board, which shall be elected by the Owners pursuant to the Bylaws. The Board, for the benefit of the Association and the Owners, shall administer, manage and enforce the provisions of the Governing Documents and shall have all powers and authority permitted to the Board under the Acts and the Governing Documents. The Board shall elect officers from among the Board members pursuant to the Bylaws. The Board may delegate all or any portion of the Board's authority to a Manager, or in such other manner as may be permitted under the Governing Documents.

4.2 Board Approvals

Any actions requiring Board approval under the Governing Documents including, without limitation, any actions the Board is permitted to take or approve without prior approval of the Owners (such as, for example, the imposition of certain Special Assessments per Section 10.3 of this Declaration) must be adopted and approved by a majority vote of the Board (*i.e.* more than half of the Board members).

4.3 Board Authority

- 4.3.1 The Board shall acquire, and shall pay for out of the Common Expense Fund, any goods and services required for the proper functioning of the Association and the Project, including but not limited to the following:
- (a) <u>Utilities</u>. Water, sewer, garbage collection, electrical, telephone, gas and any other utility service as may be necessary for the operation or maintenance of the Common Area or any Common Improvement.
- (b) <u>Insurance</u>. Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, fidelity of Association officers and Association agents or employees, and director's and officer's liability or errors and omissions, as such policies are more fully described and required in this Declaration and in the Bylaws.
- (c) <u>Management Services</u>. The services of persons or firms as required to properly manage and operate the affairs of the Association and/or the Project to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation, maintenance, repair and/or replacement of the Common Area and any Common Improvements, whether or not such personnel are hired directly by the Board or are furnished or hired by the Manager.
- (d) <u>Professional Services</u>. Legal and accounting services necessary or proper in the management and operation of the Association's affairs, administration of the Project, or the interpretation, modification, or enforcement of the Governing Documents.
- (e) <u>Common Area Maintenance Services</u>. Maintenance, restoration, replacement and/or repair of the Common Area and Common Improvements as the Board shall determine as necessary and proper.
- (f) <u>Materials, Supplies</u>. Materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in the Board's reasonable opinion shall be necessary or proper for the operation of the Project or for the enforcement of the Governing Documents; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular Lots or their Owners, the cost thereof shall be charged to the Owner(s) of such Lots via Reimbursement Assessment.

- (g) <u>Personal & Real Property</u>. Acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interest therein, and dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the Owners in the same proportion as their Percentage Interest, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the Association as the Board may direct. The Board shall not, however, in any case acquire real property personal property or equipment (other than for purposes of restoring, repairing or replacing portions of the Common Area or any Common Improvements) valued in excess of Five Percent (5%) of the total Annual Budget (excluding the amount of the Reserve Fund Line Item) by lease or purchase without the approval of a Majority of the Owners.
- (h) <u>Lien Discharge</u>. Pay any amount necessary to discharge any lien or encumbrance levied against the Project or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Project or against the Common Areas or any Common Improvement, rather than merely against the interest therein of any particular Owner(s). Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the Owners and the Lot responsible to the extent of their responsibility.
- 4.3.2 <u>Not for Profit</u>. Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all or any of the Owners.
- 4.3.3 <u>Right to Contract</u>. The Board shall have the right to contract for all goods and services on behalf of the Association, payment of which is to be made from the Common Expense Fund. The Board may delegate such powers to a Manager subject to the terms and conditions of the Governing Documents.
- 4.3.4 <u>Common Area Entry by Board</u>. The Board and its agents or designees (including the Manager, if any) may enter any portion of the Common Area from time to time in order to perform and discharge the responsibilities, duties and obligations of the Association pursuant to the Governing Documents.

ARTICLE 5 – MAINTENANCE, REPAIR AND REPLACEMENT OF LOTS, DWELLINGS, COMMON AREAS, COMMON IMPROVEMENTS & OWNER IMPROVEMENTS/AMENITIES

5.1 Generally

Each Lot and Dwelling, all Common Area, all Common Improvements, and all Owner Improvements/Amenities shall be consistently used, operated, maintained, repaired and/or replaced so as not to (a) detract from the uniform appearance of the Project, (b) adversely impact the value, safety or use of any portion of the Project; or (c) pose any threat to the health or safety of any animals or people.

5.2 Lots and Dwellings

- 5.2.1 No Association Responsibility. The Association shall have no responsibility or liability whatsoever regarding the maintenance, repair or replacement of any portion or any aspect of any Dwelling or any Lot.
- 5.2.2 <u>Property Deterioration</u>. Owners shall not allow Property Deterioration to occur on or to any portion of their Lot or Dwelling. As used in this Declaration, the term "**Property Deterioration**" refers to and means, for example and without limitation: severely cracked, heaving or missing portions of driveways, patios or sidewalks; neglected Dwelling paint, trim or siding, or roofing; broken windows; sagging, rotting or deteriorating railings, decks or porches; unsightly or loud heating, air conditioning or similar equipment; or any similar unsightly, unsafe or unacceptable conditions as determined by the Board.

The Board shall have the power and authority to, on behalf of the Association, identify and address Property Deterioration on any Lot or Dwelling. If the Board identifies any such Property Deterioration, the Board shall deliver to the Owner of such Lot or Dwelling written notice specifying the nature of the Property Deterioration (the "Initial Property Deterioration Warning"). The Owner of such Lot or Dwelling shall have thirty (30) days following the Owner's receipt of such Initial Property Deterioration Warning to provide the Board with a written plan/timeline for repairing the Property Deterioration.

If the Owner refuses or fails to timely provide the Board with a written plan/timeline for repairing the Property Deterioration, the Board shall serve the Owner with a second written notice ("Second Property Deterioration Warning") that a fine will be imposed if the Owner fails to (a) contact the Board in writing regarding the Property Deterioration within fourteen (14) days of receiving the Second Property Deterioration Warning, and (b) fails to commence and diligently pursue to completion repair of the Property Deterioration within a reasonable period of time (as determined by the Board) following the date the Owner receives the Second Property Deterioration Warning.

If an Owner fails to timely contact the Board and/or timely commence and diligently pursue to completion repair of the Property Deterioration, the Board may opt to (a) impose a fine against the Owner <u>and/or</u> (b) repair the Property Deterioration and impose a Reimbursement Assessment for the costs of such repairs.

Prior to imposing any such fine and prior to commencing any such Property Deterioration repair, the Board must deliver to the Owner a final written notice ("**Final Property Deterioration Warning**") that (a) the Owner has received and failed to respond to the Initial Property Deterioration Warning and the Second Property Deterioration Warning, (b) the Board has elected to impose a fine and/or commence repair of the Property Deterioration, and (c) the Owner may request an informal hearing to dispute such fine and/or the Board's election to commence repair of the Property Deterioration as described under <u>Section 5.2.3</u>

5.2.3 <u>Property Deterioration – Owner's Right to Request Hearing.</u>

Any Owner who has received a Final Property Deterioration Warning may request an informal hearing before the Board to dispute the Board's decision to impose a fine and/or commence repair of the Property Deterioration by delivering to the Board a written request for such hearing no later than thirty (30) days after the day on which the Owner receives the Final Property Deterioration Warning.

At the informal hearing, the Board shall:

- (a) provide the Owner a reasonable opportunity to present the Owner's position to the Board; and
- (b) allow the Owner, a member of the Board, or any other person involved in the hearing to participate in the hearing by means of electronic communication.

If an Owner timely requests an informal hearing under this <u>Section 5.2.3</u>, no interest or late fees may accrue on the fine, and the Board must refrain from commencing any repair of the Property Deterioration until after the Board conducts the hearing and the Owner receives a final written decision from the Board.

An Owner may appeal a fine assessed by the Board and/or the Board's decision to commence repairing the Property Deterioration by initiating a civil action no later than one hundred eighty (180) days after:

- (a) if the Owner timely requests an informal hearing, the day on which the Owner receives a final decision from the Board; or
- (b) if the Owner does not timely request an informal hearing, the day on which the time to request an informal hearing expires.

If an Owner initiates such a civil action, the Board shall have no right to collect the fine or commence repair of the Property Deterioration until a final decision has been rendered in connection with any and all relevant issues related to the civil action, including any and all appeals.

5.2.4 <u>Vacant Lots</u>. The Owner of any Vacant Lot must keep and maintain his or her Vacant Lot in a clean, safe, and debris-free condition.

5.3 Common Areas

5.3.1 <u>Association Responsibilities</u>. Unless otherwise clearly set forth in this Declaration, the Association shall be solely responsible for the maintenance and repair of all Common Areas located on any portion of the Project. As noted under <u>Section 5.5</u>, except for flowers that Owners may plant and maintain as permitted under <u>Section 5.5.1</u>, Owners are prohibited from removing, cutting, trimming or otherwise altering any Landscaping located on any portion of the Project without obtaining prior written permission from the Board or the Manager.

The Association is hereby granted a nonexclusive, perpetual easement over, across and upon all Common Areas as necessary or appropriate to perform any maintenance, repair or replacement duties and functions the Association may be obligated or permitted to perform pursuant to the Governing Documents.

Each Owner shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless from and against any claims losses, damages, demands, actions, causes of action, liabilities or expenses of any kind or nature directly or indirectly related to any damage to all or any portion of such Owner's Lot or Dwelling or Owner's Improvements/Amenities that may have been caused or were allegedly caused, in whole or in part, by the Association's maintenance of all or any portion of the Common Area, except where caused by the Association's gross negligence or willful misconduct.

5.3.2 Owner Responsibilities. Each Owner must take reasonable measures to prevent any damage, destruction or degradation to any portion of the Common Areas by, for example, refraining from depositing or keeping any trash, debris or unsightly personal property or belongings on any portion of the Common Area. As set forth under Section 5.5, the Association is responsible for maintaining Landscaping on all portions of the Common Area, including, without limitation, the Common Area that is contiguous and immediately adjacent to each Dwelling. Nonetheless, each Owner must keep and maintain the Common Area that is contiguous and immediately adjacent to his or her Dwelling in a reasonably clean, safe, and debris-free condition.

5.4 Common Improvements – Generally

5.4.1 <u>Association Responsibilities</u>. Unless otherwise clearly set forth in this Declaration, the Association shall be solely responsible for the maintenance, repair and/or replacement of all Common Improvements located within the Project. The Association's responsibilities under this <u>Section 5.4.1</u> includes the maintenance, repair and/or replacement of any Landscaping located within the Project as required under <u>Section 5.5</u>.

The Association's maintenance of Common Improvements shall include the reasonable removal of ice and snow from (i) any thoroughfares that are not Public Streets, (ii) any sidewalks that immediately surround the Club House, (iii) the Club House parking lot, and (iv) any overflow parking spaces located within the Project. The Association is not required to remove ice or snow from any other portions of the Project including, for example and without limitation, paved or unpaved sidewalks, walkways or stairways that are <u>not</u> normally intended for wintertime usage as reasonably determined by the Board.

5.4.2 Owner Responsibilities. Each Owner shall take reasonable measures to prevent any damage, destruction or degradation to any Common Improvements. An Owner may be fined and/or held legally and financially responsible for any damage (beyond normal or reasonable wear and tear) caused to any Common Improvement due to the actions or inactions of the Owner or such Owner's family members, tenants, guests, invitees or agents.

5.4.3 Owner Improvements/Amenities Located on Common Area. Certain improvements located on Common Area (including, for example and without limitation, private driveways, walkways, steps, porches and/or patios that encroach onto Common Area) fall under the definition of "Owner Improvements/Amenities" and shall <u>not</u> be deemed Common Improvements. Accordingly, the Association shall have no duty whatsoever to maintain, repair, replace, or remove ice or snow from any such improvements. Severely cracked, heaving or missing portions of private patios, driveways or walkways, sagging, rotting or deteriorating railings, decks or porches, or any similar deteriorating improvements that encroach onto Common Area shall at all times be subject to Section 5.2.3 regarding Property Deterioration.

5.5 Common Improvements – Landscaping

- 5.5.1 Landscaping Installation Owners. Any Owner may plant and maintain flowers in flowerbeds that (a) are located in the Common Area that is contiguous to or immediately surround such Owner's Lot or Dwelling, and (b) have previously been established or installed by the Association. Owners are prohibited from planting or maintaining flowers on any other portion of the Project without the Board's prior written permission. Any such flowers that may be planted or maintained by an Owner must comply with the Design and Construction Guidelines. Owners are prohibited from planting or installing any other Landscaping on any portion of the Project. Notwithstanding the right of any Owner to plant and maintain flowers as provided under this Section 5.5.1, the Board reserves the right to remove any such flowers and/or relocate any flowerbeds as reasonably deemed necessary by the Board. The Board may adopt and enforce Rules and Regulations that further clarify the Association's policies regarding the matters addressed in this Section 5.5.1.
- 5.5.2 <u>Landscaping Installation Association/Declarant</u>. Except for the Owners' right to plant and maintain flowers, as permitted under <u>Section 5.1.1</u>, any other Landscaping located on any portion of the Project may be planted or installed <u>only</u> by the Declarant or the Association. Any and all such Landscaping shall comply with the Design and Construction Guidelines.
- 5.5.3 <u>Association Maintenance</u>. Aside from an Owner being held responsible for the repair or replacement of any Landscaping that has been negligently, recklessly, intentionally or maliciously damaged or destroyed by such Owner (or such Owner's family members, guests, tenants, invitees or agents) the Association shall be solely responsible for maintaining any and all Landscaping located on any portion of the Project. The Association's maintenance of such Landscaping shall include routine care and the planting, replanting, transplanting, seeding, sowing and/or replacing of any Landscaping, including the trimming of hedges, bushes, and trees. Except for flowers that Owners may plant and maintain as permitted under <u>Section 5.5.1</u>, Owners are prohibited from removing, cutting, trimming or otherwise altering any Landscaping on any portion of the Project without obtaining prior written permission from the Board or the Manager.

The determination of whether or not to remove, repair or replace any damaged or destroyed Landscaping shall be made by the Board in the Board's sole discretion. The Association shall have no responsibility whatsoever to remove, repair or replace any Landscaping that may have been, for example, negligently, recklessly, intentionally or maliciously damaged or destroyed by any Owner (or such Owner's family members, guests, tenants, invitees or agents). Under such circumstances, the Board may demand that the cost of removing, repairing or replacing such Landscaping be borne by the Owner or other individual(s) deemed by the Board as responsible for damaging or destroying any part of the Landscaping.

The Association's obligation to maintain Landscaping located on the Common Area that is contiguous to, and immediately surrounds, any particular Dwelling or Lot shall commence when the Board has determined that (a) the planting and installation of Landscaping on such portion of the Common Area has been completed, and (b) the irrigation/sprinkler system that serves such portion of the Common Area is fully operational.

5.6 Common Improvements – Irrigation/Sprinkler Systems

- 5.6.1 <u>Installation</u>. The builder of any new Dwelling must install an irrigation/sprinkler system in the Common Area that is contiguous and immediately adjacent to such Dwelling as determined and directed by the Board or the ACC. Such builder shall assume any and all costs related to installation of the irrigation/sprinkler system including, without limitation, planning, installation, equipment, and labor. The irrigation/sprinkler system must comply with the Association's specifications and requirements, as determined by the Board or the ACC. The builder and/or the Association may install irrigation system valves, spigots, regulators, stations, timers or other devices (collectively, "**Irrigation System Control Devices**") on or near the exterior of any Dwelling, and may connect such Irrigation System Control Devices to the electrical wiring of the Dwelling to which the Irrigation System Control Devices are attached, provided such wiring is performed by a qualified technician and is compliant with applicable electrical wiring and safety codes. Owners are prohibited from installing any irrigation/sprinkler system, or any similar system or devices, on any portion of the Project.
- 5.6.2 Ownership/Control. All irrigation/sprinkler systems located on any portion of the Project, including, without limitation, any Irrigation System Control Devices, shall be deemed "Common Improvements" that are solely owned by the Association. In order to maintain control over the consumption of water used to irrigate the Project's Landscaping, the Association shall, at all times, retain complete control over all irrigation/sprinkler systems, including, without limitation, any Irrigation System Control Devices.
- 5.6.3 <u>Maintenance/Repair/Replacement</u>. The Association shall be solely responsible for maintaining, repairing and/or replacing all irrigation/sprinkler systems located on any portion of the Project, including, without limitation, any Irrigation System Control Devices. Any costs related to the operation, maintenance, repair and/or replacement of such irrigation/sprinkler systems shall be paid by the Association as a Common Expense.

An Owner shall immediately reimburse the Association for the cost to repair any damage that may be caused to any potion of any irrigation/sprinkler systems by that Owner or by such Owner's family members, guests, tenants, invitees or agents.

The Association's obligation to maintain any particular irrigation/sprinkler system shall commence when the Board has determined that (a) the irrigation/sprinkler system has been properly and completely installed, and (b) the irrigation/sprinkler system is fully operational.

The Association is hereby granted an irrevocable easement across the entire Project in order to operate, maintain, repair and/or replace all or any portion of any irrigation/sprinkler systems located on the Project. The Association is also hereby granted an irrevocable easement to access any Irrigation System Control Devices that may be located on or near the exterior of any Dwelling. The Owner of such Dwelling shall grant the Association reasonable access to maintain, repair or replace any Irrigation System Control Device, including any electrical or non-electrical wiring that may be connected to such Irrigation System Control Device.

Each Owner shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless from and against any claims, losses, damages, demands, actions, causes of action, liabilities or expenses of any kind or nature directly or indirectly related to any damage to all or any portion of such Owner's Lot or Dwelling or Owner's Improvements/Amenities that may have been caused or alleged to be caused, in whole or in part, by the Association's installation, operation, maintenance, repair or replacement of all or any portion of any irrigation/sprinkler system, except where caused by the Association's gross negligence or willful misconduct.

5.7 Owner Improvements/Amenities

- 5.7.1 <u>No Association Responsibility</u>. Unless otherwise clearly set forth in this Declaration, the Association shall have no responsibility or liability whatsoever regarding the maintenance, repair or replacement of any Owner Improvements/Amenities.
- 5.7.2 Owner Responsibility. Each Owner shall properly maintain, repair and/or replace his or her Owner Improvements/Amenities consistent with all requirements of the Governing Documents. Owners shall not allow Property Deterioration (as described under Section 5.2.2) to occur on or to any portion of their Owner Improvements/Amenities.
- 5.7.3 <u>Damage or Injury</u>. Each Owner shall be individually and solely responsible and liable for any damage or injury caused to any personal or real property, or to any animals or people, as a result of such Owner's failure to properly install, use, operate, maintain, repair and/or replace his or her Owner Improvements/Amenities.

Each Owner shall, to the fullest extent of the law, indemnify, defend and hold the Association, its officers, directors, managers, and other Owners, employees and agents harmless from and against any and all claims, demands, suits, actions, losses, costs, damages, expenses, and liabilities of whatever kind or nature (including, but not limited to, reasonable attorney fees, litigation, court costs, and amounts paid in settlement or in discharge of judgments) howsoever caused, whether directly or indirectly resulting from, or in any way arising out of, or otherwise related to, any Owner's (including their invitees, employees, agents occupants, or tenants) design, installation, construction, placement, use and/or maintenance of any Owner Improvement/Amenity on or in any portion of the Project.

- 5.7.4 <u>Association Approval/Disapproval</u>. The Board shall, at all times, have the right and authority to approve or disapprove the temporary or permanent construction, placement or storage of any Owner Improvement/Amenity on any portion of the Project, including, without limitation, any portion of the Common Area. Accordingly, the Association may require the removal of any such Owner Improvement/Amenity from any portion of the Project if the temporary or permanent construction, placement, or storage of the Owner Improvement/Amenity was not approved by the ACC or the Board in advance and in writing.
- 5.7.5 <u>Not Common Improvements</u>. Under no circumstances shall any Owner Improvement/Amenity be considered or identified as a Common Improvement.

5.8 Noxious Weeds

Each Owner of a Vacant Lot shall take all actions reasonably necessary to treat, control and remove from such Vacant Lot any and all noxious weeds as identified or defined by the Weber County Weed Department and/or the Association. Because the timing for effective treatment, control or removal of noxious weeds is critical, if a Vacant Lot Owner fails to immediately respond to the Association's written request to treat, control or remove any noxious weeds from such Vacant Lot, the Association shall have the right to contract with a qualified individual or entity to treat, control or remove such noxious weeds, and such individual or entity shall have the right to enter upon the Vacant Lot for such purposes without any liability for trespass. In the event the Association contracts for such treatment, control or removal of noxious weed, the Owner of the Vacant Lot shall pay all costs incurred by the Association. The Association shall have the right to place a lien on such Owner's Lot and/or Dwelling if the Owner fails to timely pay such weed removal costs incurred by the Association.

5.9 Board Rules / Fines

The Board may, by rule or regulation, adopt, clarify, promulgate and/or enforce further requirements regarding the maintenance, repair and/or replacement obligations of the Association or the Owners with regard to Lots, Dwellings, Common Area, Common Improvements, and any Owner Improvements/Amenities. The Board must place all Rules and Regulations in writing, and shall furnish or make available to the Owners a complete copy of all Rules and Regulations.

As more particularly set forth under <u>Article 8</u> of this Declaration, the Board may also adopt Rules and Regulations that impose fines for any violation of the maintenance, repair and/or replacement obligations set forth under this <u>Article 5</u>, or the violation of any maintenance, repair and/or replacement rules or regulations that may be adopted by the Board. The Board shall assess such fines in a manner that is consistent with <u>Article 8</u> of this Declaration.

Prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, or prior to adopting or approving a schedule of fines that may be imposed for various violations, the Board must first comply with the requirements of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and allowing Owners an opportunity to be heard at a Board meeting before the Board takes any action regarding any proposed Rule or Regulation.

ARTICLE 6 – AESTHETICS AND ARCHITECTURAL STANDARDS

6.1 Generally

It is the intent and purpose of this Declaration to impose aesthetic and architectural standards that result in a Project with Dwellings, Lots, Owner Improvements/Amenities, Common Areas and Common Improvements (including Landscaping) that are constructed, installed and maintained in an attractive and aesthetically pleasing manner, including Dwellings that are consistent and compatible with regard to their design, size, exterior building materials, color scheme and general appearance.

6.2 Design and Construction Guidelines

The appearance of all improvements located within the Project must be consistent with building, design and landscaping guidelines (collectively, "Design and Construction Guidelines") that have been drafted by the Association's Architectural Control Committee ("ACC") and approved by a majority vote of the Board. The Design and Construction Guidelines must at all times remain consistent with any provisions of this Declaration that directly or indirectly impact the aesthetic and architectural standards of the Project.

As of the Recording Date, the Project consists of approximately 115 completed Dwellings (the "Existing Dwellings"), which have substantially similar attributes such as design, size, exterior building materials, color scheme and general appearance. The Design and Construction Guidelines must at all times remain consistent with such attributes of the Existing Dwellings.

The ACC may periodically present to the Board proposed amendments, updates, clarifications and/or supplements to the Design and Construction Guidelines. Any such changes shall not materially or significantly deviate from the design, size, exterior building materials, color scheme and general appearance of the Existing Dwellings. A majority of the Board must approve any such changes to the Design and Construction Guidelines. Prior to approving any such changes to the Design and Construction Guidelines, the Board must first comply with the requirements of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and allowing Owners an opportunity to be heard at a Board meeting before the Board takes any action regarding any proposed change to the Design and Construction Guidelines. The Board must, at all times, maintain a current version of the Design and Construction Guidelines in writing, and must furnish or make available to the Owners a complete copy of the current version of such Design and Construction Guidelines.

6.3 Architectural Control Committee

The ACC shall consist of three (3) members. The ACC shall be appointed by the Board but shall at all times be comprised of (i) one member of the Board, (ii) one Owner who is not a member of the Board, and (iii) the Declarant, for as long as the Declarant continues to own at least one Lot. The Board shall determine the term of each person who has been appointed to the ACC. The Declarant may name any person to act as the Declarant's representative on the ACC, provided that person has not already been appointed to the ACC by the Board. The Declarant may, at any time, notify the Board in writing that Declarant no longer wishes to be a member of the ACC. If the Declarant relinquishes the Declarant's membership on the ACC, or of the Declarant no longer owns any Lots, the Board shall immediately fill the Declarant's vacated position. The Board may, in the Board's sole discretion, fill the Declarant's vacated position with another member of the Board or another Owner who is not a member of the Board.

6.4 Dwellings / Owner Improvements/Amenities

The Design and Construction Guidelines shall address the aesthetics and appearance of all Dwellings and Owner Improvements/Amenities. All Dwellings and Owner Improvements/Amenities must comply with the Design and Construction Guidelines, and construction of any new Dwelling or any new Owner Improvements/Amenities may not be commenced unless and until the builder of the new Dwelling or new Owner Improvement/Amenity has first obtained the Board's written approval of the plans and specifications of the new Dwelling or Owner Improvement/Amenity.

In order to preserve the Project's attractive and uniform appearance, no exterior changes whatsoever to any Dwelling and no changes to any Owner Improvement/Amenity shall be attempted, commenced, performed constructed, maintained, made or done without the Board's prior written approval. The Board may require and otherwise regulate painting and other decorative finishing of any Dwelling and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of such Dwelling undertaken or proposed by any Owner. This authority of the Board extends to roofing, siding, exterior screens, doors, windows, awnings, railings or any other exterior portion of any Dwelling, as well as any other portion of any Dwelling or any Owner Improvement/Amenity, or any improvement that may be attached to or otherwise part of such Dwelling or Owner Improvement/Amenity, that is visible from any street or any Public Streets or any portion of the Common Area.

6.5 Common Area / Common Improvements

The Design and Construction Guidelines shall address the aesthetics and appearance of the Common Areas and Common Improvements (including Landscaping located throughout the Project). In order to establish and maintain the Project's uniform appearance, no changes may be made to any portion of the Common Areas or any Common Improvements (including the Landscaping) without the Board's prior written approval. Any requests for permission to alter any Common Area, or to alter, construct, install or remove any Common Improvements (including any Landscaping) shall be delivered to the Board in writing and shall include plans and specifications detailing the nature and extent of such alteration, construction, installation or removal.

6.6 Vacant Lots

The provisions of this <u>Article 6</u> shall also apply to any Vacant Lot. Accordingly, the Owner of any Vacant Lot shall not construct, erect, install, maintain or place on his or her Vacant Lot any improvement of any kind whatsoever (including, without limitation, any Dwelling or any Owner Improvement/Amenity) without the Board's prior written consent.

6.7 No "Grandfather" Rights

The requirements of this Article 6 (as well as any other provision of this Declaration related to the appearance of any improvements located within the Project, or any requirements set forth under the Design and Construction Guidelines) shall equally apply to all improvements located within the Project, regardless of when such improvements may have been constructed. No portion of the Project (including any Dwelling or Owner Improvement/Amenity) shall enjoy any

"grandfathered" rights. As such, the Board and/or the ACC may enforce or apply any aesthetic and/or architectural standards, guidelines or requirements against any improvement regardless of whether or not the Association has previously enforced or applied such standards, guidelines or requirements in connection with such improvement.

6.8 Enforcement/Fines

The Design and Construction Guidelines shall be solely enforced by the Board. The Board may, but shall not be obligated to, seek recommendations from the ACC in connection with the Board's enforcement of the Design and Construction Guidelines. The ACC may, with or without any prior request from the Board, submit to the Board recommendations related to enforcement of the Design and Construction Guidelines, but the Board shall ultimately determine (by majority vote) whether or not to act upon or taken into account such ACC recommendations.

As more particularly set forth under <u>Article 8</u> of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the Design and Construction Guidelines or any provisions of this Declaration that directly or indirectly impact the aesthetic and architectural standards of the Project. The Board must impose any such fines in a manner that is consistent with Article 8 of this Declaration.

ARTICLE 7 – USE RESTRICTIONS

This Article 7 applies to the entire Project, including all Dwellings, Lots, Common Area and Common Improvements.

7.1 Occupancy and Use

Dwellings shall be occupied and used for single-family residential purposes only, including on a rental or lease basis as permitted by the Governing Documents and applicable local government zoning ordinances. Dwellings may be used for common social, recreational or other reasonable uses normally incident to such single-family residential purposes. Such occupation and use as a single-family residence shall be deemed to include accessory use as a professional office to the extent permitted by applicable local government zoning ordinances and to the extent customarily incidental to primary use as a residence. The Dwellings and Common Area shall be further occupied and used pursuant to the terms and conditions of Governing Documents.

7.2 Prohibited Occupation or Uses

No Dwelling shall be converted, nor constructed or used as, a duplex or any other multifamily structure, or as a halfway house or similar housing for individuals who have been discharged from prison or similar institutions.

7.3 Commercial / Retail Activities

Retail or commercial activities of any size, kind or nature whatsoever are prohibited on any portion of the Common Area. Retail or commercial activities are likewise prohibited in any Dwelling; provided, however, that this restriction generally does not apply to using a portion of the Dwelling as a professional office.

Dwellings may be used for certain activities normally associated with maintaining a professional office or conducting certain small businesses from home such as, for example, record-keeping, telephone calls, reception of mail, and computer or Internet activity. Any home-based business that involves employees (outside of the Owner's immediate family or household) working from the Dwelling is prohibited.

The overall purpose of the restrictions set forth under this Section 7.3 is to preserve the right of Owners (or the guest, tenant or other occupant of any Dwelling) to live in a neighborhood that is free from business-related employee, client or customer interaction, potential Association liability due to business being conducted within the Project, and the nuisance or annoyance often associated with increased or excessive vehicular or pedestrian traffic. The restrictions of this Section 7.3 do not apply to the leasing or renting of any Dwelling, nor do they apply to the Declarant's use of any Dwelling that may be owned or leased by Declarant as a model home for the purpose of promoting and marketing the sale of Dwellings that have been built by Declarant (whether within the Project or in other residential communities the Declarant may be developing or marketing).

7.4 Storage of Waste, Materials or Equipment

- 7.4.1 Waste Storage. No storage of waste of any kind is permitted on any portion of the Project (including on any driveway) unless such waste is stored in a closed container that has been approved by the Board. Such waste includes, without limitation, any form of trash, garbage, recyclable materials or debris including, for example, lawn, tree, or landscape clippings or trimmings, household refuse, or recyclable materials. No composting, trash, garbage or recyclable material containers may be stored in front of any Dwelling, at any time, except for the day on which such containers are scheduled to be collected or emptied. On such days, the composting or garbage containers shall be temporarily placed at the edge of the street and removed from such location at the end of that same day.
- 7.4.2 <u>Materials or Equipment</u>. No materials and/or equipment may be stored or accumulated on any portion of the Project without the Board's prior written approval. Such materials and/or equipment includes, without limitation: farm, construction or landscaping equipment; building materials, except for the short-term storage or accumulation of such building materials during active construction (provided that such construction is commenced, diligently pursued and timely completed in accordance with the Design and Construction Guidelines and/or any written directive of the Board). Under no circumstances shall any portion of the Common Area be used as storage areas or service yards.

7.5 Vacant Lots

Any and all restrictions, rules or regulations related to Lots as set forth in any of the Governing Documents shall be entirely applicable to any Vacant Lot, as well as the Common Area that is contiguous and immediately adjacent to such Vacant Lot. Likewise, the Owner of any Vacant Lot shall be subject to the enforcement provisions of the Governing Documents including, without limitation, any such provisions related to fines.

7.6 Fencing

Visible fencing shall not be permitted on any portion of the Project without the Board's prior written approval, which may be granted or denied in the Board's absolute and sole discretion. This Section 7.6 shall not prohibit or prevent the Association from installing or constructing decorative fencing within the Project. Owners and the Association are prohibited from marking or fencing off any Privacy Zones (as defined below).

Invisible pet fencing may be installed within the Privacy Zone of any Dwelling, provided that (a) the installation of such invisible fencing must be approved by the Board in advance and in writing, (b) the cost of such installation must be solely paid by the Owner, (c) the installation, maintenance and use of the invisible fencing must not cause any damage to any Landscaping, and (d) the Association shall assume no responsibility or liability whatsoever for any damage that might be caused to the invisible fencing as a result of the maintenance, repair or replacement of any Landscaping. Training flags associated with invisible pet fencing should be removed within a reasonable period of time.

7.7 Privacy Zone

Although the area that is contiguous to and surrounds each Dwelling is Common Area, the area that immediately surrounds each Dwelling (the "**Privacy Zone**") is generally intended for the sole use of that Dwelling's Owner, as well as his or her family members, guests, tenants and other invitees.

7.8 Drones Prohibited

In order to preserve the safety, privacy and quiet enjoyment of Owners and their family members, tenants and guests, the launching or operation of drones or any similar device or equipment (collectively, "**Drones**") within or upon the Project or within the Project's airspace is generally prohibited. This prohibition applies to any Drone regardless of whether or not such Drone is equipped with a camera, microphone or any other audio, visual or recording device. The occasional use of Drones by the Declarant or a real estate agent is permitted for the sole purpose of promoting, advertising or marketing a Dwelling or Lot, provided such Drone use has been approved by the Board or the Manager in advance and in writing.

7.9 Clotheslines Prohibited

Clotheslines are prohibited on any portion of the Project.

7.10 Outdoor Recreational Equipment Prohibited

Owner installation or use of any temporary or permanent outdoor recreational equipment, such as, for example and without limitation, playground sets, swing sets, jungle gyms, trampolines, skateboard ramps, volleyball nets, basketball backboard and/or pole systems is prohibited on any part of the Project including, without limitation, any Lots, Public Streets or other thoroughfares, or any Common Area.

7.11 Storage Sheds Prohibited

Storage Sheds may not be temporarily or permanently constructed, erected or maintained on any part of the Project. As used in this Declaration, the term "**Storage Shed**" includes any freestanding or "lean to" structure that is designed or intended for the storage of any materials, equipment or personal property. Notwithstanding the language of this <u>Section 7.11</u>, an Owner may construct or erect an enclosure for garbage cans, provided the Owner has obtained the Board's prior written approval.

7.12 Signage

No sign of any kind, with the exception of one standard-sized real estate "for sale" signs, shall be displayed to the public view from any Lot, Dwelling, or any portion of the Common Area without the Board's prior written consent. Any real estate "for sale" sign that is displayed in the Common Areas may only be posted immediately in front of the Dwelling that is for sale. All real estate "for sale" signs must be removed within 48 hours of the closing of the Lot or Dwelling that is for sale, or the expiration of the real estate listing.

7.13 Lighting / "Dark Sky" Compliance

Any lighting located in the Project must be "dark sky" compliant and is subject to Board approval. No outdoor lighting is permitted unless such lighting is designed and installed so as to aim downwards and limit the field of light to the confines of the Dwelling or Lot upon which such lighting has been installed. Exterior lighting fixtures shall not direct excessive lighting or glare into any other Dwellings or Lots or beyond the boundaries of the Project. Whenever possible, efforts should be made to ensure that both indoor and outdoor lighting is not unreasonably offensive to surrounding property owners. No excessively bright indoor lighting, such as industrial lights, floodlights, workroom lights, or fluorescent lights are permitted. In order to ensure compliance with this Section 7.13 throughout the entire Project, the Board may require the removal and/or replacement of any noncompliant or nonconforming lighting that may have been installed prior to or after the recording of this Declaration.

In addition to the general lighting requirements and guidelines set forth in the previous paragraph, the following lighting requirements shall apply to any and all lighting that may be installed or utilized in the Project:

- a) Carriage lighting, of the type employed on garages and porches in the Project, is not considered "dark sky" compliant unless the proper bulbs are used. Accordingly, low lumen (450 lumens or less) and amber spectrum (3000 Kelvin or less) bulbs are required for all such carriage fixtures.
- b) Unless the light source is 450 lumens (40 watt equivalent) or less (brightness) and 3000 Kelvin or less (color temperature), all exterior lighting must be fully shielded with the light source above the horizontal line of the shield.
- c) Standard floodlights (also known as security lights) must be either fully shielded or on a motion detector that is set so as not to cause the light to be an annoyance by being constantly or easily activated by common occurrences such as wind, rain, snowfall or wildlife.

d) No landscape lighting (other than for holiday season lighting from November 15 until January 15) is permitted. String lighting (party lighting) is permitted on an occasional and infrequent basis provided such lighting does not cast excessive light or glare into other Dwellings or Lots. Such lighting must be turned off no later than 10:00 PM.

7.14 Cardboard/Reflective Window Materials Prohibited

If windows are covered, appropriate window coverings must be used. The color of any such window coverings must be in harmony with the exterior of the Dwelling or Common Improvement. No window may be temporarily or permanently covered using paint, aluminum foil, reflective tint, newspapers, cardboard, bed sheets, blankets or similar materials.

7.15 No Lot Subdivision

No Lot may be subdivided.

7.16 Irrigation/Sprinkler Systems

In order to maintain control over the consumption and cost of secondary water throughout the entire Project, the Association shall, at all times, retain complete control over any and all secondary water irrigation/sprinkler systems located anywhere within the Project including, without limitation, any such systems that are located in the Common Area.

The Association may exert such control by adopting and enforcing Rules and Regulations regarding the manner in which, and the extent to which, the Common Area may be irrigated. The Association may also exert such control by turning on, turning off or programming any Irrigation Control Devices located anywhere in the Project. The Association is hereby granted an irrevocable easement to access any such Irrigation Control Devices that may be located on or near any Dwelling, provided the Association does not access such Irrigation Control Devices at a time and in a manner that unreasonably disturbs the Owner or occupant(s) of such Dwelling.

7.17 Vehicle Parking

Because the streets within the Project are relatively narrow, the parking of vehicles, equipment or any items along the side of any street located within the Project is prohibited.

The Project includes "**Overflow Parking Spaces**" located along various points of the Public Streets. The parking spaces located around the Club House parking lot are <u>not</u> intended to serve as Overflow Parking Spaces.

Parking upon any portion of the Project including, without limitation, any Overflow Parking Spaces, the Club House parking lot, and driveways is reserved for, and restricted to use by, vehicles that (a) are owned or leased by Owners and their family members, tenants and guests, (b) are in working condition, (c) may legally be operated on public streets, and (d) have been properly registered with a governmental motor vehicles department or division.

The Overflow Parking Spaces and the Club House parking lot are all located in the Common Area portions of the Project, which are owned and controlled by the Association. As such, the Board or Manager may remove from such parking spaces and areas any vehicle that does not meet the

requirements of the previous paragraph, as well as any equipment or item that is improperly stored in any such parking space or area. If such vehicle, equipment or item is not removed from such parking space or parking area within the period of time requested by the Board or set forth in the Rules and Regulations or posted signs, the Board or Manager may cause the immediate removal of such vehicle, equipment or item at the sole risk and expense of the owner thereof.

The parking of recreational vehicles or equipment anywhere in the Project, including driveways or Overflow Parking Spaces, shall be addressed in the Rules and Regulations. The Rules and Regulations may restrict the parking of such vehicles or equipment anywhere in the Project for a maximum period of time that is less that 72 hours, but may not allow the parking of such vehicles or equipment anywhere in the Project for more than 72 hours. As used in this Section 7.17, the term "recreational vehicle or equipment" includes motor homes, campers, trailers, boats, snowmobiles, 3-wheel motor vehicles, or similar items.

No vehicle, equipment or item may be parked in more than one parking space or stall. Likewise, no vehicle (including any trailer connected to such vehicle) may extend into any street, thoroughfare or the general driving area of the Club House parking lot. The Board or Manager may cause the immediate removal of any such improperly parked vehicle and/or trailer.

No vehicle, equipment or item may be parked on any portion of the Common Area that has not been clearly designated as a parking space or parking area.

Overnight parking of any vehicle, equipment or item in the Club House parking lot is prohibited.

No motor vehicle of any kind shall be repaired, constructed, or reconstructed upon any portion of the Project, including any Lot, Public Street, or Common Area, except for the temporary emergency repair of a vehicle.

Parking within the Project may be further regulated by rules adopted by the Board from time to time.

7.18 Vehicle Speed Limits

Vehicle speed limit of 25 MPH applies to all streets located within the Project, except for the roundabout at the entrance of the Project, which has a speed limit of 10 MPH.

7.19 Nuisances and Offensive Activity

No noxious, dangerous or offensive activity (including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of the Project) shall be carried out on any Lot, in any Dwelling, or on any other portion of the Project, nor shall anything be done on any Lot, in any Dwelling, or on any other portion of the Project that may be or become an annoyance or nuisance to other Owners (or to the guest, tenant or other occupant of any Dwelling). Due to the close proximity of Dwellings, Owners (and their family members, tenants, guests and invitees) must be aware of and respect the occupants of neighboring Dwellings when burning wood or charcoal outdoors by preventing excessive amounts of smoke and/or odors from entering neighboring Dwellings.

Excessive or disturbing noise is prohibited at all times. Such noise includes continuously barking dogs, loud speakers, noisy HVAC equipment or any other noise that would disturb other Owners (or to the guest, tenant or other occupant of any Dwelling). No activity that creates any noise that may disturb Owners (or the guests, tenants or other occupants of any Dwelling) is permitted before 8 A.M. or after 10 P.M. Exceptions to this Section 7.19 may be permitted with prior written consent of the Board, which the Board may grant or deny in the Board's sole discretion.

Certain recreational vehicles such as snowmobiles, off-road motor vehicles such as dirt bikes or ATVs may not be operated on any portion of the Project except as necessary for the loading or unloading of such vehicles. Motorized vehicles are strictly prohibited on any sidewalks or walking trails.

The use or discharge of fireworks of any size, kind or nature on any portion of the Project is strictly prohibited, including during holidays or celebrations such as Independence Day, New Years Eve, etc.

7.20 Mailbox Banks

Mailbox banks are for the exclusive use of Owners and their family members and tenants. Keys to the mailboxes may be obtained from the Association. Replacements keys and locks are available for a nominal fee.

7.21 No Hazardous Activity

No activity may be conducted on any Lot, in any Dwelling, or on any other portion of the Project that is, or would be considered by a reasonable person to be, unreasonably dangerous or hazardous. Such activity includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms, firecrackers or fireworks, and setting open fires (not including properly supervised and contained barbeques and fire pits).

7.22 Communication Devices

The installation or use, on or in any portion of the Project, of any broadcasting, receiving, satellite and/or wireless signal dishes, antennas or similar devices (collectively, "Communication Devices") that are not permitted and/or regulated by the Federal Communications Commission ("FCC") is prohibited. Communication Devices that are one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, and/or receive or transmit any wireless signals, may be installed only to the extent and in locations that (a) comply with Section 7.22.1, and (b) are clearly permitted under applicable local, state or federal law. The temporary or permanent installation or use of Communication Devices upon any portion of the Project, including upon any Dwelling or any Owner Improvement/Amenity, must be approved by the Board, in advance and in writing.

7.22.1 <u>Dwellings</u>. Any Communication Devices that are in any way placed, constructed or attached upon any Dwelling must be positioned, maintained and used in a safe and attractive manner and location as reasonably determined by the Board.

- 7.22.2 <u>Common Area.</u> Owners are strictly prohibited from constructing or erecting any Communication Device(s) upon any portion of the Common Area.
- 7.22.3 <u>Liability and Insurance</u>. Owners are responsible for any injury or damage to persons or property caused by their Communication Device(s). Each Owner's homeowner insurance policy must adequately cover any potential liabilities associated with the use any such Communication Device.
- 7.22.4 FCC Rules. All Communication Device installations must be performed in complete compliance with all applicable laws, rules and regulations. If permits are required, the Owner must obtain all such permits prior to installation. The provisions of this Section 7.22 are intended to comply with applicable FCC rules, as may be amended from time to time. All requirements of such FCC rules are hereby incorporated herein. In the event any portion of this Section 7.22 is held to conflict with any applicable laws, rules or regulations, those portions shall be deemed stricken and all other portions of this Section 7.22 regarding Communication Device installation, maintenance, use and insurance will remain in full force and effect.
- 7.22.5 <u>Waiver</u>. No requirements or restrictions of this <u>Section 7.22</u> may be verbally waived or changed by the Board. Any such waiver or change will be effective only when placed in writing, specifically stating the nature of the waiver, that has been approved by a majority of the Board. If any Owner receives the benefit of any waiver or change related to the provisions of this <u>Section 7.22</u>, it shall be that Owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Board.

7.23 Driveways and Walkways

Driveways and walkways shall be used exclusively for normal vehicle or pedestrian transit and/or traffic, and no obstructions shall be placed thereon except with the Board's prior written consent.

7.24 Hot Tubs

No hot tub may be installed on any portion of the Project without the Board's prior written permission. The Board may reasonably restrict or disapprove the location of any hot tub and/or require the installation of certain Landscaping around the hot tub for various reasons such as aesthetics, privacy, and minimizing interference with the quiet enjoyment of neighboring or nearby Dwellings. If the Board requires the installation of such Landscaping the Owner of the hot tub may be required to pay the cost of installing such Landscaping. All hot tubs must be installed in ground with the top of the hot tub extending no more than 18 inches above the ground surface.

Because the area that is contiguous and immediately adjacent to each Dwelling is Common Area, hot tubs will unavoidably be installed on Common Area. As such, each Owner shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless from and against any and all claims, demands, suits, actions, losses, costs, damages, expenses, and liabilities of whatever kind or nature (including, but not limited to, reasonable attorney fees, litigation, court costs, and amounts paid in

settlement or in discharge of judgments) howsoever caused, whether directly or indirectly resulting from, or in any way arising out of, or otherwise related to, any Owner's (including their invitees, employees, agents occupants, or tenants) construction, design, placement, use and/or maintenance of a hot tub on or in any portion of the Common Area. Without in any way limiting the scope of the previous sentence, in the event an Owner's hot tub results in any form of damage to any portion of the Project, that Owner shall be solely liable for any and all costs associated with the assessment and/or repair of such damage. The liability described in the previous sentence shall apply to the current Owner of the hot tub regardless of whether such hot tub was installed by a previous Owner of the Dwelling or by the builder of the Dwelling. Any Owner who installs and/or maintains a hot tub in any portion of the Common Area shall be solely responsible for the upkeep and maintenance of such hot tub, and shall hold the Association harmless and indemnify the Association from any such responsibility or costs.

7.25 Animals

- 7.25.1 <u>Limits</u>. No more than two (2) domestic animals shall be kept in any Dwelling, although this limitation shall not apply to certain animals that are maintained continually in appropriate small enclosures, such as fish in a small tank or encaged birds, are permitted. In no event shall any Owner be permitted to raise, breed, keep or maintain any animals for any commercial purposes upon any portion of the Project. No livestock or poultry of any kind shall be raised, bred or kept upon any portion of the Project.
- 7.25.2 <u>Animals in Common Area</u>. Animals are prohibited within any fenced portions of the clubhouse/swimming pool facilities and within the clubhouse itself. Animals are prohibited within any fenced portions of the tennis courts or any other similar fenced-off recreational portions of the Common Area. All animal waste shall be promptly removed from the Common Area (including any Common Area that is contiguous and/or immediately adjacent to any Dwelling) and be picked up and properly disposed of by the animal's owner.
- 7.25.3 <u>Animal Enclosures/Houses</u>. No animal enclosures or structures of any kind whatsoever including, without limitation, doghouses, kennels, or dog runs may be temporarily or permanently constructed or maintained on any portion of the Common Area (including the Common Area that is contiguous and/or immediately adjacent to any Dwelling).
- 7.25.4 Removal of Animal. The Project is located within an unincorporated portion of Weber County and is therefore (a) subject to Title 6 of the Weber County Code of Ordinances (Comprehensive Animal Control) and (b) within the jurisdiction of Weber County animal control authorities. As such, any animals located within the Project are subject to removal and impoundment pursuant to Chapter 5 (Impoundment) of Title 6 of the Weber County Code of Ordinances. Any questions regarding animal control, including the removal of animals from the Project, should direct such inquiries to the proper Weber County animal control authorities. Serious issues regarding pets (*e.g.* any animal acting aggressively toward other animals or people) should be immediately reported to the appropriate Weber County authorities such as Weber County Sheriff and/or Animal Control. Written documentation of such incidents should be delivered to the Board.

- 7.25.5 <u>Indemnification</u>. Each Owner who keeps an animal shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such animal in the Project.
- 7.25.6 <u>Additional Board Rules</u>. The Board may adopt additional rules restricting the maintenance and keeping of animals within the Project and their enforcement, including, without limitation, the assessment of fines to Owners who violate such rules.

7.26 Dwelling Completion Before Occupancy

No Dwelling may be occupied prior to its completion and the issuance of a permanent certificate of occupancy.

7.27 Long-Term and Short-Term Leases/Rentals

7.27.1 <u>Generally</u>. Dwellings may be leased or rented on a long-term or short-term basis. As used in the Governing Documents, "short-term rentals" include any rental term of three (3) nights to thirty (30) nights, while "long-term rentals" means any rental term that is more than thirty (30) nights in length. <u>Rental terms of less than three (3) nights are prohibited.</u>

All leases, whether short-term or long-term, must be in writing. The lease agreement must provide that the terms of the agreement shall be, in all respects, subject to the provisions of the Governing Documents, and that any failure of the tenant to comply with the terms of the Governing Documents shall be a default under the lease. The Board may request the name and contact information of any Owner's tenant(s) for the purpose of enforcing the Governing Documents including providing the tenant(s) with notice of any changes to the Rules and Regulations or any violations the tenant may have committed. Regardless of whether or not the Board requests the tenant's name and contact information, the Owner shall continue to be responsible for his or her tenant's conduct including any violation of the Governing Documents as set forth under Section 7.27.5.

An Owner may not lease or rent less than the entire Dwelling (*i.e.* no rental of single rooms or one floor or the Dwelling or any other portion of the Dwelling).

The Owner of any Dwelling that is being rented or leased (whether short-term or long-term) must provide his or her tenant(s) with an electronic or written copy of all current Rules and Regulations, and a list of any relevant provisions of this Declaration related to tenant conduct, including the use restrictions listed under <u>Article 7</u>.

As required by the Weber County Planning Division, any Owner who makes his or her Dwelling available for nightly rentals must obtain a Weber County business license. Each Owner of a Dwelling being used for nightly rentals must also contact the appropriate local and state regulatory agencies to ensure the Owner and the Dwelling is fully compliant with any and all applicable laws, rules, and regulations.

- 7.27.2 Maximum Rental Occupancy. Pursuant to Subsection 57-8a-218(5) of the Community Act, the maximum occupancy of any rented Dwelling shall be as follows: For two or three bedroom homes (single finished level) the maximum occupancy shall be two (2) persons per bedroom plus an additional two (2) persons. For homes with four (4) or more bedrooms (multi-level homes) the maximum occupancy shall be two (2) persons per bedroom plus an additional four (4) persons. All children over the age of two count towards the permitted maximum occupancy of any rented Dwelling. No Dwelling may be advertised or offered for short-term or long-term rental in any manner that permits or encourages the use of the Dwelling in excess of its permitted maximum occupancy.
- 7.27.3 <u>Definition of Bedroom</u>. As used in this Declaration, the term "bedroom" refers to any room with (A) an exterior window that supplies the room with natural light and ventilation, and (B) an interior door that causes the room to be closed off from the remaining living space of the Dwelling. Living rooms, recreation rooms, bathrooms and storage rooms do not meet the definition of a bedroom under this Declaration.
- 7.27.4 Emergency Escape/Rescue Opening. Pursuant to the State Construction and Fire Codes Act (Title 15A of the Utah Code) the State of Utah has adopted the requirements of the International Residential Code ("IRC"). Accordingly, as required under Section 310 of the IRC, any room that is used for sleeping purposes must have at least one operable emergency escape and rescue opening through which a firefighter or other first responder may directly access the room via an exterior door or window. A skylight may not serve as a means of emergency escape and rescue.

No room or other area of any Dwelling may be temporarily or permanently used for sleeping purposes if such room fails to meet the emergency escape and rescue requirements of the previous paragraph, or any other applicable requirements of a habitable room for sleeping purposes (*i.e.* minimum square footage, ceiling height requirements, etc.) as set forth under the IRC or any other laws, rules or regulations that may be adopted by the State of Utah or Weber County.

- 7.27.5 <u>Tenant Conduct</u>. Any Owner who rents their Dwelling assumes complete responsibility for the actions and behavior of their tenants and the guests or invitees of such tenants. Any violation of any provision of the Governing Documents by any tenant, guest of tenant or any other occupant of the Dwelling may result in a fine being levied against the Dwelling, the payment of which shall be the sole responsibility of the Owner of that Dwelling.
- 7.27.6 No Association Liability. Notwithstanding any provision of any Governing Document regarding occupancy limitations or the definition of a bedroom, the Association shall have no responsibility or liability whatsoever regarding the portion of a Dwelling where an Owner elects to place beds, cots, futons, bunkbeds, mattresses, sleeper sofas or similar furnishings.
- 7.27.7 <u>Indemnification</u>. Each Owner who rents his or her Dwelling shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless from and against any claims losses, damages, demands, actions, causes of action, liabilities or expenses of any kind or nature directly or indirectly related to tenant's occupancy or use of the Dwelling, use or occupancy of the Common Areas or use of any Common Improvements by any of Owner's tenants or any guests or invitees of any tenants.

7.28 Effect on Association Insurance

Nothing shall be done or kept in any Dwelling or in the Common Area (including any Common Area that is contiguous and/or immediately adjacent to any Dwelling) that may increase the rate of insurance on the Common Area without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Dwelling or in the Common Area which will result in the cancellation of insurance of the Project or any portion of the Project, or which would be in violation of any applicable local, state or federal law.

7.29 Board Rules / Fines

The Board may, by rule or regulation, adopt, clarify and/or enforce further requirements or restrictions regarding the use of any portion of the Project, including, without limitation, the use restrictions set forth under this Article 7. Prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, the Board must first comply with the requirements of Section 217 of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and allowing Owners an opportunity to be heard at a Board meeting before the Board takes any action regarding any proposed Rule or Regulation. The Board must place any such Rules and Regulations in writing, and must furnish or make available to the Owners a complete copy of such Rules and Regulations.

As more particularly set forth under <u>Article 8</u> of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the use restrictions set forth under this <u>Article 7</u>, or any violation of use-related rules or regulations that may be adopted by the Board. The Board must assess such fines in a manner that is consistent with Article 8 of this Declaration.

ARTICLE 8 – FINES

8.1 Generally

As provided under this Declaration, the Board is empowered to adopt, pass, amend, revoke and/or enforce Rules and Regulations as the Board deems necessary or convenient to ensure compliance with the Governing Documents. Such Rules and Regulations may include the imposition of fines for any violation of the Governing Documents. The imposition, enforcement and collection of such fines shall be consistent with this <u>Article 8</u>.

8.2 Imposition of Fines

The purpose of this <u>Section 8.2</u> is to comply with Section 57-8a-208 of the Utah Community Association Act, as may be periodically amended or supplemented.

- 8.2.1 Prior to imposing or assessing any fine against an Owner due to a violation of any provision of any Governing Document, the Board must first deliver to the Owner a written warning that:
 - (a) describes the violation;
 - (b) states the provision of the Governing Documents that the Owner's conduct violates;

- (c) states that the Board may, in accordance with the provisions of this <u>Section 8.2</u>, assess fines against the Owner if a continuing violation is not cured or if the Owner commits similar violations within one (1) year after the day on which the Board gives the Owner the written warning or assesses a fine against the Owner under this <u>Section 8.2</u>; and
- (d) if the violation is a continuing violation, states a time that is not less than 48 hours after the day on which the Board gives the Owner the written warning by which the Owner must cure the violation.
 - 8.2.2 The Board may assess a fine against an Owner if:
- (a) within one (1) year after the day on which the Board gives the Owner a written warning described under <u>Section 8.2.1</u>, the Owner commits another violation of the same provision of the Governing Documents identified in the written warning; or
- (b) for a continuing violation, the Owner does not cure the violation within the time period that is stated in the written warning described in <u>Section 8.2.1</u>.
- 8.2.3 After the Board has assessed a fine against an Owner under this <u>Section 8.2</u>, the Board may, without further warning, assess an additional fine against the Owner each time the Owner:
- (a) commits a violation of the same provision of the Governing Documents within one (1) year after the day on which the Board assesses a fine for a violation of the same rule or provision; or
- (b) allows a violation to continue for ten (10) days or longer after the day on which the Board assesses the fine.
- 8.2.4 An Owner who is assessed a fine may request an informal hearing before the Board to dispute the fine by delivering to the Board a written request for such hearing no later than thirty (30) days after the day on which the Owner receives notice that the fine is assessed.
 - 8.2.5 At the informal hearing described under Section 8.2.4, the Board shall:
- (a) provide the Owner a reasonable opportunity to present the Owner's position to the Board; and
- (b) allow the Owner, a member of the Board, or any other person involved in the hearing to participate in the hearing by means of electronic communication.
- 8.2.6 If an Owner timely requests an informal hearing under <u>Section 8.2.4</u>, no interest or late fees may accrue until after the Board conducts the hearing and the Owner receives a final written decision from the Board.
- 8.2.7 An Owner may appeal a fine assessed under this <u>Section 8.2</u> by initiating a civil action no later than one hundred eighty (180) days after:
- (a) if the Owner timely requests an informal hearing under <u>Section 8.2.4</u>, the day on which the Owner receives a final decision from the Board; or

- (b) if the Owner does not timely request an informal hearing under <u>Section 8.2.4</u>, the day on which the time to request an informal hearing under <u>Section 8.2.4</u> expires.
- 8.2.8 (a) Subject to Section 8.2.8(b) a Board may delegate the Board's rights and responsibilities under this Section 8.2 to a managing agent.
- (b) The Board may not delegate the Board's rights or responsibilities described under <u>Section 8.2.5</u>.
- 8.2.9 If any provision of any Governing Document provides a longer period of time within which an Owner may or must cure a violation than is stated in this <u>Article 8</u>, or a longer period of time before the Board is permitted to impose a fine than is stated in this <u>Article 8</u>, that longer period of time shall apply.

8.3 Amount of Fines

As set forth under Subsection 57-8a-208(3) of the Community Act, any fine that is assessed must be in an amount that is provided for under the Governing Documents, and may accrue interest and late fees as also provided for under the Governing Documents. Accordingly, the Board shall publish and may periodically update and/or revise a schedule of fines, late fees and interest rates, which the Board shall adopt as part of the Association's Rules and Regulations. Notwithstanding the previous sentence, the Board may not:

- (a) adopt or attempt to enforce any late fees that exceed Twenty-Five Dollars (\$25);
- (b) adopt or attempt to enforce an interest rate that exceeds Eighteen Percent (18%) per annum;
- (c) adopt or attempt to enforce any fine that exceeds One Hundred Dollars (\$100); or
- (d) assess against any Owner during any single calendar month an aggregate amount of fines that exceed Five Hundred Dollars (\$500) for multiple violations of the same rule or provision of any Governing Document.

8.4 Tenants/Guests/Occupants

Each Owner is accountable and responsible for the behavior of the residents, tenants, invitees, guests and/or other occupants of such Owner's Dwelling. Accordingly, any fines that are levied against such residents, tenants, invitees, guests and/or other occupants of any Dwelling shall be the sole responsibility of the Owner of that Dwelling.

ARTICLE 9 – BUDGET AND EXPENSES

9.1 Association Budget and Estimated Expenses

- 9.1.1 Annual Budget. No later than thirty (30) calendar days prior to the Annual Meeting, the Board (or the Manager as may be directed by the Board) shall prepare, adopt and deliver to the Owners a budget (the "Annual Budget") which shall set forth an itemization of expenditures for the upcoming fiscal year. The Annual Budget shall be based upon estimated cash requirements by the Board to provide for the payment of all expenses growing out of or connected with the administration, operation and maintenance of the Project during such fiscal year. The Annual Budget shall itemize the estimated costs for any and all Common Expenses, anticipated receipts (if any), any deficit or surplus from prior operating periods, and shall also include the Reserve Fund Line Item for such fiscal year as described under Section 9.2 of this Declaration. The Annual Budget shall serve as the supporting document for the Annual Assessment for the fiscal year to which the Annual Budget applies, and as a major guideline under which the Project shall be operated and managed during such fiscal year.
- 9.1.2 <u>Annual Budget Shortfall</u>. If the sum estimated and budgeted for the Annual Budget at any time proves inadequate for any reason the Board may impose a Special Assessment pursuant to <u>Section 10.3</u>, below. By way of example, and not limitation, such a shortfall in the Annual Budget may be caused by the failure of any individual Owner (or group of Owners) to pay their Annual or Special Assessment(s), or could result from any unanticipated increase in Common Expenses caused by, for example, unexpected major repairs to the Project's water irrigation/sprinkler system or unexpectedly higher snow removal costs caused by heavy snowfall or rising fuel costs.
- 9.1.3 Adoption of Annual Budget and Annual Assessments. If the Annual Meeting is held after the beginning of the fiscal year (January 1°), the Annual Budget shall retroactively apply to the beginning of the fiscal year, and the Association shall begin collecting the Annual Assessment associated with such Annual Budget at the beginning of the quarter that immediately follows the Annual Meeting and shall continue collecting such amount each quarter until the Board begins collecting the Annual Assessment associated with the Annual Budget for a subsequent fiscal year.

Pursuant to Section 57-8a-215 of the Community Act, the Annual Budget may be disapproved by a vote of a Majority of the Owners either at the Annual Meeting or at a special meeting that is held and completed not later than forty-five (45) days following the date of the Annual Meeting. The Annual Budget may not be disapproved merely by a majority of the Owners who attend the Annual Meeting, even if a quorum is present – the Annual Budget may only be disapproved by a Majority of the Owners, as that term is defined under <u>Section 1.25</u> of this Declaration.

Unless the Annual Budget is specifically disapproved by a Majority of the Owners the Annual Budget and Annual Assessments shall be deemed approved. Notwithstanding the foregoing, however, if the Annual Budget and Annual Assessments are disapproved by a Majority of the Owners, or the Board fails for any reason to adopt an Annual Budget and Annual Assessments for a particular fiscal year, until such time as a new Annual Budget and new schedule of Annual Assessments has been established, the Annual Budget and the Annual Assessments in effect for the previous fiscal year shall continue for the succeeding fiscal year.

9.2 Reserve Fund Line Item

The purpose of this <u>Section 9.2</u> is to comply with Section 57-8a-211 of the Community Act, as may be periodically amended or supplemented.

- 9.2.1 <u>Determination of Reserve Fund Line Item</u>. In calculating, formulating or determining its Annual Budget, the Association must include a "**Reserve Fund Line Item**" which shall be used to fund the Reserve Fund. The Reserve Fund Line Item shall be in: (A) an amount the Board determines, based upon the reserve analysis, to be prudent; or (B) a higher amount if the Board reasonably determines that such higher amount is required in order to properly maintain or replenish the Reserve Fund as a result of, for example and without limitation, an unexpected depletion of the Reserve Fund due to the repair, replacement, or restoration of Common Area and/or Common Improvements that were not anticipated or accounted for as part of the Association's most recent reserve analysis.
- 9.2.2 <u>Veto of Reserve Fund Line Item</u>. No later than forty-five (45) calendar days after the day on which the Association adopts the Annual Budget, the Reserve Fund Line Item may be vetoed by a Majority of the Owners at a special meeting called by the Owners for the purpose of voting whether to veto the Reserve Fund Line Item.

If the Owners veto the Reserve Fund Line Item as provided under this <u>Section 9.2.2</u>, and a Reserve Fund Line Item exists in a previously approved Annual Budget that was <u>not</u> vetoed, the Association shall fund the Reserve Account in accordance with that prior Reserve Fund Line Item.

9.2.3 Owner Legal Action. If the Association fails to comply with the requirements of Section 57-8a-211 of the Community Act and/or any provisions of this Declaration pertaining to the Reserve Fund Line Item, and the Association fails to remedy such noncompliance within the time period specified under Section 57-8a-211 of the Community Act, any Owner may file an action in state court for damages or remedies pursuant to Section 57-8a-211 of the Community Act.

9.3 Common Expense Fund

With the exception of those amounts that may be set aside and deposited into the Reserve Fund as provided under this Declaration, the total amount of any and all Assessments paid by the Owners shall be deposited into the Common Expense Fund. The Board may choose to deposit or transfer any excess Common Expense Fund amounts into the Reserve Fund.

9.4 Reserve Analysis

- 9.4.1 <u>Reserve Analysis Frequency</u>. The Board shall cause a reserve analysis to be conducted no less frequently than every six (6) calendar years; and subsequently review and, if necessary, update a previously conducted reserve analysis no less frequently than every three (3) calendar years.
- 9.4.2 <u>Reserve Analysis Purpose</u>. As set forth under Section 57-8a-211 of the Community Act, the purpose of the reserve analysis is to determine: (a) the need for a Reserve Fund to accumulate money to cover the cost of repairing, replacing, or restoring Common Area and/or Common Improvements that have a useful life of three (3) years or more and a remaining useful life

of less than thirty (30) years, if the cost cannot reasonably be funded from the Annual Budget (including the Common Expense Fund) or other funds of the Association; and (b) the appropriate amount of the Reserve Fund.

9.4.3 <u>Reserve Analysis Contents</u>. The contents of the reserve analysis, and the manner in which the reserve analysis is reported to the Owners, must comply with the requirements of the Community Act, as may be periodically amended or supplemented. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

9.5 Reserve Fund

- 9.5.1 <u>Purpose of Reserve Fund</u>. In addition to the needs for which the Reserve Fund has been established as described under <u>Section 9.4.2</u>, the Reserve Fund may also be used to pay for certain unexpected Common Expenses, provided the costs for such unexpected Common Expenses cannot reasonably be funded from the Annual Budget (including the Common Expense Fund) or other funds of the Association. As used in this <u>Section 9.5.1</u>, the phrase "unexpected Common Expenses" refers to any unexpected costs resulting from (a) maintenance of the Landscaping, (b) maintenance of any portion of the project's secondary water irrigation/sprinkler system, (c) secondary water usage that exceeds the maximum amount allowed by the water utility company, or (d) removal of ice and snow from certain portions of the Project as described under <u>Section 5.4.1</u>.
- 9.5.2 <u>Funding of Reserve Fund</u>. The Reserve Fund may be funded via the Reserve Fund Line Item described under <u>Section 9.2</u> of this Declaration.
- 9.5.3 <u>Use of Reserve Fund</u>. As set forth under Section 211 the Community Act, unless a Majority of the Owners vote to approve the use of Reserve Fund money for that purpose, a board may not use any Reserve Fund money: (i) for daily maintenance expenses, or (ii) for any purpose other than the purpose for which the Reserve Fund was established. Nothing in this <u>Section 9.5.3</u> shall be construed to limit the Board from prudently investing money that has been deposited in the Reserve Fund.
- 9.5.4 <u>Annual Presentation of Reserve Fund</u>. As required under Section 57-8a-211 of the Community Act, the Association shall annually provide the Owners with a summary of the most recent reserve analysis or update, and shall provide a copy of the complete reserve analysis or update to any Owner who requests a copy.

9.6 Funds to be Maintained Separately

The Common Expense Fund and the Reserve Fund shall be kept in separate bank accounts at a federal or state chartered bank, savings bank, industrial bank or credit union.

9.7 Recordkeeping

As required under the Community Act, the Board shall keep receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Such records shall be available for examination by any Owner at convenient hours of weekdays no later than fourteen (14) calendar days after the Owner makes a written request to examine such records.

ARTICLE 10 – ASSESSMENTS

10.1 Owner Payment of Assessments

- 10.1.1 <u>Assessments</u>. Each Owner shall pay Assessments subject to and in accordance with the procedures set forth in this Article 10 or any other applicable provisions of the Governing Documents. As used in this Declaration, the term "**Assessments**" shall include Annual Assessments, Special Assessments and Reimbursement Assessments as permitted under the Governing Documents.
- 10.1.2 <u>Purpose of Assessments</u>. Any and all Assessments provided for under this Declaration shall be used for the general purpose of operating the Project, paying Common Expenses, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, including the maintenance of any real and personal property owned by the Association, and regulating the Project, all as may be more specifically authorized from time to time by the Board.
- 10.1.3 <u>Imposition of Assessments</u>. The amount of, and purpose for, any Assessment shall be determined pursuant to the procedures set forth in the Acts and/or the Governing Documents. The Board shall have the authority and discretion to determine certain details such as how and when any Assessment will be paid by and collected from the Owners (*e.g.* deadline for payment of the Assessment, whether the Assessment will be collected via multiple installments versus single lump-sum payment, etc.).

10.1.4 Calculation and Allocation of Assessments.

The Original Declaration established Maximum Monthly Assessments for three categories of Dwellings (Small, Medium and Large), which was also used to calculate the percentage of any Special Assessment that the Owner of each Lot/Dwelling would be required to pay.

The Association has determined that Maximum Monthly Assessments are not a useful means of administering the Annual Budget. As such, Maximum Monthly Assessments shall no longer be imposed against or applied to any Dwelling or Lot, and shall no longer apply to the Association's determination of the Annual Budget or the Association's collection of any Assessments whatsoever.

Consistent with the manner in which Assessments were allocated under the Original Declaration, Annual Assessments and Special Assessments will be calculated and allocated based upon the Weighted Size of each Dwelling (Small, Medium or Large).

The square footage and Weighted Size of the Dwelling that will be constructed on any given Vacant Lot is unknown until construction of the Dwelling has commenced. Consequently, the Annual Assessments and Special Assessments imposed against each Vacant Lot will be equal to fifty percent (50%) of any Annual Assessments or Special Assessments that may be imposed against a Small Dwelling.

The Weighted Size of Vacant Lots and each Dwelling shall be as follows:

	Dwelling Size	Weighted Size
Vacant Lot	Not Applicable	0.8
Small	1600 square feet or less	1.6
Medium	1601 to 3000 square feet	1.85
Large	3001 or more square feet	2.05

The Owner of each Vacant Lot and each Dwelling shall pay a percentage of any Annual Assessments or any Special Assessments that may be imposed by the Association, which will be calculated as follows:

The Percentage of Assessments paid by the Owner of any Vacant Lot shall be the Weighted Size of the Vacant Lot (0.8) divided by the sum total of the Weighted Sizes of all Vacant Lots and all Dwellings located in the Project.

The Percentage of Assessments paid by the Owner of any Small Dwelling shall be the Weighted Size of the Small Dwelling (1.6) divided by the sum total of the Weighted Sizes of all Vacant Lots and all Dwellings located in the Project.

The Percentage of Assessments paid by the Owner of any Medium Dwelling shall be the Weighted Size of the Medium Dwelling (1.85) divided by the sum total of the Weighted Sizes of all Vacant Lots and all Dwellings located in the Project.

The Percentage of Assessments paid by the Owner of any Large Dwelling shall be the Weighted Size of the Large Dwelling (2.05) divided by the sum total of the Weighted Sizes of all Vacant Lots and all Dwellings located in the Project.

Upon the completion of the construction of any new Dwelling on any Vacant Lot, the Board shall re-calculate the Percentage of Assessments to be paid by the Owner of each Vacant Lot and the Owner of each Dwelling located in the entire Project. The Weighted Size of the new Dwelling will be determined by its square footage. The square footage of the new Dwelling will be the square footage utilized by the Weber County Tax Assessor's Office to calculate real property taxes.

The percentage of any Annual Assessments or any Special Assessments to be paid by the Owner of each Vacant Lot and each Dwelling located in the entire Project as of the Recording Date is set forth under the "Weighted Sizes and Percentage of Assessments" which is attached to and made part of this Declaration as Exhibit "C."

The Board may, but shall not be required to, record with the Recorder's Office an updated and amended Exhibit "C" (Weighted Sizes and Percentage of Assessments) each time a new Dwelling is constructed. However, no later than six (6) months following completion of construction of the final Dwelling in the Project, the Board shall record with the Recorder's Office a final version of Exhibit "C". Such a recording shall not be deemed an amendment to this Declaration requiring a vote of the Owners, but shall instead merely be deemed an updated supplement to this Declaration.

- 10.1.5 <u>Collection of Annual Assessments and Special Assessments</u>. The collection of Annual and Special Assessments will be administered as follows:
- (a) Pursuant to <u>Section 10.1.3</u>, the Board shall establish the due date for the payment of any Annual or Special Assessment.
- (b) Approximately two (2) weeks prior to the due date of any Annual or Special Assessment payment, the Board or Manager may send to each Owner, via regular mail or email, a reminder of such due date and the dollar amount of the Annual or Special payment.
- (c) Ten (10) or more days after the due date of any Annual or Special payment, the Board or Manager may send, via regular mail or email, a reminder to any Owner that has not delivered his or her Annual or Special Assessment payment.
- (d) The Association shall assess a late fee of Twenty Five Dollars (\$25) for any Annual or Special Assessment payment that has not been postmarked by the 10th day following the due date of any Annual or Special Assessment payment.
- (e) After the due date for any Annual or Special Assessment payment has passed, the Board or Manager may continue to send, via regular mail or email, periodic reminder to any Owner that has yet to deliver his or her Annual or Special Assessment payment.
- (f) If any Owner has failed to deliver his or her Annual or Special Assessment payment to the Association more than ninety (90) days after the due date of such payment, the Board or Manager shall send the Owner (via courier service or via certified mail, with signature required upon delivery) a letter stating that:
 - (1) the Owner must immediately deliver the delinquent Annual or Special Assessment payment,
 - (2) a lien will be filed against the Owner's property if such payment is not received within ten (10) calendar days of the date of the letter, and
 - (3) the Owner will be liable for the payment of late fees and interest, as well as any fees and expenses the Association may pay or incur in connection with collection of the delinquent Annual or Special Assessment payment and the filing of any liens.

Failure of the Board or Manager to send any or all of the reminders described under Subsections (b), (c) or (e) will not invalidate the Association's right to collect the Annual or Special Assessment payment, charge late fees, collect interest or pursue a lien against any Owner who has failed to timely deliver his or her Annual or Special Assessment payment.

- 10.1.6 Obligation to Pay Assessments. Each Assessment shall be a joint and several personal debt and obligation of the Owner(s) and contract purchaser(s) of Lots for which the same are imposed as of the time the Assessment is made and shall be collectible as such. Each Owner, by acceptance of a deed or as a party to any other type of conveyance of any Lot, vests in the Association or its agents the right and power to (a) bring all actions against him or her personally for the collection of any debts arising out of or related to any Assessments, or any other charges related to such Assessments; or (b) foreclose any lien arising out of or related to any Assessments, or any other charges related to such Assessments, in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.
- 10.1.7 <u>No Waiver</u>. No Owner may waive or otherwise exempt himself or herself from liability for the Assessments provided for herein, including, without limitation, non-use of Common Area, non-use of any Common Improvements, and/or the abandonment of his or her Lot.
- 10.1.8 <u>Duty to Pay Independent</u>. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association, the Board or the Manager to take some action or perform some function required to be taken or performed by the Association, the Board or the Manager pursuant to the Governing Documents, or for any inconvenience to any Owner arising from or related to any maintenance or repairs occurring anywhere within the Project, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.
- 10.1.9 <u>Application of Payments</u>. All payments received by the Association from Owners shall be applied in the following order: (i) Additional Charges, (ii) past due Assessments, (iii) currently due Assessments.
- 10.1.10 <u>Account Status</u>. The Association shall provide Owners with a timely accounting of the status of their accounts upon written request to the Board. Such accountings will be considered accurate unless challenged within ninety (90) calendar days of the posting of any item. After 90 calendar days, the costs incurred by the Association to review any item will be the responsibility of the individual Owner.
- 10.1.11 <u>Statement of Assessments Due</u>. Upon written request by any Owner, the Board shall furnish to such Owner a statement of Assessments due, if any, on his or her Lot. The Association may require the advance payment of a processing charge not to exceed \$25.00 (or the maximum amount permitted under the Community Act) for the issuance of such statement. This written statement of Assessments due shall be conclusive in favor of any person who relies on such statement in good faith.
- 10.1.12 <u>Superiority of Assessments</u>. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which, insofar as it adversely affects the Association's lien for unpaid Assessments, each Owner by accepting a deed or other document of conveyance to a Lot hereby waives.

10.2 Annual Assessments

- 10.2.1 <u>Use of Annual Assessments</u>. Annual Assessments shall be levied by the Board against each Lot and its Owner in order to pay the Common Expenses.
- 10.2.2 Notice of Annual Assessments and Time for Payment. The Board shall notify each Owner as to the amount of the Annual Assessment that will be imposed against such Owner's Lot/Dwelling for the upcoming fiscal year no later than thirty (30) calendar days prior to the Annual Meeting. Such notification may be delivered in any manner permitted under Section 22.3. Each Annual Assessment shall be payable in quarterly installments, with each such installment being due and payable on the first day of January, April, July and October during the fiscal year to which the Annual Assessment relates.

The total amount of the Annual Assessment shall apply to the fiscal year to which the Annual Assessment relates unless the Annual Budget upon which the Annual Assessment was based is disapproved by the Owners as described under Section 9.1.3. If such Annual Budget is disapproved, each Owner shall thereafter be required to deliver the quarterly installment that was paid by such Owner during the previous fiscal year, and shall continue to pay such amount on the first day of each quarter until such time as the Annual Budget for the subsequent fiscal year has been approved. The Board shall determine the manner in which any discrepancies in quarterly installments due and payable by each Owner for a particular fiscal year (caused by any delayed implementation of an Annual Budget for that fiscal year) will be resolved.

The failure of the Board to deliver timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Annual Assessment or any other Assessment; however the date when the payment shall become due in such case shall be deferred to a date fifteen (15) calendar days after notice of such Assessment is given to any Owner.

10.3 Special Assessments

In addition to the Annual Assessments authorized by <u>Section 10.2</u>, the Board may, on behalf of the Association, periodically impose special assessments ("**Special Assessments**") pursuant to this <u>Section 10.3</u>.

10.3.1 <u>Annual Budget Shortfall</u>. If the sum estimated and budgeted for the Annual Budget at any time proves inadequate for any reason the Board may impose a Special Assessment to address such Annual Budget shortfall.

Any such Special Assessment deemed by the Board as necessary to remedy an Annual Budget shortfall, and imposed by the Board without the prior approval of the Owners, shall not exceed ten percent (10%) of the Annual Assessment for the same fiscal year in which the Special Assessment has been imposed (the "Board Approved Special Assessment"). Owners shall be given no less than thirty (30) calendar days written notice of any such Special Assessment caused by an Annual Budget shortfall.

In the event the Board determines an Annual Budget shortfall may only be adequately remedied by a Special Assessment that <u>exceeds</u> ten percent (10%) of the Annual Assessment for the same fiscal year in which the Special Assessment is to be imposed, such a Special Assessment shall require an affirmative vote or written consent of a Majority of the Owners. In the event the Board is unable to obtain such an affirmative vote or written consent of a Majority of the Owners, the Board may cover the Annual Budget shortfall by using all or any portion of the Reserve Fund.

- 10.3.2 <u>No Board Majority</u>. If the Board is unable to obtain a majority vote of the Board members (as required under <u>Section 4.2</u>) to authorize a Board Approved Special Assessment, the Board shall present the proposed Special Assessment for a vote by the Owners, and the Special Assessment must be approved by a Majority of the Owners.
- 10.3.3 Emergency Repair or Replacement. The Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any unexpected or emergency repair or replacement of any Common Area or Common Improvement. If the Board determines that such a Special Assessment is necessary, the Board shall present the proposed Special Assessment for a vote by the Owners along with a reasonably detailed narrative explaining the needed repair or replacement. The Special Assessment must then be approved by a Majority of the Owners.
- 10.3.4 <u>No Authority to Incur Expenses</u>. This <u>Section 10.3</u> shall not be construed as an independent source of authority for the Association or the Board to incur expenses, but shall only be construed to prescribe the manner of assessing for Annual Budget shortfalls or Reserve Fund shortfall.
- 10.3.5 Notice and Payment. Special Assessments shall be payable on such date(s) and over such time periods as the Board may determine. The Board, in its sole discretion, may allow any Special Assessment to be paid in installments. Written notice of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners. However, no payment of any Special Assessment, or any portion of any Special Assessment, shall be due less than thirty (30) calendar days after such notice shall have been given. The failure of the Board to deliver prompt notice of any Special Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Special Assessment or any other Assessment.

10.4 Reimbursement Assessments.

The Association may levy a Reimbursement Assessment against a particular Owner or group of Owners, and his or her or their Lot(s), in order to reimburse the Association for any costs the Association may incur due to the acts or omissions of such Owner(s) or his, her or their family members, tenants, guests or invitees.

The Association may impose a Reimbursement Assessment if, for example:

- (a) the Association provides services or materials that were requested by a particular Owner or group of Owners for the benefit of that Owner or group of Owners* (*e.g.* removal or installation of Landscaping at the request of an Owner or group of Owners),
- (b) the Association repairs Property Deterioration pursuant to Section 5.2.2,

- (c) an Owner or his or her family member, tenant, guest or invitee causes damage to the Common Area or any Common Improvement,
- (d) an Owner or his or her family member, tenant, guest or invitee fails to comply with any provision of any Governing Documents causing the Association to incur expenses to effect compliance, including attorneys' fees and costs,
- (e) the Association incurs expenses related to the collection of an Owner's delinquent Assessments, or
- (f) any similar incidents or circumstances.

*The Association may require that a Reimbursement Assessment be received by the Association prior to providing any services or materials requested by a particular Owner or group of Owners for their benefit.

10.4.1 Reimbursement Assessment vs. Fine. A Reimbursement Assessment shall not be deemed a fine (*i.e.* a sum of money imposed as a penalty) provided the Reimbursement Assessment resulted from an expense the Association reasonably incurred due to the acts or omissions of an Owner or his or her family members, tenants, guests or invitees as described under this Section 10.4. As such, the imposition of a Reimbursement Assessment shall not be subject to the provisions of Article 8 regarding fines, including the procedure for assessing fines, limitations regarding the dollar amount of fines, informal hearings and appeals. The Association may elect to impose both a Reimbursement Assessment and a fine in connection with the same incident or circumstances.

10.5 Collection of Assessments / Failure to Pay

Each Owner shall be obligated to pay his or her Assessments to the Association on or before the due date as set forth under this Declaration or otherwise determined by the Board.

- 10.5.1 <u>Delinquent Assessments</u>. Any Assessment not paid when due shall be immediately deemed as delinquent, and a lien securing the obligation to pay such Assessment shall automatically attach to the Lot of the Owner(s) failing to timely pay such Assessment, regardless of whether a written notice is recorded.
- 10.5.2 <u>Late Fees and Accruing Interest</u>. Except for any late fees or interest that may be specifically set forth in this Declaration, the Association's policies regarding late fees and/or accruing interest in connection with delinquent Assessment payments shall determined by the Board and shall be set forth in the Rules and Regulations. Such policies shall be consistent with applicable state law regarding the imposition of late fees and/or interest on delinquent Assessment payments.
- 10.5.3 <u>Suspension of Right to Vote</u>. At the discretion of the Board, the right of an Owner to vote on issues concerning the Association may be suspended if that Owner is delinquent in the complete payment of any Assessments, and has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written notice pursuant to <u>Section 10.5.4</u>.
- 10.5.4 <u>Notice of Suspension</u>. Before suspending any Owner's right to vote, the Board shall give written notice to such Owner. The notice shall state: (A) voting rights will be suspended if payment of the Assessment is not received within three (3) business days; (B) the amount of the

Assessment due, including any late fees, interest, and costs of collection; and (C) that the Owner has a right to request a hearing by submitting a written request to the Board within fourteen (14) calendar days from the date the notice is received. If a hearing is requested, the Owner's right to vote may not be suspended until after the hearing has been conducted and a final decision has been reached by the Board.

10.5.5 <u>Security Deposit</u>. Any Owner who has been late in delivering payment of his or her Assessments more than twice during any given twelve (12) month period may be required by the Board to make and maintain a security deposit not in excess of six (6) months of estimated Assessments, which may be collected in the same manner as other Assessments. Such deposit monies may be kept deposited and held in the Common Expense Fund under a separate budget category.

10.6 Lien / Foreclosure

- 10.6.1 <u>Lien</u>. The Association shall have a lien on the interest of the Owner(s) of the Lot for (1) any delinquent Assessment, (2) fees, charges, and costs associated with collecting any delinquent Assessment, including, court costs and reasonable attorney fees, late charges, interest, and any other amount the Association is entitled to recover under the Governing Documents, the Acts, or an administrative or judicial decision, and (3) any fine the Association may impose against the Owner of such Lot. The recording of this Declaration constitutes record notice and perfection of the lien described in this <u>Section 10.6.1</u>. A lien under this Section is not subject to Utah Code Annotated Title 78B, Chapter 5, Part 5, Utah Exemptions Act. If an Assessment is payable in installments, the lien described in this Section is for the full amount of the Assessment from the time the first installment is due, unless the Association otherwise provides in the notice of Assessment. A lien under this Section has priority over each other lien and encumbrance on a Lot except:
 - (a) a lien or encumbrance recorded before this Declaration was recorded;
- (b) a first or second security interest on the Lot secured by a deed of trust or mortgage that is recorded before a recorded notice of lien by or on behalf of the Association; or
- (c) a lien for real estate taxes or other governmental assessments or charges against the Lot.
- 10.6.2 <u>Foreclosure of Lien and/or Collection Action</u>. If the delinquent Assessments remain unpaid, the Association may, as determined by the Board, institute suit to collect the amounts due and/or to foreclose the lien. Suit to recover a money judgment for the unpaid Assessments shall be maintainable without foreclosure or waiving the lien securing the same.
- 10.6.3 Foreclosure of Lien as Mortgage or Trust Deed. In order to enforce a lien for any delinquent Assessment, or any of the other fees, charges, costs or fines described under Section 10.6.1, the Association may cause a Lot to be sold through nonjudicial foreclosure as though the lien were a deed of trust, in the manner provided by Utah Code Annotated §57-1-24 through §57-1-27 or any other applicable law, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a Mortgage. For purposes of a nonjudicial or judicial foreclosure, the Association is considered to be the beneficiary under a trust deed and the Owner of the Lot being foreclosed is considered to be the trustor under a trust deed. An Owner's acceptance of

the Owner's interest in a Lot constitutes a simultaneous conveyance of the Lot in trust, with power of sale, to the trustee designated as provided in this Section for the purpose of securing payment of all amounts due under this Declaration and the Acts. In any such judicial or nonjudicial foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Lot which shall become due during the period of any such judicial or nonjudicial foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power in behalf of the Association to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Lot in the name of the Association.

10.6.4 <u>Appointment of Trustee</u>. If the Board 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 or she 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, each Owner hereby transfers in trust to said Trustee all of his or her right, title and interest in and to the Lot for the purpose of securing his or her performance of the obligations set forth herein.

10.6.5 Notice of Foreclosure. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice to the Owner of the Lot that is the intended subject of the nonjudicial foreclosure. The notice shall (i) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Lot to enforce the Association's lien for an unpaid Assessment; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested; and (iv) be in substantially the following form:

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE, Trappers Ridge Homeowners Association, Inc. a Utah non-profit corporation, the Association for the project in which your Lot is located, intends to foreclose upon your Lot and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your Lot and to collect the amount of an unpaid assessment against your Lot, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that "I demand a judicial foreclosure proceeding upon my Lot," or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is [insert the current address of the Association for receipt of a demand].

10.6.6 <u>One-Action Rule Inapplicable</u>. As provided under the Acts, the one-action-rule provided in Utah Code Annotated Subsection 78B-6-901(1) shall not apply to the Association's judicial or non-judicial foreclosure of a lien for Common Expenses.

10.7 Remedies Cumulative

The remedies provided to the Association under this Article 10 are cumulative and the Association may pursue any such remedies concurrently, as well as any other remedies which may be available under law although not expressed herein.

ARTICLE 11 - COMPLIANCE AND ENFORCEMENT

11.1 Enforcement

Each Owner shall comply with the provisions of the Governing Documents, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to the Governing Documents. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board on behalf of the Owners, or by the aggrieved Owner on his or her own. Reasonable fines may be levied and collected as an Assessment for violations of the Governing Documents. A schedule of fines may be adopted by the Board specifying the amounts of such fines, and any other provisions or procedures related to the levying of such fines.

The Association shall be entitled to an award of its attorneys' fees and costs in any action taken for the purpose of enforcing or otherwise implementing the terms of the Governing Documents, or for any action taken pursuant to the Governing Documents, if it prevails in such action, regardless of who instituted the action.

11.2 Remedies

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such documents, shall give the Board acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in the Governing Documents, or under law, to do, any or all of the following after giving written notice:

- (a) Subject to the provisions of this Declaration, to enter any Lot or any portion of the Common Area (including any Common Area that is contiguous and/or immediately adjacent to any Lot or Dwelling) where such violation exists and to summarily correct, abate or remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of the provisions of the Governing Documents, and the Board shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished;
- (b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

- (c) To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Board, a copy of which shall be delivered to each Owner, mailed to the mailing address of the Lot or Dwelling or mailed to the mailing address designated by the Owner in writing to the Association;
- (d) To suspend the voting rights of any Owner, after notice and an opportunity to request a hearing, for any infraction of any of the published Rules and Regulations of the Association or the Governing Documents, including failure to timely pay an Assessment; and/or
- (e) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any Rules or Regulations adopted pursuant thereto.

11.3 Action by Owners

Subject to any limitations that may be imposed under this Declaration, the Bylaws or applicable Utah law, an aggrieved Owner may bring an action against any other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

11.4 No Waiver of Strict Performance

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any Assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in a writing been signed by the Board.

ARTICLE 12 – INSURANCE

12.1 Property Insurance

The Association shall, to the extent reasonably available using typical insurance carriers and markets, maintain: (a) property insurance on Common Improvements that are owned, managed and/or controlled by the Association, if any, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and (b) liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. If the Association becomes aware that property insurance or liability insurance is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

12.2 General Liability Insurance

The Association shall, to the extent reasonably available using typical insurance carriers and markets, maintain General Liability insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area (including Common Improvements) or membership in the Association. The

coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

12.3 Insurance Coverage for Theft and Embezzlement of Association Funds

The Association shall, to the extent reasonably available using typical insurance carriers and markets, maintain insurance covering the theft or embezzlement of funds that: (1) provide coverage for an amount of not less than the sum of three months of Annual Assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for theft or embezzlement of funds by: (a) officers, directors, or any other members of the Board of Directors, (b) any members of the Association, (c) employees and volunteers of the Association, (d) any Manager of the Association, and (e) officers, directors, and employees of any Manager of the Association.

12.4 Directors and Officers Insurance

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

12.5 Association Personal Property

The Board may, in the Board's discretion and to the extent reasonably available using typical insurance carriers and markets, maintain insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

12.6 Workers' Compensation Insurance

The Board may, in the Board's discretion and to the extent reasonably available using typical insurance carriers and markets, maintain workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Board of Directors deems appropriate.

12.7 Insurance Trustee

An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under a property insurance policy of the Association are payable to an Insurance Trustee that the Association designates or, if no Insurance Trustee is designated, to the Association,

and may not be payable to a holder of a security interest. An Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Association, the Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. After such disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, the Owners, and lien holders.

12.8 Insurance Trustees; Power of Attorney

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

12.9 Miscellaneous

- 12.9.1 <u>Waiver of Liability</u>. The Association and Board that acquires from an insurer the property insurance required in this Section is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.
- 12.9.2 <u>Election to Restore in Lieu of Cash Settlement</u>. Each such policy shall provide that, notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.
- 12.9.3 <u>Name of the Insured</u>. The named insured under each policy shall be in form and substance essentially as follows "Trappers Ridge Homeowners Association, Inc., a Utah domestic nonprofit corporation, for the use and benefit of the individual Owners" or such other form as may be required by the Association's insurance provider.
- 12.9.4 <u>Certificate of Insurance</u>. An insurer that issues any insurance policy under this Section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to the Association, an Owner, and a holder of a security interest, upon the Association's, an Owner's or the holder's written request.
- 12.9.5 <u>Cancellation or Nonrenewal Subject to Procedures</u>. A cancellation or nonrenewal of any insurance policy under this Paragraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

- 12.9.6 Qualifications of Insurance Carriers & General Coverage Requirements. The Association shall use insurance carriers licensed to do business in Utah and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or if not available, the most nearly equivalent rating.
- 12.9.7 <u>Waiver of Subrogation</u>. An insurer under a property insurance policy or liability insurance policy obtained under this Article waives the insurer's right to subrogation under the policy against any Owner or member of the Owner's household.
- 12.9.8 <u>Additional Coverage</u>. The provisions of the 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 the Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.
- 12.9.9 <u>Review of Insurance</u>. The Board shall annually review (or cause a review) of the coverage and policy limits of all insurance on the Project and adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

12.10 Owner Insurance Coverage

Each Owner shall obtain adequate insurance coverage in connection with any Owner Improvements/Amenities that such Owner may have temporarily or permanently constructed, located, stored, parked, placed or installed upon any street or any portion of the Common Area (including, without limitation, any Common Area that is contiguous and/or immediately adjacent to any Lot or Dwelling).

ARTICLE 13 – EASEMENTS

13.1 In General

There is hereby created a blanket, nonexclusive easement upon, across, over and under the entire Project for ingress, egress, installation, replacement, repair, and maintenance of all utilities, including, without limitation, water, sewer, telephone, Internet, electricity and other utility services.

13.2 Association Functions

There is hereby reserved to the Association, or the Association's duly authorized agents and representatives, such nonexclusive easements upon, across, over and under the entire Project as are necessary to perform the duties and obligations of the Association as set forth in the Governing Documents. The Association is also hereby granted a nonexclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to the Governing Documents.

13.3 Utility Infrastructure

Each Owner shall have a limited, non-exclusive easement across and under his or her Lot and the Common Area located adjacent to his or her Lot for the purpose of installing, repairing or maintaining Utility Infrastructure that services his or her Lot. Access to adjacent Common Area shall be limited to reasonable time and with reasonable notice to the Board. Each Owner shall, at his or her sole expense, restore the Common Area to the same or better condition as prior to the commencement of such work. All such work shall be performed in a timely fashion and in accordance with the Design and Construction Guidelines and applicable building and safety codes.

13.4 Easement of Enjoyment

Each Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Areas subject to the right of the Association to impose reasonable rules and regulations regarding the operation, use and maintenance of such Common Areas. Pursuant to Section 57-8a-218 of the Community Act, such rules and regulations may, for example but without limitation, reasonably limit the number of individuals who may use the Common Areas and Common Improvements as guests of any Owner or the tenant of any Owner. Such right and easement of use and enjoyment in and to the Common Areas shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom.

13.5 Governmental Public Services

In addition to the nonexclusive easements reserved to the Association pursuant to this Declaration, there shall also be granted, for the benefit of all Owners, a nonexclusive easement for county and federal public services, including but not limited to, the right of the police to enter upon any part of the Common Area for the purpose of enforcing the law and other purposes incident thereto. Weber County shall also have the easement and right of way over and on the Common Area for the purpose of repairing and replacing facilities or improvements therein and thereon at its option, in the event the Association fails and neglects to do so, and to have a lien therefor to guarantee replacement of the costs thereof against each of the Dwellings or Lots within the Project.

ARTICLE 14 – ENCROACHMENTS AND REMAINING LOT AREAS

14.1 Encroachments

The language of this <u>Section 14.1</u> is intended to accommodate the encroachment of any Dwelling on any Common Area located within the Project.

None of the rights and obligations of the Owners created by the Governing Documents, or created by any deed conveying any Lot, shall be altered in any way whatsoever by the encroachment of any Dwelling onto any portion of the Common Area that is contiguous and/or immediately adjacent to the Lot upon which such Dwelling was built which may have been caused by engineering errors, errors in construction, errors in the Plat Map(s), settling, rising or shifting of the earth, settlement or shifting of structures, changes in position caused by repair or reconstruction of the Dwelling, or any other similar cause. There shall be granted to the Owners of such encroaching Dwellings a valid, non-exclusive, perpetual and irrevocable easement for the maintenance of said

encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor on any Owner(s) if said encroachment occurred due to the willful conduct of said Owner(s).

Each Dwelling is hereby declared to have a valid, non-exclusive, perpetual and irrevocable easement, over the Common Area that is contiguous and/or immediately adjacent to the Lot upon which such Dwelling was built, for the purpose of accommodating any reasonable encroachment caused by engineering errors, errors in construction, errors in the Plat Map(s), settling, rising or shifting of the earth, settlement or shifting of structures, changes in position caused by repair or reconstruction of the Dwelling, or any other similar cause. The non-exclusive, perpetual and irrevocable easement described in this paragraph shall also apply to any encroachments due to any overhang or projection of the Dwelling. There shall be valid, non-exclusive, perpetual and irrevocable easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for such encroachment be created in favor of any Owner(s) if such encroachment occurred due to the willful act or acts with full knowledge of said Owner(s). In the event a Dwelling is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Common Area shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot. Such encroachments shall not be considered to be encumbrances either to the Common Area or the Lots.

14.2 Remaining Lot Area

In the event a Dwelling does not cover the entire Lot, any remaining portion of the Lot (the "Remaining Lot Area") shall be managed in the same manner as the Common Area that is contiguous to and/or immediately adjacent to the Lot. In other words, the Association shall (a) maintain and repair such Remaining Lot Area, (ii) own, control, manage, maintain, repair and replace any Landscaping, irrigation/sprinkler systems or other Common Improvements that may be located on the Remaining Lot Area.

The Owner of the Remaining Lot Area shall be prohibited from cutting, trimming or otherwise altering any Landscaping located on any portion of the Remaining Lot Area without obtaining the Board's or the Manager's prior written permission. The Association shall have no responsibility or liability whatsoever regarding the maintenance, repair or replacement of any Owner Improvements/Amenities located on such Remaining Lot Area.

ARTICLE 15 – DAMAGE, DESTRUCTION OR CONDEMNATION

15.1 Damage or Destruction

The Project shall be subject to any applicable provisions of the Community Act (as such Act may be amended or supplemented) pertaining to damage or destruction of a project including, by example and without limitation, Section 57-8a-407 of such Act.

In the event the Association determines that any damage or destruction of the Common Area cannot or shall not be repaired or reconstructed pursuant to any applicable provisions of the Community Act, and no alternative improvements are authorized, then the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

15.2 Condemnation

If at any time or times an insubstantial or minor part of the Common Area or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be payable to the Association and shall be used by the Association to the extent necessary for restoring or replacing any improvements on the remainder of the Common Area.

15.3 Authority of Board to Represent Owners in Condemnation or to Restore or Sell

The Board, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Area.

15.4 Settlement Proceeds

The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Owners and their Mortgagees as their interests may appear.

15.5 Excess Insurance

In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Board or Association (collectively, the "Excess Insurance Funds") exceed the cost of repair or restoration of the Common Area when such repair or restoration is undertaken, the Excess Insurance Funds may be deposited into the Reserve Fund pursuant to an affirmative vote or written consent of a Majority of the Owners. In the event a Majority of the Owners fails to approve the deposit of the Excess Insurance Funds into the Reserve Fund, such Excess Insurance Funds shall be paid and distributed to the Owners in proportion to their respective Percentage Interest. Payment to any Owner whose Lot is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

15.6 Inadequate Insurance

If the damage or destruction to the Common Area for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Owners, levy a Special Assessment against all Owners. Any additional Assessment may be made in like manner at any time during or following the completion of any repair or reconstruction. In any fiscal year, the Board may not, however, without an affirmative vote or written consent of a Majority of the Owners, levy such Special Assessments which in the aggregate exceed ten (10%) percent of the gross Common Expenses of the Association for that fiscal year.

ARTICLE 16 - CONSENT IN LIEU OF VOTE

Subject to Subsection 16-6a-707 of the Nonprofit Corporation Act (as such Subsection may be amended from time to time) in any instance in which a vote of the Owners is required in order to authorize or approve any transaction, action, or event, such requirement may be fully satisfied by obtaining, with or without a meeting, written consent to such transaction, action, or event from Owners who collectively hold not less than the minimum voting power that would be necessary to authorize or authorize or approve the transaction, action, or event at a meeting at which all Owners entitled to vote on the matter were present and voted.

16.1 Sixty-Day Limit

All necessary written consents must be obtained prior to the expiration of sixty (60) calendar days from the time the first written consent is obtained.

16.2 Revocation of Written Consent

Any Owner giving such written consent may revoke his or her consent by a signed writing that: (a) describes the transaction, action, or event; (b) states that the Owner's prior consent is revoked; and (c) is received by the Association prior to the effectiveness or commencement of the transaction, action, or event.

16.3 Notice

If a transaction, action, or event is approved by such written consent of Owners without a meeting, written notice of the approval must be given to all Owners no later than ten (10) calendar days before consummation of the transaction, action, or event authorized by such written consent of Owners.

16.4 Statutory Requirements or Restrictions

The provisions of this <u>Article 16</u> are subject to any applicable requirements or restrictions that may be set forth in the Nonprofit Corporation Act.

ARTICLE 17 – LIMITATION OF LIABILITY

17.1 No Personal Liability

So long as a Board member, Association officer, member of the Association or the Board or any committee, or any employee, independent contractor or agent of the Association has acted in good faith, without malicious, willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 12.

17.2 Indemnification of Board Members

Each Board member, Association officer, or member of any Association or Board committee shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred except in such cases wherein such person is adjudged guilty of malicious, willful or intentional misconduct in the performance of his or her duties; provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE 18 - RIGHTS OF FIRST MORTGAGEE

Notwithstanding anything to the contrary contained herein, the following provisions shall apply:

- 18.1 <u>Notice of Default</u>. In the event an Owner neglects for a period of thirty (30) days following written notification to cure any default of such Owner's duties and obligations under this declaration, the Association may give written notice of such fact to the holder of any first mortgage covering such Owners Lot.
- 18.2 <u>Abandonment, Termination, Etc.</u> Unless all of the holders of first mortgages on the individual Lots have given their prior written approval, neither the Association nor the Owners acting as a group shall be entitled by act, omission or otherwise:
- (a) To abandon the Project or to revoke, in their entirety, the Declaration, any Plat Map and/or the documents associated therewith;
 - (b) To revoke the Association's ability to impose Assessments upon the Owners;
- (c) To abandon, partition, subdivide, encumber, sell, hypothecate, transfer or otherwise encumber all or any part of the Common Areas except for the creating of easements and similar purposes consistent with the intended use of the Common Areas;

- (d) To use hazard insurance proceeds resulting from damage to any part of the Project consisting of Common Improvements for any purposes other than the repair, replacement, or reconstruction of such Common Improvements.
- 18.3 <u>Notice of Substantial Damage or Destruction</u>. The Association shall notify all holders of any first mortgage lien or equivalent security interest on a Lot, who have made written request upon the Association of any substantial damage to or destruction of any part of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, \$15,000. Said notice shall be given within ten (10) days after the Association learns of such damage or destruction.
- 18.4 <u>Condemnation or Eminent Domain Proceedings</u>. The Association shall give written notice to all holders of any first mortgage lien or equivalent security interest, who have made written request upon the Association therefor, of any condemnation proceedings or proposed acquisition of any portion of the Common Areas within ten (10) days after the Association learns of the same.
- 18.5 <u>Hazard Policy to Include Standard Mortgagee Clause</u>. Each policy of the hazard insurance shall include the standard mortgagee clause which either shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear, or shall be otherwise endorsed fully protect the interests of mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each mortgagee at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.
- 18.6 Rights Upon Foreclosure of Mortgage. The lien of any assessments provided in this Declaration shall be subordinate to the lien of any first mortgage upon such Lot; and the holder of a first mortgage (or deed of trust) on a Lot who comes into possession of the Lot by virtue of foreclosure of such first mortgage, or in lieu of foreclosure obtains possession by deed or assignment, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid Assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Lots including the mortgage Lot. Notwithstanding the foregoing, the Owner of such Lot shall continue to remain personally liable for such assessment pursuant to this Declaration.
- 18.7 <u>Mortgagees' Rights to Inspect Association Records</u>. The holders of first mortgages shall have the right upon reasonable notice and during business hours to inspect and copy at their own expense all books and financial records of the Association.

ARTICLE 19 – DECLARANT'S EXPANSION OF PROJECT AND GENERAL RIGHTS & OBLIGATIONS

Declarant acknowledges and agrees that, pursuant to Section 3.2(b) of the Original Declaration, the Class B Membership has expired. Accordingly, the Declarant's control over the Project (which is referred to under the Community Act as the "period of administrative control") has likewise expired.

As of the Recording Date, the Declarant continues to own the Additional Land (defined below), which is contiguous to the Project. Since the inception of the Project, the Declarant and the County have intended that the Additional Land would eventually be annexed into the Project. Meanwhile, as noted under Section 2.2 of the Original Declaration, the Declarant's annexation rights are to continue for as long as Declarant is a member of the Association.

The purpose of this Article 19 is to, among other matters, clarify the Declarant's right to annex the Additional Land into the Project, and also set forth the extent of the Declarant's obligations, rights, duties and authority regarding annexation of the Additional Land and various matters related to the Association and the Project. By executing this Declaration, the Declarant acknowledges, understands and agrees that the terms and conditions of this Declaration completely and unconditionally replace and supersede the Original Declaration in its entirety including, without limitation, any provisions in the Original Declaration that pertain to the Declarant's authority or influence over the Association, the Board of Directors, or the Project.

19.1 Expansion of Project

- 19.1.1 Generally. The Declarant may, at any time, annex all or any portion of the Additional Land into the Project by (a) recording with the Recorder's Office a Parcel Map that describes the portion of the Additional Land to be annexed into the Project and identifies the Lots and Common Areas created by such Parcel Map; (b) recording with the Recorder's Office a Declaration of Annexation stating the Declarant has elected to annex such portion of the Additional Land into the Project, and that such annexed portion of the Additional Land will therefore become subject to and governed by this Declaration; and (c) taking any additional measures that may be required by the Association or by any governmental agency or authority in order to complete the annexation of such portion of the Additional Land into the Project.
- 19.1.2 <u>Additional Land</u>. As used in this Declaration, the term "**Additional Land**" means and refers to (i) Weber County Parcel No. 22-020-00027, which consists of approximately 7.92 acres and (ii) Weber County Parcel No. 22-020-0029, which consists of approximately 1.05 acres.
- 19.1.3 <u>Expansion in Phases</u>. The Declarant may annex all or any portion of the Additional Land into the Project in one or more phases or stages (individually a "**Phase**" and collectively the "**Phases**") as set forth in this Declaration.
- 19.1.4 Phase 7. By executing this Declaration, the Association and the Declarant acknowledge and agree that the entirety of the Additional Land will eventually be annexed into the Project as Phase 7. Those two Parcels shall be become subject to the terms and conditions of this Declaration by recording a Declaration of Annexation, and the two Parcels will then be governed, managed and administered by the Association. Declarant is prohibited from establishing a separate homeowners association that has any authority whatsoever over the Additional Land. The Association acknowledges that Declarant may annex the Additional Land into the Project at any time, but Declarant is not obligated to annex the Additional Land into the Project by any particular date.

19.1.5 <u>Declaration of Annexation</u>. The annexation of all or any portion of the Additional Land into the Project shall be accomplished by the recording a Declaration of Annexation with the Recorder's Office. The Declaration of Annexation shall be signed by an authorized manager or member of the Declarant.

The Board shall have the right to review and make reasonable revisions to the Declaration of Annexation, but neither the Board, nor the Association, nor any Owner shall have the right to prevent the Declarant from annexing all or any portion of the Additional Land into the Project. The Declaration shall include a statement that the Association has approved the form and content of the Declaration of Annexation. The Association has approved the form and content of the Declaration of Annexation as confirmation that the Association has approved the form and content of the Declaration of Annexation.

The Declaration of Annexation shall also include a revised "Weighted Sizes and Percentage of Assessments" (which serves as Exhibit "C" to this Declaration) which shall include (a) all Lots that were already part of the Project as of the date the Declaration of Annexation is recorded, as well as any Lots that will be added to the Project as a result of recording the Declaration of Annexation, (b) updated information regarding any Lots that have been added to the Project by the Declaration of Annexation, and (c) an updated Percentage of Assessments for all Lots that are part of the Project as of the date the Declaration of Annexation is recorded as well as any Lots that will be added to the Project as a result of recording the Declaration of Annexation. The revised "Weighted Sizes and Percentage of Assessments" that is attached to the recorded Declaration of Annexation shall completely replace and supersede Exhibit "C" to this Declaration, as may be periodically amended.

19.1.6 <u>Phase 7 Access</u>. The Lots located in Phase 7 will be accessed via Big Horn Parkway by joining the two points of Big Horn Parkway that, as of the Recording Date, terminate in Phase 3 and Phase 6 of the Project.

19.2 New Common Improvements

- 19.2.1 <u>Generally</u>. Declarant acknowledges, understands and agrees that any future Phases must include certain basic Common Improvements consistent with the Project, such as streetlights, walking trails, secondary water irrigation/sprinkler systems, and Landscaping.
- 19.2.2 Construction Costs. Declarant acknowledges, understands and agrees that any new Common Improvements that may be added as part of any future Phases will directly impact the Association and its Members by, for example, likely increasing the Common Expenses and the Reserve Fund requirements in order to properly maintain and adequately insure such new Common Improvements. As such, Declarant absolutely and unconditionally warrants and represents that Declarant shall solely pay any and all costs associated with the design, planning, construction and completion of any such new Common Improvements located on any future Phases. The Association shall not pay any such costs and will not assume responsibility for the cost of operating, maintaining or insuring any such new Common Improvements unless and until they have been completed as determined by the County's issuance of any required certificates of completion or occupancy or any required final safety, inspection or use permits. If the County does not customarily issue such certificates or permits for a particular Common Improvement, the Association will reasonably determine when that Common Improvement has been completed.

19.2.3 <u>Association Approval</u>. Declarant further acknowledges, understands and agrees that the Association shall have the absolute and unconditional right to approve or disapprove any Common Improvements that Declarant may propose as part of any future Phases. The new Common Improvements the Association may approve or disapprove include, for example and without limitation, a new clubhouse, swimming pool, whirlpools, tennis courts, basketball courts, walking trails, water features, or any other proposed new Common Improvements.

No later than six (6) months prior to the date Declarant intends to record the Plat Map for a new Phase in which proposed new Common Improvements are to be constructed, Declarant must provide the Board with information regarding such proposed new Common Improvements as may be reasonably requested by the Board, including, for example but without limitation, a detailed description of the new Common Improvements, the projected cost of maintaining and insuring such new Common Improvements, and the likely resulting impact on the Association's Common Expenses and Reserve Fund.

No later than thirty (30) days after receiving such information from the Declarant, the Board shall (a) present to the Owners a description of the proposed new Common Improvements along with a summary of their projected financial impact on the Association and any other information the Board may deem relevant, and (b) schedule a special meeting of the Board, which may be attended by any Owners, in order to address any Owner questions and receive Owner input regarding the proposed new Common Improvements.

No later than thirty (30) days after such special meeting has been held, the Board shall draft a final proposal regarding the proposed new Common Improvements and immediately deliver such proposal to the Owners for their approval or disapproval. In order for the new Common Improvements to be deemed approved by the Association, the Board's proposal regarding the new Common Improvements must be approved by a majority of the Owners who participate in the vote regarding such proposal. The Association's approval of such new Common Improvements shall not require the approval of a Majority of the Owners as that phrase is defined under Section 1.25, but merely a majority of the Owners who choose to participate in the vote regarding the proposed new Common Improvements.

19.2.4 <u>No Guarantee</u>. Neither the Declarant nor the Association makes any representations or guarantees of any kind that any such new Common Improvements will be constructed. The purpose of this <u>Section 19.2</u> is to merely address the manner in which new Common Improvements will be planned, approved, constructed and paid for if the Declarant should choose to propose such new Common Improvements.

19.3 Membership

As is the case for any other Owner, the Declarant shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. As noted in the introductory paragraph to this <u>Article 19</u>, the Class B Membership has expired. As such, the Declarant shall have no greater and no lesser membership rights than any other Owner.

19.4 Board of Directors

As a Member of the Association, the Declarant may serve on the Board of Directors, but shall not be automatically appointed to the Board. If Declarant wishes to serve on the Board, the Declarant may submit the name of any officer, director, manager, member or agent of Declarant (e.g. the Declarant's Managing Member or the Declarant's CEO) as the individual who will serve as the Declarant's designee on the Board. That individual must be elected to the Board by the Owners pursuant to the normal process for electing Board members, as set forth under the Bylaws. The Declarant may not fill more than one position on the Board of Directors. If the Declarant's designee should serve on the Board, the Declarant's designee shall have the same voting rights and influence as any other Board member. The Declarant's designee shall not have any amplified voting rights or veto power with regard to any Board decision.

19.5 Architectural Control Committee / Design and Construction Guidelines

As set forth under Section 6.3, the Declarant (through its designee) shall automatically serve as a member of the ACC for as long as Declarant continues to own at least one Lot or until Declarant relinquishes the Declarant's membership on the ACC. As noted under Section 6.3, the Declarant may name any person to act as the Declarant's representative on the ACC, provided that person has not already been appointed to the ACC by the Board. The Declarant may not fill more than one position on the ACC. The Declarant shall have the same voting rights and influence as any other member of the ACC. The Declarant shall not have any amplified voting rights or veto power with regard to any ACC decision or any recommendation that the ACC may make to the Board.

Declarant shall, at all times, be subject to the authority of the ACC and the requirements of the Design and Construction Guidelines.

19.6 Voting Rights

As noted in the introductory paragraph to this Article 19, the Class B Membership has expired. As such, the Declarant shall have the same voting rights as any other Owner (*i.e.* one vote for each Lot that is owned by the Declarant). The Declarant shall not have any amplified voting rights or veto power with regard to any Association action or decision, or any matter that may be voted upon by the Owners. Declarant shall receive no votes in connection with the Additional Land until such time as all or a portion of the Additional Land has been annexed into the Project. The Declarant shall be allocated the appropriate number of votes equal to any Lots that Declarant may own in any Phase(s) from the Additional Land that have been annexed into the Project.

19.7 Assessments

With regard to each Vacant Lot that is owned by Declarant, the Declarant shall be required to pay Assessments equal to one-half (50%) of the Assessments that are imposed against a Small Dwelling. Declarant shall deliver such Assessment payments to the Association at the end of the calendar year.

Declarant shall pay the <u>entire amount</u> of any Assessments (including Annual Assessments or Special Assessments) that may be imposed against any Lot that is owned by Declarant once construction of a Dwelling has been completed as evidenced by the County's issuance of a certificate of completion or occupancy. The amount of such Assessments shall be calculated based upon the size of the new Dwelling as set forth under <u>Section 10.1.4</u>.

Declarant shall not be required to pay any Assessments whatsoever in connection with all or any portion of the Additional Land until such time as all or a portion of the Additional Land has been annexed into the Project. From that point forward, the Declarant shall, as set forth above, pay Assessments on any Lots that are owned by Declarant in any Phase(s) from the Additional Land that have been annexed into the Project.

19.8 Model Homes

Declarant may use any Dwelling that is owned or leased by Declarant in any portion of the Project as a model home for the purpose of promoting and marketing the sale of Dwellings that have been built by Declarant (including any Dwelling(s) located within the Project or residential homes located in other communities the Declarant may be developing). Declarant may simultaneously use more than one Dwelling that is owned or leased by Declarant for such promotional and marketing purposes.

19.9 Miscellaneous

Declarant acknowledges, understands and agrees that, because the Class B Membership and Declarant's control over the Project have expired, Declarant has no right to: (a) appoint or remove any member of the Board, (b) disapprove or veto any actions that may be taken by the Board, (c) appoint any of Declarant's officers, employees, or agents as members of the Board, except to fill a position on the Board to which a designee of Declarant was elected, as permitted under Section 19.4, (d) unilaterally amend this Declaration or any other Governing Document, or (e) delay, disapprove or prevent any amendment to this Declaration or any other Governing Document by the Board, the Association or a vote of the Owners.

ARTICLE 20 - ANNEXATION OF ADDITIONAL COMMON AREA

The Association hereby annexes into the Project, as Common Area, that certain parcel of land comprised of approximately 4.39 acres which, as of the Recording Date, is identified as Weber County Tax Parcel No. 22-020-0030 (the "Additional Common Area"). The Additional Common Area is more particularly identified by the metes and bounds description contained within the legal description of the Project under Exhibit "A."

Immediately upon the Recording Date, the Additional Common Area shall be subject to the terms, conditions, covenants and restrictions of this Declaration and all other Governing Documents. Any and all references to "Common Area" throughout the Governing Documents shall include the Additional Common Area.

ARTICLE 21 – AMENDMENT TO DECLARATION

Amendments to the Declaration shall be made by a recorded instrument that sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if Owners holding sixty-seven (67%) percent of the Owners' cumulative voting rights vote in favor of such amendment, or without any meeting if all Owners have been duly notified and Owners holding sixty-seven (67%) percent of the Owners' cumulative voting rights consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the President of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the Recorder's Office and any other appropriate governmental offices. Any decision changing the Percentage Interest shall require the unanimous consent of the Owners and their Mortgagees. The previous sentence shall not apply to any change in Percentage Interest caused by the annexation of all or any portion of the Additional Land into the Project. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

ARTICLE 22 – MISCELLANEOUS

22.1 Service of Process

Service of process for the purposes provided in the Acts may be made upon the offices of the President of the Association or upon the Manager of the Association, if any. The Board may at any time designate a new or different person, entity or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then President of the Association.

22.2 Delivery of Notices to the Association

All notices to the Association or the Board shall be sent in care of the Manager or, if there is no Manager, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time.

22.3 Delivery of Notices to the Owners

Pursuant to Section 57-8a-214 of the Community Act, except as otherwise specifically permitted under any provision of this Declaration or the Bylaws or except as otherwise required under the Acts, the Association may send notices to Owners via first-class mail, registered mail or email.

The Association may also post notices on the Association's website (if any), but only if such notice has also been delivered to the Owners via first-class mail, registered mail or email. The Association may <u>not</u> utilize the Association's website as the sole means of delivering notices to the Owners. The Association may <u>not</u> utilize text messaging or any other electronic transmission (as that term is defined under Section 16-6a-102 of the Nonprofit Corporation Act) to deliver notices.

Each Owner must provide the Secretary of the Association with an email address which the Association may use for electronic delivery of certain notices. Each Owner shall also provide the Secretary of the Association with a mailing address at which the Association may mail any notices that, pursuant to the provisions of this Declaration, the Bylaws or the Acts, may not be electronically delivered. The Secretary of the Association shall maintain each Owner's email address and mailing address in the Association's ownership records.

Any notice that is sent via first-class mail or registered mail shall be sent to the mailing address that is on file with the Association. Any notice that is delivered via first-class mail shall be deemed to have been delivered three (3) business days after a copy has been deposited in the United States mail, postage prepaid.

If an Owner has not provided the Association with a mailing address, any notices the Association wishes to mail to that Owner shall be delivered via first-class mail or registered mail to both (A) the mailing address for such Owner that is published on the Weber County Assessor's Office website and (B) the physical address of such Owner's Lot/Dwelling (if the two addresses are different).

An Owner may, by written demand to the Board, require that the Association abstain from delivering any notices to such Owner via email or any other electronic means and require that the Association only deliver notices to such Owner via first-class mail or registered mail.

If a Lot and/or Dwelling is jointly owned or the Lot and/or Dwelling has been sold under a land sale contract, notices shall be sent to a single mail address, of which the Board has been notified in writing by such parties. If no address has been given to the Board in writing, notices shall be sent to the mailing address that appears on the website for the Weber County Assessor's Office for to mailing address for the Owner's Lot and/or Dwelling

22.4 Delivery of Notices to Mortgagees

Upon written request to the Secretary of the Association, a Mortgagee, or deed of trust beneficiary of any Lot or Dwelling shall be entitled to be sent a copy of any notices respecting the Lot or Dwelling covered by his or her security instrument until the request is withdrawn or the security right discharged. Notices will only be sent to those Mortgagees on record with the Association as having requested such notifications. The Association is not responsible to search for entities that may be entitled to receive notification.

22.5 Security Disclaimer

The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. Neither the Association, nor the Board shall in any way be considered insurers or guarantors of security within the Project, however; and neither the Association, nor the Board shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. Neither the Association nor the Board has made or shall make any express or implied representations or warranties to any Owner or to any residents, tenants, invitees, guests and/or other occupants of any Dwelling regarding any security measures that may be, or may have been, undertaken within the Project.

22.6 Mechanics Liens

Liens for materials, labor or money against any Dwelling or Lot Owner or the Association are to be indexed in the public records under the name of the Dwelling or Lot Owner. With regard to a lien on multiple Dwellings or Lots for materials, labor or money provided to the Association or affecting the Common Area, a Dwelling or Lot Owner may pay his or her prorata share of the amount of any lien and that shall be sufficient to release the lien as to his or her Dwelling or Lot. Any person, entity or organization who elects to provide materials or perform labor at the Project shall do so subject to the terms, covenants, and conditions of this Section 22.6.

22.7 Severability

The provisions of this Declaration 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, if the remainder complies with the Acts or as covenants affect the common plan.

22.8 Effective Date

This Declaration shall take effect immediately upon recording.

22.9 Rules Against Perpetuities and Unreasonable Restraints

As provided under Section 57-8a-108 of the Community Act, the rule against perpetuities and the rule against unreasonable restraints on alienation of real estate may not defeat any provision of the Governing Documents. Accordingly, no provision of this Declaration shall be deemed unlawful, void, or voidable by reason of any applicable law restricting the period of time that covenants running with the land, or conditions on land, may be enforced.

22.10 Consistent with Acts

Capitalized terms such as, but not limited to, "Association", "Common Area", "Common Expenses", and "Project", as used in this Declaration are intended to have the same meaning given in the Acts unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

22.11 Liberal Construction

The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the Project consistent with applicable Utah law. It is intended and covenanted also that, insofar as it affects the Governing Documents and the Project, the provisions of the Acts referenced herein shall be liberally construed to effectuate the intent of the Governing Documents insofar as reasonably possible. In the event any provision of the Governing Documents is deemed as inconsistent with or illegal under any provision of the Acts (or any other applicable Utah law, rule or regulation) then the applicable provision(s) of the Acts (or any other applicable Utah law, rule or regulation) shall govern.

22.12 Covenant Running with Land

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Acts, and operating independently of the Acts should the Acts be, in any respect, inapplicable.

22.13 "Person", etc.

When interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The term "mortgage" may be read to include deeds of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

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22.14 Captions and Exhibits

Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of the substantive provisions hereof. The various exhibits referred to herein by reference are hereby incorporated herein as though fully set forth where such reference is made.

**	ers Ridge Homeowners Association and the Declarant have I by its duly authorized officers on theday of
TRAPPERS RIDGE HOMEOWNER a Utah domestic nonprofit corporation	
By:	
Name:	
Title: President	
By:	
Name:	
Title: Secretary	
EDEN VILLAGE, LLC,	
a Utah limited liability company	
By:	
Name: Russell Watts	
Title: Managing Member	

Exhibit "A"

to

Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Trappers Ridge Homeowners Association

Legal Description

The real property that is subject to and burdened by this Declaration includes any and all real property (including, without limitation, any and all Lots, Common Area and Public Street) and any easements or improvements located upon such real property (including, without limitation, any and all Dwellings, Common Improvements and Public Improvements) located in that certain Planned Residential Unit Development located in Weber County, State of Utah, commonly known as "Trappers Ridge" as identified in each of the following Plat Maps, as such Plat Maps may be substituted or amended:

Trappers Ridge at Wolf Creek P.R.U.D., Phase 1, which was recorded on October 30, 2002, as Entry No. 1885575 in Book 56 at Page 87 of the Official Records of the Recorder's Office of Weber County, State of Utah; and

Trappers Ridge at Wolf Creek P.R.U.D., Phase 2, which was recorded on February 10, 2004, as Entry No. 2010626 in Book 59 at Page 24 of the Official Records of the Recorder's Office of Weber County, State of Utah; and

Trappers Ridge at Wolf Creek P.R.U.D., Phase 3, which was recorded on August 18, 2004, as Entry No. 2050968 in Book 60 at Page 24 of the Official Records of the Recorder's Office of Weber County, State of Utah; and

Trappers Ridge at Wolf Creek P.R.U.D., Phase 4, which was recorded on April 28, 2005, as Entry No. 2099635 in Book 61 at Page 60 of the Official Records of the Recorder's Office of Weber County, State of Utah; and

Trappers Ridge at Wolf Creek P.R.U.D., Phase 5, which was recorded on August 10, 2005, as Entry No. 2121629 in Book 62 at Page 23 of the Official Records of the Recorder's Office of Weber County, State of Utah; and

Trappers Ridge at Wolf Creek P.R.U.D., Phase 6, which was recorded on July 17, 2006, as Entry No. 2194026 in Book 64 at Page 29 of the Official Records of the Recorder's Office of Weber County, State of Utah.

[EXHIBIT "A" IS CONTINUED ON THE NEXT PAGE]

Legal Description of Additional Common Area

Weber County Tax Parcel No. 22-020-0030

NORTH HALF OF THE NORTHWEST 1/4 OF SECTION 26, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN. EXCEPTING THEREFROM THE EAST 2 FEET. SUBJECT TO A RIGHT OF WAY ACROSS THE EAST 20 FEET THEREOF FOR PURPOSES OF TRAILING LIVESTOCK, EXCEPTING THEREFROM THAT PORTION WITHIN ELKHORN SUBDIVISION PHASE 3. BOOK 48, PAGE 23, RECORDS OF WEBER COUNTY, UTAH TO WIT: A PART OF THE SOUTHEAST 1/4 OF SECTION 22 AND A PART OF THE SOUTHWEST QUARTER OF SECTION 23, A PART OF THE NORTHWEST 1/4 OF SECTION 26 AND A PART OF THE NORTHEAST OUARTER OF SECTION 27, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF ELKHORN SUBDIVISION PHASE 1, LOT #3 SAID POINT BEING EAST 2894.33 FEET AND SOUTH 1501.34 FEET FROM THE CENTER OF SECTION 22, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE &MERIDIAN (BASIS OF BEARING NORTH 89°14'39" WEST FROM SAID CORNER TO THE WEST QUARTER CORNER OF SECTION 22); THENCE NORTH 65°29'00" EAST 336.54 FEET, THENCE SOUTH 24°31'00" EAST 426.60 FEET, THENCE SOUTH 36°18'19" EAST 176.96 FEET, THENCE SOUTH 67°04'42" EAST 98.98 FEET, THENCE SOUTH 28°54'59" WEST 216.21 FEET, THENCE NORTHWESTERLY 34.04 FEET ALONG THE SOUTH SIDE OF ELKHORN DRIVE ALONG A CURVE TO THE RIGHT R=556.00', $DELTA=03^{\circ}30'28",\,T=17.03',CH=34.03',CHB=NORTH\,65^{\circ}10'02"\,WEST,THENCE\,SOUTH\,55^{\circ}13'30"\,WEST\,268.03\,FEET,THENCE\,SOUTH\,10'02''\,WEST,THENCE\,SOUTH\,10''\,MEST\,10''\,$ 45°52'46" WEST 143.92 FEET, THENCE SOUTH 28°21'04" WEST 73.83 FEET, THENCE SOUTH 38°47'54" WEST 172.79 FEET, THENCE SOUTH 58°18'49" WEST 68.60 FEET, THENCE SOUTH 17°10'22" EAST 157.52 FEET, THENCE SOUTH 01°26'25" EAST 130.53 FEET, THENCE SOUTH 89°51'02" WEST 189.94 FEET, THENCE NORTH 89°07'48" WEST 163.49 FEET, THENCE NORTH 06°24'16" WEST 177.89 FEET, THENCE NORTH 30°44'53" WEST 201.33 FEET, THENCE NORTH 31°41'11" WEST 125.00 FEET, THENCE NORTH 58° 8'49" EAST 190.00 FEET, THENCE NORTH 31°41'11" WEST 140.00 FEET, THENCE NORTH 58°18'49" EAST 49.49 FEET, THENCE NORTHWESTERLY 491.24 FEET ALONG THE EAST SIDE OF ELKRIDGE TRAIL STREET ALONG A CURVE TO THE LEFT, R=481.59', DELTA=58°26'38", T=269.40', CH=470.22', CHB=NORTH 29°05'30" EAST, THENCE NORTH 00°07'49" WEST 55.79 FEET, THENCE SOUTH 80°56'59" EAST 181.56 FEET, THENCE NORTH 11°44'24" WEST 154.76 FEET, THENCE NORTH 22°03'41" WEST 88.24 FEET TO THE POINT OF BEGINNING. (CONTAINS 18.53 ACRES OF 807248 SQUARE FEET INCLUDES 27 LOTS) EXCEPT ELKHORN SUBDIVISION PHASE 4 IN BOOK 51 OF PLATS PAGE 61, RECORDS OF WEBER COUNTY, UTAH TO WIT: A PART OF THE SOUTHWEST QUARTER OF SECTION 23 AND A PART OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, BEGINNING AT THE SOUTH CORNER OF LOT 62, ELKHORN SUBDIVISION PHASE 3, SAID POINT BEING EAST 3319.98 FEET AND SOUTH 2187.95 FEET FROM THE CENTER OF SECTION 22, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN (BASIS OF BEARING: NORTH 89°14'39" WEST FROM SAID CORNER TO THE WEST OUARTER CORNER OF SECTION 22). THENCE NORTH 55°13'30" EAST 143.76 FEET ALONG THE EAST BOUNDARY OF ELKHORN PHASE 3, TO A NON TANGENT CURVE TO THE LEFT ON THE SOUTH LINE OF ELKHORN DRIVE TO A NON TANGENT LINE (R=556.00, TAN=17.03, D=03°30'28", CH=34.03, CHB=SOUTH 65°10'02" EAST), THENCE NORTH 28°54'59" EAST 363.37 FEET ALONG THE EAST BOUNDARY LINE AND EXTENSION OF ELKHORN PHASE 3: THENCE SOUTH 70°55'39" EAST 280.22 FEET, THENCE SOUTH 50°28'53" EAST 816.79 FEET, THENCE SOUTH 06°44'36" WEST 176.13 FEET, THENCE SOUTH 49°33'31" EAST 1 25.01 FEET, THENCE SOUTH 39°53'22" WEST 66.83 FEET, THENCE SOUTH 50°06'38" EAST 121.32 FEET, THENCE SOUTH 39°53'22" WEST 130.00 FEET, THENCE SOUTH 50°06'38" EAST 89.48 FEET, THENCE SOUTH 40°24'15" WEST 190.43 FEET, THENCE NORTH 50° 0'55" WEST 139.47 FEET, THENCE NORTH 45°20'49" WEST 60.21 FEET, THENCE NORTH 50°06'38" WEST 878.91 FEET, THENCE NORTH 49°24'26" WEST 63.32 FEET, THENCE NORTH 57°53'09" WEST 126.51 FEET, THENCE NORTH 64°05'34" WEST 107.47 FEET, THENCE NORTH 64°18'02" WEST 143.88 FEET TO THE POINT OF BEGINNING. EXCEPT THE FOLLOWING; PART OF THE NORTH HALF OF THE NORTHWEST OUARTER OF SECTION 26, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, WEBER COUNTY, STATE OF UTAH, BEGINNING AT A POINT 413.54 FEET SOUTH 0°27'53" WEST ALONG THE SECTION LINE FROM THE NORTHWEST CORNER OF SAID SECTION 26, AND RUNNING THENCE SOUTH 89°32'08" EAST 330.36 FEET, THENCE NORTH 01°27'45" WEST 251.37 FEET TO THE SOUTHEAST CORNER OF LOT 45 ELKHORN SUBDIVISION PHASE 3, THENCE NORTH 01°26'25" WEST 130.53 FEET ALONG THE BOUNDARY OF SAID SUBDIVISION, THENCE NORTH 88°09'13" EAST 1106.17 FEET TO THE BOUNDARY OF ELKHORN SUBDIVISION PHASE 4, THENCE ALONG SAID SUBDIVISION THE FOLLOWING 4 COURSES SOUTH 50°06'38" EAST 405.21 FEET ALONG THE BOUNDARY OF ELKHORN SUBDIVISION PHASE 4, THENCE SOUTH 45°20'49" EAST 60.21 FEET ALONG THE BOUNDARY OF ELKHORN SUBDIVISION PHASE 4, THENCE SOUTH 50°20'55" EAST 139.47 FEET ALONG THE BOUNDARY OF ELKHORN SUBDIVISION PHASE 4, THENCE NORTH 40°24'15" EAST 190.43 FEET ALONG THE BOUNDARY OF ELKHORN SUBDIVISION PHASE 4, THENCE SOUTHEASTERLY 20.56 FEET ALONG A CURVE (R=233.00, D=5°03'18", TAN=10.29, C=20.55, CHB=SOUTH 47°34'59" EAST); THENCE NORTH 39°53'22" EAST 199.91 FEET, THENCE SOUTH 50°07'58" EAST 639.28 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 26, THENCE SOUTH 00°21'52" WEST 807.89 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 26, THENCE NORTH 89°48'08" WEST 2647.03 FEET ALONG SAID SOUTH LINE TO THE WEST LINE OF SAID SECTION 26, THENCE NORTH 00°27'53" EAST 900.44 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING. (1859192 2244-617). ALSO EXCEPTING ELKHORN SUBDIVISION PHASE 5, DESCRIBED ASA PART OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, BEGINNING AT THE SOUTH CORNER OF LOT 78, ELKHORN SUBDIVISION PHASE 4, SAID POINT BEING EAST 4580.89 FEET AND SOUTH 2898.32 FEET FROM THE CENTER OF SECTION 22, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, (BASIS OF BEARING NORTH 89°14'39" WEST FROM SAID CORNER TO THE WEST QUARTER CORNER OF SECTION 22) THENCE NORTH 39°53'22" EAST 195.67 FEET ALONG THE SOUTHEAST BOUNDARY OF ELKHORN PHASE 3, THENCE SOUTH 51°51'02" EAST 110.06 FEET THENCE SOUTH 39°53'22" WEST 199.91 FEET TO A NON-TANGENT CURVE, THENCE NORTHWESTERLY 20.56 FEET ALONG A CURVE(L=20.56', R=233.00', D=5°03'18", T=10.29', CH=20.55', CHB=NORTH 47°34'59" WEST), THENCE NORTH 50°06'38" WEST 89.48 FEET TO THE POINT OF BEGINNING. (E# 1889999). EXCEPT ELKHORN SUBDIVISION PHASE 6 (69-07).

Exhibit "B"

to

Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Trappers Ridge Homeowners Association

WEIGHTED SIZES AND PERCENTAGE OF ASSESSMENTS

Lot Number	Size	Weighted Size	Percentage of Assessments
1	Medium	1.85	0.7834%
2	Small	1.6	0.6775%
3	Small	1.6	0.6775%
4	Small	1.6	0.6775%
5	Medium	1.85	0.7834%
6	Medium	1.85	0.7834%
7	Large	2.05	0.8681%
8	Large	2.05	0.8681%
9	Large	2.05	0.8681%
10	Medium	1.85	0.7834%
11	Medium	1.85	0.7834%
12	Medium	1.85	0.7834%
13	Medium	1.85	0.7834%
14	Large	2.05	0.8681%
15	Small	1.6	0.6775%
16	Large	2.05	0.8681%
17	Large	2.05	0.8681%
18	Medium	1.85	0.7834%
19	Medium	1.85	0.7834%
20	Medium	1.85	0.7834%
21	Large	2.05	0.8681%
22	Large	2.05	0.8681%
23	Medium	1.85	0.7834%
24	Medium	1.85	0.7834%
25	Large	2.05	0.8681%

Lot Number	Size	Weighted Size	Percentage of Assessments
26	Large	2.05	0.8681%
27	Large	2.05	0.8681%
28	Large	2.05	0.8681%
29	Medium	1.85	0.7834%
30	Small	1.6	0.6775%
31	Small	1.6	0.6775%
32	Medium	1.85	0.7834%
33	Small	1.6	0.6775%
34	Medium	1.85	0.7834%
35	Small	1.6	0.6775%
36	Medium	1.85	0.7834%
37	Large	2.05	0.8681%
38	Large	2.05	0.8681%
39	Medium	1.85	0.7834%
40	Medium	1.85	0.7834%
41	Medium	1.85	0.7834%
42	Large	2.05	0.8681%
43	Large	2.05	0.8681%
44	Large	2.05	0.8681%
45	Large	2.05	0.8681%
46	Small	1.6	0.6775%
47	Medium	1.85	0.7834%
48	Medium	1.85	0.7834%
49	Medium	1.85	0.7834%
50	Large	2.05	0.8681%
51	Large	2.05	0.8681%
52	Medium	1.85	0.7834%
53	Medium	1.85	0.7834%
54	Large	2.05	0.8681%
55	Large	2.05	0.8681%
56	Large	2.05	0.8681%

Lot Number	Size	Weighted Size	Percentage of Assessments
57	Large	2.05	0.8681%
58	Large	2.05	0.8681%
59	Medium	1.85	0.7834%
60	Large	2.05	0.8681%
61	Large	2.05	0.8681%
62	Medium	1.85	0.7834%
63	Large	2.05	0.8681%
64	Large	2.05	0.8681%
65	Large	2.05	0.8681%
66	Large	2.05	0.8681%
67	Large	2.05	0.8681%
68	Large	2.05	0.8681%
69	Medium	1.85	0.7834%
70	Vacant Lot	0.8	0.3388%
71	Large	2.05	0.8681%
72	Large	2.05	0.8681%
73	Large	2.05	0.8681%
74	Vacant Lot	0.8	0.3388%
75	Large	2.05	0.8681%
76	Vacant Lot	0.8	0.3388%
77	Vacant Lot	0.8	0.3388%
78	Large	2.05	0.8681%
79	Vacant Lot	0.8	0.3388%
80	Large	2.05	0.8681%
81	Large	0.8	0.8681%
82	Large	2.05	0.8681%
83	Large	2.05	0.8681%
84	Large	2.05	0.8681%
85	Large	2.05	0.8681%
86	Large	2.05	0.8681%
87	Large	2.05	0.8681%

Lot Number	Size	Weighted Size	Percentage of Assessments
88	Large	2.05	0.8681%
89	Large	2.05	0.8681%
90	Large	2.05	0.8681%
91	Large	2.05	0.8681%
92	Large	2.05	0.8681%
93	Large	2.05	0.8681%
94	Medium	1.85	0.7834%
95	Medium	1.85	0.7834%
96	Medium	1.85	0.7834%
97	Medium	1.85	0.7834%
98	Medium	1.85	0.7834%
99	Large	2.05	0.8681%
100	Medium	1.85	0.7834%
101	Medium	1.85	0.7834%
102	Large	2.05	0.8681%
103	Medium	1.85	0.7834%
104	Large	2.05	0.8681%
105	Large	2.05	0.8681%
106	Medium	1.85	0.7834%
107	Medium	1.85	0.7834%
108	Large	2.05	0.8681%
109	Medium	1.85	0.7834%
110	Medium	1.85	0.7834%
111	Vacant Lot	0.8	0.3388%
112	Vacant Lot	0.8	0.3388%
113	Medium	1.85	0.7834%
114	Vacant Lot	0.8	0.3388%
115	Vacant Lot	0.8	0.3388%
116	Vacant Lot	0.8	0.3388%
117	Vacant Lot	0.8	0.3388%
118	Vacant Lot	0.8	0.3388%

Lot Number	Size	Weighted Size	Percentage of Assessments
119	Vacant Lot	0.8	0.3388%
120	Large	2.05	0.8681%
121	Large	2.05	0.8681%
122	Large	2.05	0.8681%
123	Large	2.05	0.8681%
124	Large	2.05	0.8681%
125	Large	2.05	0.8681%
126	Large	2.05	0.8681%
127	Large	2.05	0.8681%
128	Large	2.05	0.8681%
129	Large	2.05	0.8681%
TO	ΓAL	236.15	100%

Exhibit "C"

to

Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Trappers Ridge Homeowners Association

BYLAWS OF TRAPPERS RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1 NAME, PRINCIPAL OFFICE AND DEFINITIONS

- 1.1 <u>Name and Location</u>. These are the Bylaws of the Trappers Ridge Homeowners Association, Inc., a Utah domestic nonprofit corporation (the "**Association**"). The Association serves as the governing body for the residential subdivision commonly known as "Trappers Ridge at Wolf Creek" located in Eden, Utah (the "**Project**") which has been subjected to that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations for Trappers Ridge Homeowners Association, as may be amended from time to time, to which these Bylaws are attached as <u>Exhibit "C"</u>.
- 1.2 <u>Principal Office</u>. The principal office of the Association shall be located at such location as may be designated by the Board from time to time, provided that such location is no greater than 45 miles from Eden, Utah.
- 1.3 <u>Purposes</u>. The Association has been formed to serve as a means by which the Owners may collectively take action with regard to the administration, management and operation of the Project.
- 1.4 <u>Applicability of Bylaws</u>. The Association, all Owners and all persons using the Project shall be subject to these Bylaws and to all Rules and Regulations which may be adopted by the Board on behalf of the Association pursuant to the Declaration and these Bylaws.
- 1.5 <u>Composition of Association</u>. The Association shall be composed of all Owners and the Association, itself, to the extent the Association owns any Lots within the Project. As set forth in the Declaration, each Owner shall be deemed a "**Member**" of the Association.
- 1.6 <u>Incorporation of Association</u>.
- (a) The Association shall be incorporated under the Nonprofit Corporation Act. The Articles of Incorporation of the Association shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated Association.
- (b) In the event the incorporated Association shall at any time be dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, all of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by

appropriate conveyances and assignments by the incorporated Association. To the greatest extent possible, any such successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the incorporated Association as if they had been made to constitute the governing documents of the unincorporated association.

1.7 <u>Definitions</u>. The words used in these Bylaws shall be given their normal, commonly understood definitions, except that capitalized terms shall have the same meaning as set forth in the Declaration to which these Bylaws are attached unless the context indicates otherwise.

ARTICLE 2 MEETING OF ASSOCIATION MEMBERS

- 2.1 <u>Place of Meeting</u>. The Association shall hold meetings at a location that is suitable and convenient to the Members as may be designated by the Board from time to time.
- 2.2 <u>Annual Meetings</u>. There shall be an annual meeting of the Members (the "**Annual Meeting**") which shall be held at the Project between December 1st and February 30st by written notice of the Board delivered to the Members no later than thirty (30) calendar days prior to the date the Board has set for such meeting. Such notice may be delivered in any manner permitted under Section 21.3 of the Declaration.

If an Annual Meeting is not held within three (3) months following the time period provided above, an Annual Meeting may be called by any ten (10) Owners having voting rights or by Members holding the right to cast ten percent (10%) of the votes entitled to be cast at such meetings, whichever is greater. At or prior to such Annual Meeting, the Board shall furnish, or cause to be furnished, to each Member for their review: (i) a copy of the Annual Budget that has been adopted by the Board as set forth under Section 9.1.1 of the Declaration; and (ii) a statement of the actual Common Expenses incurred by the Association during the previous fiscal year. No later than ten (10) business days after the Annual Meeting, a copy of the Annual Budget shall be delivered to any Members who were not present at the meeting.

2.3 <u>Special Meetings</u>. Special meetings of the Members may be called at any time for the purpose of considering matters which require the approval of all or some of the Members, or for any other reasonable purpose. Such meetings may be called by written notice of the President of the Association upon the decision of the President, or pursuant to a written request signed by a majority of the Board, or by written request by Members cumulatively holding at least Twenty-Five Percent (25%) of the total votes, which notice shall be delivered according to <u>Section 2.4</u> below. Such notice may be delivered in any manner permitted under <u>Section 21.3</u> of the Declaration. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.4 <u>Notice of Meetings</u>.

2.4.1 <u>Contents of Notice</u>. Each notice shall include the following information: (a) The place, day and hour of the meeting; (b) A description of any matter or matters that must be approved by the Members at such meeting; and (c) In the case of a special meeting, the purpose of such meeting.

2.4.2 <u>Delivery of Notice</u>. Notice of any annual meeting shall be delivered to all Members entitled to vote at such annual meeting no later than thirty (30) calendar days before such meeting. Notice of any special meeting shall be delivered to all Members entitled to vote at such meeting no later than fifteen (15) calendar days before such special meeting. Any such notice may be delivered to the Members in any manner permitted under <u>Section 21.3</u> of the Declaration.

2.5 Members of Record.

The Members of the Association shall be the fee owners of the Lots, including any Mortgagee, trustee or beneficiary under a deed of trust who acquires title pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof, provided the Association has been given written notice that such Mortgagee, trustee or beneficiary under a deed of trust has acquired title. The Board shall maintain a current list of Members which shall be updated on a regular basis. Disputes regarding the true and actual list of Members shall be resolved by reference to the Official Records of the Recorder's Office.

2.6 <u>Voting Rights</u>. The total collective voting power of the Owners shall be equal to the total number of Lots in the Project. The Owner(s) of any one Lot shall be entitled to one (1) vote. If there is more than one Owner with respect to a particular Lot, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all Owners of the same Lot to act unanimously in order to cast the votes pertaining to their Lot. The Association's policies and procedures regarding voting, including voting representatives, joint Owner disputes, pledged votes, mail-in ballots, and electronic ballots shall be as set forth under the Declaration.

The Board shall be entitled to cast a vote on behalf of any Lot which has been acquired by or on behalf of the Association. Any such vote must be cast on behalf of such Lot consistent with a majority vote of the Board. The Board shall not be entitled to cast a vote with regard to any election of Board members on behalf of any Lot which has been acquired by or on behalf of the Association.

2.7 Proxies, Absentee Ballots and Rights of Mortgagees.

- 2.7.1 <u>Proxies</u>. All proxy holders must be Owners. All votes may be cast either in person or by proxy. All proxies shall be in writing. Proxies for the Annual Meeting shall be delivered to the Secretary no later than five (5) days prior thereto. Proxies for special meetings of the Association must be of record with the Secretary no later than two (2) days prior to such meeting. No proxy shall be valid after the meeting for which it was solicited (but a proxy shall be valid for any vote regarding adjournment of the meeting for which it was solicited), unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution. No proxy shall be valid if it purports to be revocable without notice. A Member may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association, or to the Board if a vote is being conducted by written ballot in lieu of a meeting pursuant to Section 2.14 below. Any proxy associated with a particular Lot shall automatically cease upon the transfer or sale of such Lot. A proxy must be for the entire voting right of a Lot with no divisions accepted.
 - 2.7.2 Absentee Ballots. Any vote may be cast by absentee ballot.

2.7.3 Mortgagee Rights. An Owner may pledge or assign the Owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Board. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

2.8 Fiduciaries and Joint Owners.

- (a) <u>Fiduciaries</u>. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the Secretary that he or she is the executor, administrator, guardian, or trustee holding the Lot in such capacity.
- (b) <u>Joint Owners</u>. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

2.9 Quorum of Members.

- (a) At any annual, regular or special meeting of the Members for which proper notice has been given to all Members, the Members that are present and represented for any purpose at such meeting shall constitute a quorum.
- (b) The subsequent ratification by a Member of the action taken at a meeting shall constitute the presence of that person for the purpose of determining a quorum. Once a quorum is present to organize a meeting it cannot be broken by the subsequent withdrawal of a Member or Members.
- 2.10 <u>Binding Vote</u>. When a quorum, as provided herein, is present at any meeting, except as otherwise specifically set forth in the Declaration or these Bylaws, the vote of Owners representing more than fifty percent (50%) of the Owners that are present in person or represented by proxy, shall decide any question of business brought before such meeting including, without limitation, the election of the Board, unless the question is one under which the Nonprofit Corporation Act, the Declaration, the Articles or these Bylaws requires a different vote, in which case such express provision shall govern and control the decision of such question.
- 2.11 <u>Waiver of Irregularities</u>. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and the method of ascertaining Members present shall be deemed waived if no objection is made either at the meeting or within thirty (30) calendar days following the meeting.
- 2.12 <u>Order of Business</u>. The order of business at Annual Meetings of the Association shall be according to the order established by the President, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver

- of notice; (c) Reading of minutes of preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Board members; (g) Unfinished business; (h) New business; and (i) Adjournment.
- 2.13 <u>Meeting Procedure</u>. Meetings shall be conducted according to appropriate parliamentary procedure pursuant to rules of order as adopted by a resolution that has been approved by a majority vote of the Board. A decision of the Association may not be challenged because the appropriate rules of order were not used. When a dispute arises as to conduct of meetings of Members, the Association agrees to follow rules of order as established in the latest edition of "Robert's Rules of Order."

2.14 Action by Written Ballot in Lieu of a Meeting.

- 2.14.1 Action by Written Ballot. At the discretion of the Board, any action, except removal of Board members, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Member that is entitled to vote on the matter not less than fifteen (15) calendar days prior to the date on which the ballots must be received by the Association in order to be counted. The Board may choose to deliver such written ballots to the Owners via first-class mail, registered mail or email.
- 2.14.2 Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Any Member who has the right to vote at an Annual Meeting, but cannot personally attend such meeting, shall be permitted to submit his or her vote via facsimile copy or a scanned and emailed PDF copy of that Member's ballot. Once a written ballot has been submitted (whether in-person, or via facsimile or scanned and emailed PDF) such ballot may not be revoked or withdrawn.
- 2.14.3 <u>Information Required in Ballot Solicitations</u>. All solicitations for votes by written ballot must:
 - (1) State the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval;
 - (2) Specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following: (a) the date on which the Association has received a sufficient number of approving ballots to pass the proposal; (b) the date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or (c) a date certain on which all ballots must be returned to be counted; and
 - (3) Be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter.

- 2.14.4 <u>Determination of Vote</u>. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board no later than seventy-two (72) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:
 - (1) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed as approved when the date for return of ballots has passed, a quorum of Members has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.
 - (2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of Members must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.
 - (3) Votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.
- 2.14.5 <u>Member Notification of Ballot Results</u>. The Board shall notify each Member no later than fifteen (15) calendar days after the ballots have been counted, by mail, email or via the Association's website, of the results of the ballot meeting, or that a quorum of ballots was not returned.

ARTICLE 3 BOARD OF DIRECTORS – NOMINATION, ELECTION, TERM OF OFFICE

3.1 Number and Qualifications.

- (a) The affairs of the Association shall be governed by a Board of Directors composed of at least three (3) but no more than five (5) Directors. The term of office shall be two (2) calendar years, and the expiration of such terms shall, to the extent practical or possible, be offset or staggered.
- (b) Multiple Owners of the same Lot may not serve as Board members simultaneously. An officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Board if the corporation, partnership, trust or estate owns a Lot.

- 3.2 <u>Nomination</u>. Members of the Board shall be annually elected by the Owners as follows:
- (a) Nominations for positions on the Board must be made by a statement filed with the Secretary of the Association no later than thirty (30) days prior to the Annual Meeting. Any Owner may nominate himself or herself.
- (b) Information regarding each nominee, along with voting ballots, shall be emailed to all Owners no later than fifteen (15) days prior to the Annual Meeting. Any Owner may request that information regarding nominees and the voting ballot be delivered to such Owner via regular mail, provided such request is delivered to the Board in writing.
- (c) Completed and signed ballots must be received by the Board no later than the date of the Annual Meeting. Ballots may either be mailed, scanned and emailed, or submitted to the Board at the Annual Meeting.
- (d) Election results shall be announced via email within 24 hours of the adjournment of the Annual Meeting. Election results shall also be posted at the clubhouse and on the Association's website (if any).
- 3.3 <u>Election</u>. Each Owner, or such Owner's proxy, shall cast towards the list of Director nominees a number of votes equal to the number of Board positions that are being filled (*i.e.* if one Director is being elected, each Owner, or such Owner's proxy, shall cast one vote; if two Directors are being elected, each Owner, or such Owner's proxy, shall cast two votes, etc.) An Owner may not, however, cast more than one vote for the same nominee. Any ballot that contains more than one vote for a particular nominee shall be deemed null and void. If just one Director position must be filled, the nominated Owner receiving the largest amount of votes shall be elected. If two (or more) Director positions must be filled, then the two (or more) nominees receiving the largest amount of votes shall be elected.
- 3.4 <u>Vacancies</u>. Vacancies on the Board, caused by any reason other than the removal of a Board member by a vote of the Association, shall be filled for the balance of the term of each Board membership by vote of a simple majority of the remaining Board members even though they may constitute less than a quorum. If the remaining Board members are unable to achieve a simple majority to fill a vacancy of the Board, that Board vacancy shall be filled by a vote of all Owners pursuant to the Association's process for electing Directors. Each person so elected to fill a vacancy of the Board shall complete the term of the vacated Board position.

3.5 Removal of Board Members.

(a) At any annual or special meeting, other than a meeting by written ballot conducted pursuant to Section 2.14 above, any one or more of the Board members, other than interim Board members, may be removed, with or without cause, by a majority of the Owners present in person or by proxy, at a duly constituted meeting. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Board member whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

- (b) The Board may remove a member of the Board for cause by the vote of a majority of all Board members then in office. Reasons for removal for cause include: delinquency in Assessment payments for sixty (60) calendar days or more; suing, or being sued by the Association or the Board or any members of the Board or of the Association; and absence from three (3) consecutive regular meetings of the Board. The vacancy shall be filled as provided in Section 3.4 of these Bylaws.
- 3.6 <u>Compensation</u>. No Board member shall receive compensation for any service he or she may render to the Association as a Board member or officer. However (A) any member of the Board may be reimbursed for reasonable actual expenses incurred in the performance of his or her duties, and (B) the services of any member of the Board may be retained by the Association in another capacity and receive compensation for such services.

No entity or person may be retained as an independent contactor or otherwise receive any compensation for services provided to the Association unless expressly approved by a majority of the Board members. Any Owner may be retained to provide the services of a Manager and be paid for rendering such services.

3.7 <u>Action Taken Without A Meeting</u>. The Board members shall have the right to take any action in the absence of a meeting that they could take at a regular or special meeting by obtaining the written approval of all the Board members in accordance with Section 16-6a-813 of the Nonprofit Corporation Act, as amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Board members.

ARTICLE 4 MEETINGS OF THE BOARD OF DIRECTORS

4.1 <u>Regular Meetings</u>. The Board shall hold regular Board meetings no less than once each quarter. The Board must meet no later than thirty (30) days following the Annual Meeting in order to determine officer positions. A majority of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The Board shall annually elect all of the officers of the Association. Regular meetings of the Board may be held upon no less than forty-eight (48) advance hours notice.

Until the election of new officers, the meeting shall be chaired by the outgoing President, or in the absence of such person, the outgoing Secretary, regardless of whether the outgoing President or Secretary is as member of the newly constituted board. At the first meeting of any new Board, the Board shall elect officers in accordance with Section 6.2 below and may conduct any other Association business.

4.2 <u>Special Meetings</u>. Special meetings of the Board may be called by the President or by any two Board members. The person or persons calling a special meeting of the Board shall, no later than seven (7) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

4.3 Meetings.

All meetings of the Board shall be open to Owners, except for those portions of the meeting the Board chooses to close to the Owners as permitted under the Community Act. An Owner may participate in discussions regarding a particular matter on the Board's agenda during the portion of the meeting designated for such discussion. The Board shall have the authority to exclude from a Board meeting any Owner who disrupts the proceedings of the meeting.

- 4.4 <u>Meetings by Telephonic or Electronic Communication</u>. In the event of an emergency, or by decision of the Board, meetings of the Board may be conducted by communication or by the use of a means of communication that allows all members of the Board participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.
- 4.5 <u>Waiver of Notice</u>. Any Board member may, at anytime, waive notice of any meeting as provided under the Nonprofit Corporation Act. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by the Board member, except where the Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Board members are present at any meeting of the Board, no notice to Board members shall be required and any business may be transacted at the meeting.

This <u>Section 4.5</u> is intended to be consistent with the requirements of Section 16-6a-815 of the Utah Nonprofit Corporation Act. In the event Section 16-6a-815, as may be periodically amended, provides "waiver of notice" requirements that in any way differ from those contained in this <u>Section 4.5</u>, then the requirements of Section 16-6a-815 shall control.

4.6 Quorum and Acts. At all meetings of the Board a majority of the existing Board members shall constitute a quorum for the transaction of business and the acts of the majority of the Board members present shall 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. Any unfinished business upon such adjournment of a Board meeting may only be transacted at a subsequent regular or special meeting of the Board that has been properly held by giving notice and conducting such meeting as required by these Bylaws.

ARTICLE 5 POWERS, RIGHTS, AND DUTIES OF THE BOARD

- 5.1 <u>General Powers and Duties</u>. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.
- 5.2 <u>Specific Powers</u>. In addition to powers authorized by the Declaration, these Bylaws, the Nonprofit Corporation Act or other applicable law, and subject to <u>Section 5.3</u> of these Bylaws, the Board shall have the power to:

- (a) Adopt and publish Rules and Regulations governing the use of Common Areas, including any improvements, facilities and amenities located thereon, and the personal conduct of the Owners and their tenants or guests thereon, and to establish penalties for the infraction thereof. Prior to adopting, approving, amending, updating and/or clarifying any such Rules and Regulations, the Board must first comply with the requirements of Section 217 of the Community Act regarding such Board action by, for example, giving the Owners notice of such proposed Board action and allowing Owners an opportunity to be heard at a Board meeting before the Board takes any action regarding any proposed Rule or Regulation.
- (b) Suspend the voting rights and right to use of any recreational facilities located on any Common Area by any Owner member during any period in which such Owner shall be in default in the payment of any Assessment levied by the Association.
- (c) Engage the services of a Manager or managing company, accountants, attorneys or other professionals, individuals or agents and to pay to said persons a reasonable compensation therefore. The Manager hired by the Board may be an Owner.
- (d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.
- (e) Supervise all officers, agents, Managers and contractors of the Association, and to see that their duties are properly performed.
 - (f) Operate, maintain, repair, improve and replace the Common Areas.
 - (g) Determine and pay the Common Expenses.
 - (h) Assess and collect the proportionate share of Common Expenses from the Owners.
- (i) Enter into contracts, deeds, leases or other written instruments or document for and in behalf of the Association and to authorize the execution and delivery thereof by the appropriate officers.
- (j) Open bank accounts on behalf of the Association and designate the signatures for such bank accounts pursuant to a resolution adopted by the Board.
- (k) Purchase, hold, sell, convey, mortgage or lease any interest in real property for and in behalf of the Association subject to the restrictions, limitations and provisions of the Declaration, so long as the Board has obtained the prior written approval of at least two-thirds (2/3) of the first Mortgagees.
- (l) Bring, prosecute and settle litigation for itself, the Association and Property, provided it shall make no settlement which results in a liability against the Board, the Association, or the Project in excess of \$5,000 without prior written approval of a Majority of the Owners.
- (m) Obtain insurance for the Association with respect to the Common Areas and Common Improvements, as well as Worker's Compensation Insurance.

- (n) Appoint and/or remove members of the Design Review Board.
- (o) Repair or restore the Project (or any portion of the Project) following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the Project from the provisions of the Acts.
- (p) Purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary or convenient to manage the business and affairs of the Association and the Board and in the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.
- (q) Keep adequate books and financial records so that the Board can reasonably and regularly assess the financial status and strength of the Project. Such books and records may include, by example and without limitation, financial reports normally presented by the Manager to the Board, such as budget-to-actual reports for each fiscal quarter and fiscal year, quarterly reports of Owners who are delinquent in their payment of Assessments or any Additional Charges, fiscal quarterly and fiscal annual statements of Association's bank account balances, Association reserves reports, and Special Assessment reports (as applicable), and any other relevant financial reports.
- (r) Borrow funds and enter into promissory notes, provided that any such action has been approved in writing by a Majority of the Owners.
- (s) Sell portions of the Common Areas, provided that any such action has been approved in writing by at least seventy-five percent (75%) of the Owners.
 - (t) Approve and sign checks and issue payment vouchers.
 - (u) Pay off or otherwise satisfy any liens against any portion of the Project.
- (v) Do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Lot and/or Dwelling if the same is necessary to protect or preserve the Project.
- 5.3 <u>Ratifications of Actions</u>. The Members may, but are not required to, ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.
- 5.4 Requirements Regarding Association Contracts.
- (a) Minimum Required Bids. The Board shall not execute any contract or agreement on behalf of the Association (i) for any goods or services that exceed \$5,000 in any single instance or (ii) that has a term of more than one year, unless the Board has first made a reasonable attempt to obtain at least two (2) bids from vendors or contractors qualified to provide such goods or services. The requirements of this Subsection 5.4(a) shall not apply (A) if the Board is unable to identify or locate more than one (1) such qualified vendor or contractor that is able or willing to provide the goods or services being sought; or (B) in the event of emergency maintenance or repairs as described under Subsection 5.3(d) below.

- (b) <u>Minimum Required Signatures</u>. No member of the Board of Directors (including the President or Vice-President) may unilaterally obligate or bind the Board or the Association regarding the acknowledgement of, performance of, or payment under any contract, agreement or any other document. Any written contract, agreement or document must be signed by at least two (2) members of the Board of Directors unless the Board has specifically authorized (including approval by email) one (1) member of the Board to sign such contract, agreement or other document. The provisions of this <u>Subsection 5.4(b)</u> do not apply to the signing of checks on behalf of the Association.
- (c) <u>Payment of Recurring Expenses</u>. The Manager shall have the authority to deliver payments (including establishing electronic/automatic bill payments) for recurring expenses incurred by the Association, provided such expenses are clearly addressed and permitted in the Annual Budget. As used in the previous sentence, "recurring expenses" include, for example, the cost of utilities that are necessary for the operation or maintenance of the Common Area or any Common Improvement, and the payment of premium installments for policies of insurance or bonds, as described under <u>Section 4.3.1</u> of the Declaration. The Manager's payment of such recurring expenses shall be supervised by the Association's Treasurer.
- (d) <u>Emergency Maintenance or Repairs</u>. The Manager is prohibited from signing any contract, agreement or other document whatsoever on behalf of the Board or the Association. However, the language of this <u>Subsection 5.4(d)</u> shall not prevent the Manager from performing emergency maintenance or repairs, or from engaging or retaining the maintenance or repair services of any third party, as deemed necessary by the Manager in order to prevent or mitigate any harm or injury to any portion of the Project, any Owners, any tenant, guest or other occupant of any Unit, or any other individuals or property that may be located on the Project. The Manager must notify the Board regarding the Manager's performance of any such emergency maintenance or repairs, or the engagement of any such maintenance or repair services by any third party, no later than twenty-four (24) hours after such emergency maintenance or repairs have been commenced.
- 5.5 Special Committees. The Board by resolution adopted by a majority of the members of the Board may designate one or more special committees, each committee to consist of two (2) entities or persons who may or may not be Owners which, to the extent provided in said resolution, shall advise and make recommendations to the Board regarding the matters set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board. Such special committees shall keep regular minutes of their proceedings and report the same to the Board when required. The members of such special committee or committees designated shall be appointed by the Board or the President. The Board or the President may appoint entities or individuals to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

ARTICLE 6 OFFICERS AND THEIR DUTIES

6.1 <u>Designation and Qualification</u>.

- (a) <u>Designation</u>. The officers of the Association shall include a President, Secretary and a Treasurer. The Board members may also designate the office of Vice-President, Assistant Treasurer and Assistant Secretary.
- (b) <u>Qualifications</u>. The President, Vice-President (if any), Secretary and Treasurer shall each be a member of the Board, but any other officers need not be Board members. Any Board member may be an officer of the Association.
- (c) <u>Multiple Offices</u>. Any member of the Board may hold any two offices (officer titles), but may not hold any more than two such offices.
- (d) <u>Special Appointments</u>. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- 6.2 <u>Election and Vacancies</u>. The officers of the Association shall be elected by the Board at the first each meeting of each new Board and shall serve until their respective successors are elected at the first meeting of the subsequent Board. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Board shall elect a successor to fill the unexpired term at any meeting of the Board.
- 6.3 <u>Resignation</u>. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.
- 6.4 <u>Removal of Officers</u>. Officers shall hold office at the pleasure of the Board. Upon an affirmative vote of a majority of the members of the Board any officer may be removed, either with or without cause.
- 6.5 <u>Compensation of Officers</u>. No officer who is a member of the Board may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a vote of a Majority of the Owners. The Board may fix any compensation to be paid to any officers who are not also Board members.
- 6.6 Duties of Officers. The duties of the officers are as follows:
- (a) <u>President</u>. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of President of a homeowners association.

- (b) <u>Vice-President</u>. The Vice-President (if any) shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) <u>Secretary</u>. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association, have charge of such books and papers as the Board may direct, and in general, perform all of the duties normally incident to the office of Secretary.
- (d) <u>Treasurer</u>. The Treasurer shall have responsibility for the Association's funds and securities not otherwise held by the Manager, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The Treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board and disbursing funds as directed by resolution of the Board.

ARTICLE 7 LIABILITY AND INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS

Members of the Board, the officers and any agents of the Association (i) shall not be liable to the Owners as a result of their actions or activities or for any mistake of judgment, negligence or otherwise, except for their own malicious, willful, or intentional misconduct; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

The Owners shall indemnify and hold harmless, any person, including his or her heirs and personal representatives, from and against all personal liability and all expenses including legal counsel fees, incurred, or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more Owners, or any other person or entities, to which he or she may be threatened to be made a part by reason of the fact that he or she is or was a member of the Board or an officer or assistant officer of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his or her malicious, willful, or intentional misconduct, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Owners or of the Board or otherwise. The indemnification by the Owners as contained herein shall be paid by the Board on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

ARTICLE 8 RECORDS AND AUDITS

The Association shall maintain within the State of Utah, all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Board.

8.1 General Records.

- (a) The Board or Manager, if any, shall keep records of the actions of the Board and Manager; minutes of the meetings of the Board; and minutes of the meeting of the Association. Such records shall be kept for a minimum of seven (7) years.
- (b) The Board or Manager, if any, shall maintain records containing the rules, regulations, and policies adopted by the Association and Board.
- (c) The Board or Manager, if any, shall maintain a list of Owners. The list of Owners may specify whether or not the Owner is an Owner in good standing.
- (d) The Association shall retain within the State of Utah all records of the Association for not less than the period of time specified and required under applicable law.
- 8.2 <u>Records of Receipts and Expenditures</u>. The Board or Manager, if any, shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Project, itemizing the maintenance and repair expenses of the Common Areas or Association property and any other expenses incurred.

8.3 <u>Inspection of Records by Owners.</u>

- (a) Except as otherwise provided in <u>Section 8.4</u> below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Lot and/or Dwelling pursuant to rules adopted by resolution of the Board or if no such resolution has been adopted, pursuant to the Nonprofit Corporation Act.
- (b) The Board shall maintain a copy, suitable for the purposes of duplication, of the following: (1) the Declaration, Bylaws and any amendments in effect or supplements thereto, and Rules and Regulations of the Association; and (2) the current Annual Budget of the Association.
- (c) The Association, within five (5) business days after receipt of a written request by an Owner, shall furnish the requested information required to be maintained under <u>Subsection 8.4(b)</u>, subject to a reasonable fee for furnishing copies of any documents, information or records described in this <u>Section 8.3</u>. The fee may include reasonable personnel costs incurred to furnish the information.
- (d) The Board, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this <u>Section 8.3</u>. The fee may include reasonable personnel costs incurred to furnish the information.

- 8.4 <u>Records Not Subject to Inspection</u>. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:
 - (a) Personnel matters relating to a specific identified person or a person's medical records.
- (b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.
- (c) Communications with legal counsel that relate to matters specified in Subsections (a) and (b) of this <u>Section 8.4</u>, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.
 - (d) Disclosure of information in violation of law.
- (e) Documents, correspondence or management or Board reports compiled for or on behalf of the Association or the Board by its agents or committees for consideration by the Board in accordance with these Bylaws.
- (f) Documents, correspondence or other matters considered by the Board in accordance with these Bylaws.
- (g) Files of individual Owners, other than those of a requesting Owner or requesting Mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the Association.
- 8.5 <u>Notice of Sale or Mortgage</u>. Immediately upon the sale of any Lot and/or Dwelling, the new Owner shall promptly provide his or her contact information (name, mailing address, email address and telephone number) to the Secretary or Manager.

ARTICLE 9 AMENDMENTS

- 9.1 <u>Adoption</u>. Amendments to these Bylaws may be approved by the Association at a duly constituted meeting, or via meeting by written ballot in lieu of a meeting conducted pursuant to these Bylaws. Approval by at least sixty-seven percent (67%) of the total voting interest of the Project is required for any amendment to be adopted. The approval of sixty-seven percent (67%) of the total voting interest of the Project shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.
- 9.2 <u>Execution and Recording</u>. An amendment shall not be effective until certified by the President and Secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the Recorder's Office.
- 9.3 <u>Challenge to Validity</u>. No action to challenge the validity of an adopted amendment may be brought more than one (1) calendar year after the amendment is recorded.

ARTICLE 10 LITIGATION

10.1 Action Brought on Behalf of the Association.

If any action is brought by one or more but less than all Owners on behalf of the Association and any form of recovery is achieved, the plaintiffs' expenses, including reasonable court costs and legal counsel fees, shall be a Common Expense; provided, however, that if such action is brought against the Owners or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the plaintiffs' expenses, including court costs and legal counsel fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

10.2 Complaints Brought Against the Association, Board, or Officers.

Complaints brought against the Association, the Board or other officers, employees or agents thereof, in their respective capacities as such or the Project as a whole, shall be directed to the Board, which shall promptly give written notice thereof to the Owners and any Eligible Mortgagees and shall be reasonably defended by the Board, and the Owners and all Mortgagees shall have no right to participate other than through the Board in such defense. Complaints against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Eligible Mortgagees having an interest in such Lots, and shall be defended by the Owners of such Lots.

ARTICLE 11 MISCELLANEOUS

11.1 Notices.

- (a) <u>Association</u>. All notices to the Association or the Board shall be delivered as set forth under Section 21.2 of the Declaration.
- (b) <u>Owners</u>. All notices to the Owners shall be delivered as set forth under <u>Section 21.3</u> of the Declaration.
- 11.2 <u>Waiver, Precedent and Estoppel</u>. No restriction, condition, obligation, or provision contained in these Bylaws or Rules and Regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association as to any similar matter.
- 11.3 <u>Invalidity; Number; Captions</u>. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

11.4 <u>Fiscal Year</u> . Each fiscal year of the Association shall begin on January 1 st and end on December 31 st .
11.5 <u>Conflicts</u> . In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.
IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this day of
TRAPPERS RIDGE HOMEOWNERS ASSOCIATION, INC., a Utah domestic nonprofit corporation
By:
Name:
Title: President
By:
Name:
Title: Secretary