

When recorded return to:

The Bridges Holding Company, LLC  
3718 Wolf Creek Drive  
Eden, UT 84310

DECLARATION  
OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
THE BRIDGES AT WOLF CREEK

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DECLARATION  
OF  
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FOR  
THE BRIDGES AT WOLF CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BRIDGES AT WOLF CREEK (“**Declaration**”) is made by THE BRIDGES HOLDING COMPANY, LLC, a Utah limited liability company (“**Declarant**”).

RECITALS

- A. This Declaration shall be recorded against that certain real property located in Weber County, Utah more particularly described under Exhibit “A”, which is attached hereto and incorporated herein by this reference (the “**Property**”). As of the recording of this Declaration, the Property comprises “Phase 1” of the Project.
- B. The Property is located in an area of unique natural beauty, featuring distinctive terrain, flora and fauna;
- C. Declarant is the owner of the Property.
- D. By subjecting the Property to this Declaration, it is the desire, intent and purpose of Declarant to create a Planned Residential Unit Development (“**PRUD**”) and community in which the beauty of the surrounding area will be sensibly and reasonably preserved, which will enhance the desirability of living in and on the Property subject to this Declaration, and which will increase and preserve the attractiveness, quality and value of the real property and improvements located thereon.
- E. Declarant has constructed, is in the process of constructing, or intends to construct upon the Property a PRUD project which will include Dwellings, Common Improvements and other improvements that have been or will be constructed on individually-owned Lots and on Association-owned Common Area, all as more particularly described in the Governing Documents.
- F. Declarant intends to sell to various purchasers fee title to the individual Lots contained within the Project and also transfer to such purchaser a membership in the Association, subject to the Plat Map(s), and also subject to the rules, regulations, covenants, conditions, and restrictions set forth in the Governing Documents, as that term is defined below.
- G. The Project will be completed in Phases. As such, the Project will initially consist of Phase 1, and may consist of subsequent Phases to be added at a later time.
- H. By recording this Declaration in the Recorder’s Office, Declarant desires and hereby submits the Property, and all improvements now or hereafter constructed thereon, to the provisions of this Declaration and the provisions of the Utah Community Association Act.



## DECLARATION

It is acknowledged and 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 regarding any portion of the Project, that the Governing Documents are intended to impose covenants, conditions, restrictions, and reservations effecting a common plan for a PRUD that is mutually beneficial to all of the Lots, and that any and all rules, regulations, covenants, conditions, restrictions, reservations and common plans set forth under the Governing Documents are binding upon the entire Project, and upon the Owner of each Lot, as well as their tenants, guests, invitees, heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Lot 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 the sale of such Lot under any security instruments or similar documents.

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, Declarant hereby declares that the foregoing Recitals are true, accurate, and correct and are incorporated herein by reference, and hereby makes the following Declaration:

### **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 “**Acts**” collectively means and refers to the Utah Community Association Act (Utah Code Section 57-8a-101 *et. seq.*), and the Utah Revised Nonprofit Corporation Act (Utah Code Section 16-6a *et seq.*) as each such Act may be supplemented or amended from time to time.

1.2 “**Additional Charges**” shall mean and refer cumulatively 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.

1.3 “**Additional Land**” means and refers to any additional real property that Declarant may annex into the Project as provided under Article 21 of this Declaration. 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.

1.4 “**Articles**” means the Articles of Incorporation of The Bridges Homeowners Association, a Utah nonprofit corporation, which have been filed with the Utah Division of Corporations, as such Articles may be amended.

1.5 “**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, Neighborhood Assessments, Special Assessments, Individual Assessments, and any other Assessments which may be applicable to one or more Owners.

1.6 “**Association**” means and refers to The Bridges Homeowners Association, 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.

1.7 “**Association Maintained Yard**” (which is also sometimes referred to by the acronym “**AMY**”) consists of the Remaining Portion of the Dwelling Envelope and the surrounding Common Area as more particularly described under Section 6.2. The Association shall control, manage and maintain the entirety of all AMYs as set forth in this Declaration. Association Maintained Yards are only located in AMY Neighborhoods. Association Maintained Yards are not located in, and do not pertain to, any other portion of the Project.

1.8 “**AMY Neighborhood**” means and refers to any Neighborhood in which the Association manages and maintains the Association Maintained Yard. AMY Neighborhoods are further described under Article 6 and certain other provisions of this Declaration.

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 Exhibit “B”.

1.11 “**Common Area(s)**” means, refers to, and includes:

(a) Any real property included within the Project, whether held or owned in leasehold or in fee simple, excluding all Public Streets, all Lots and any Dwellings or Owner Improvements/Amenities that may be constructed, installed or placed on such Lots;

(b) All Common Improvements constructed on any Common Area;

(c) Those portions of the Project that are owned, operated, controlled and/or managed by the Association for the common benefit and use of the Owners including, without limitation, any open spaces, storm water detention areas and drainage easement areas that may be transferred or dedicated to the Association pursuant to any Plat Map or any other recorded document;

(d) All portions of the Project that may be designated or described as Common Area pursuant to the Governing Documents and/or the Plat Maps;

(e) All portions of the Project that may be designated or described as Limited Common Area pursuant to the Governing Documents and/or the Plat Maps; and

(f) All other portions of the Project that are normally in common use by one or more Owners, or that are necessary or convenient to the Project’s use, existence, maintenance, safety, operation and/or management.

1.12 “**Common Expenses**” means, refers to and includes:

- (a) Any sums lawfully assessed against all of the Owners;
- (b) Expenditures lawfully made or incurred by or on behalf of the Association for the administration, maintenance, repair, or replacement of the Common Areas and/or any Common Improvements;
- (c) Administrative costs and expenses incurred by the Board in creating, revising, interpreting or enforcing the Governing Documents;
- (d) Any sums that may be required by the Board and/or the Manager in order to perform or exercise their functions, duties, or rights under the Acts or the Governing Documents;
- (e) Any costs or expenses related to the operation, management and regulation of the Project;
- (f) Neighborhood Expenses;
- (g) Any other expenses lawfully and reasonably allocated by the Board among the Owners;
- (h) Any sums deemed by the Board as necessary to address any budget deficit(s) remaining from any previous fiscal year(s);
- (i) Any amounts deemed by the Board as necessary to create and/or maintain an adequate General Reserve Fund, provided such amounts are itemized and funded via the General Reserve Fund Line Item;
- (j) Any amounts deemed by the Board as necessary to create and/or maintain an adequate Neighborhood Reserve Fund(s), provided such amounts are itemized and funded via the Neighborhood Reserve Fund Line Item(s); and
- (k) 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 14.4, which is to be used to cover ordinary expenses related to or arising out of the administration, maintenance, and management of the Association and Project including, without limitation, the Common Expenses and those expenses that are more particularly described under Section 4.3 of this Declaration.

1.14 “**Common Improvements**” means, refers to, and includes any infrastructure, facilities, equipment and/or improvements located within the Project that: (a) the Association intends to be used 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.

As used in this Declaration, the term “**Common Improvements**” shall include, for example but without limitation, the following improvements located within the Project: (i) mailbox banks, (ii) Project signage or monuments; (iii) any decorative fencing that may be installed and/or

maintained by the Association; (iv) streetlights, (v) irrigation/sprinkler systems located on any Common Area, (vi) irrigation/sprinkler systems located on any AMYs, (vii) Landscaping located on any AMY, (viii) Landscaping located on any Common Area, and (ix) any other facilities or amenities located within the Project that the Association intends 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 The Bridges Holding Company, LLC, a Utah limited liability company, including its successors and/or assigns.

1.18 “**Declaration**” means and refers to this Declaration of Covenants, Conditions, and Restrictions, as may be amended or supplemented from time to time.

1.19 “**DRB**” means and refers to the Design Review Board as more particularly described under Article 10 and other provisions of this Declaration.

1.20 “**Dwelling**” means and refers to any single-family residential structure that has been built or may be built on any Lot, including the attached garage.

1.21 “**Dwelling Envelope**” means and refers to the area within which a Dwelling may be constructed as depicted on the Plat Maps for any AMY Neighborhood. The Declarant has established Dwelling Envelopes that are larger than the anticipated size of the Dwelling in order to provide flexibility regarding the exact location and orientation of the Dwelling. As noted under Section 6.2, once the Dwelling Location has been established, the Remaining Portion of the Dwelling Envelope will be identified and maintained as an AMY. Dwelling Envelopes are only located in AMY Neighborhoods. Dwelling Envelopes are not located in, and do not pertain to, any other portion of the Project.

1.22 “**Dwelling Location**” means and refers to the site upon which the Dwelling, including the attached garage and certain Dwelling-related Owner Improvements/Amenities (*e.g.* driveways, walkways, steps, porches, patios, decks and similar improvements) have been constructed or installed. The DRB must approve the Dwelling Location prior to the commencement of construction of any portion of the Dwelling.

1.23 “**Eligible Mortgagee**” means and refers to 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.

1.24 “**Governing Documents**” means and refers to this Declaration, the Bylaws, the Rules and Regulations of the Association, as well as the Design Guidelines or any other building and design standards as may be approved and published by the DRB, as such documents may be amended or supplemented from time to time.

1.25 “**Landscaping**” means and refers to vegetation and flora such as, for example, grass, lawns, flowers, plants, hedges, shrubs, bushes, trees, or any other similar vegetation or flora.

1.26 “**Lot**” means and refers to any parcel of real property legally described and identified by lot numbers and/or letters as shown on a Plat Map. In the AMY Neighborhoods, the term “Lot” and “Dwelling Envelope” are synonymous, since each Lot consists of the entire Dwelling Envelope.

1.27 “**Majority of the Owners**” – Unless otherwise clearly set forth in this Declaration or in any other Governing Documents, the phrase “Majority of the Owners” shall mean and refer to more than 50% of the Owners of all Lots located within the entire Project. This Declaration also occasionally refers to decisions that may be made a majority of the Owners of Lots located in a particular Neighborhood. Such decisions include, for example, matters related to the use of a Neighborhood Reserve Fund. Unless otherwise clearly set forth in the Governing Documents, the phrase “Majority of the Owners” shall always mean and refer to more than 50% of the Owners of all Lots located within the entire Project (not merely a particular Neighborhood).

As set forth under Section 3.3, 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 Owners have approved or disapproved a particular matter that is being voted upon by all Owners in the entire Project, as well as the majority of the Owners of Lots located in a particular Neighborhood.

1.28 “**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 not refer to any person and/or entity (*i.e.* property manager, rental management company, etc.) that may be retained by any Owner to manage or oversee that Owner’s Lot or Dwelling.

1.29 “**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.

1.30 “**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 that 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.

1.31 “**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.

1.32 “**Neighborhood(s)**” means and refers to each Neighborhood of the Project as more particularly described under Section 2.6.

1.33 “**Neighborhood Assessments**” means and refers to any Assessments that are solely intended for the payment of Neighborhood Expenses.

1.34 “**Neighborhood Expenses**” means and refers to any Common Expenses that are unique and specific to a particular Neighborhood. Examples of Neighborhood Expenses include the cost of maintaining and replacing Landscaping located on AMYs and the operation, maintenance and repair of irrigation/sprinkler systems located on AMYs.

1.35 “**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.

1.36 “**Owner**” shall mean and refer to the owner(s) of record of any Lot (and the Dwelling constructed upon such Lot, if any) according to the Recorder’s Office. As used in this Declaration, the term “Owner” does not 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 (and Dwelling constructed upon 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.

1.37 “**Owner Improvements/Amenities**” refers to and includes: (a) driveways, walkways, steps, porches, patios, decks and similar exterior improvements; (b) exterior landscaping décor such as planters, gazebos, trellises, cages, landscaping curbs, fountains, water features, or any other similar exterior landscaping décor or improvements; (c) outdoor recreational equipment such as playground sets, swing sets, jungle gyms, trampolines, volleyball nets, basketball backboard and/or pole systems, and similar recreational equipment; (d) hot tubs, Jacuzzis, barbeque grills, firebowls, patio heaters, canopies, awnings, benches, picnic tables, patio furniture, hammocks, or patio or courtyard lighting; and/or (e) any other similar outdoor or exterior improvements, equipment and/or amenities that are owned, leased or controlled by an Owner or an agent of any Owner. The term “Owner Improvements/Amenities” includes any such improvements or amenities that an Owner (or agent of any Owner) may temporarily or permanently construct, store or install on any portion of the Project. As noted under Section 5.4.3, the term Owner Improvements/Amenities includes any Dwelling-related improvements, such as driveways, walkways, steps and porches that may be located on any portion of any AMY. As noted under Section 7.5, the term Owner Improvements/Amenities includes any irrigation/sprinkler system located on a Private Yard.

1.38 “**Percentage Interest**” means and refers to the percentage of undivided ownership interest of each Lot Owner in the Common Area of the entire Project. The Percentage Interest of each Lot Owner shall be calculated by dividing the number “1” by the total number of Lots in the Project.

1.39 “**Period of Declarant’s Control**” means and refers to a period of time commencing on the date this Declaration is recorded and terminating upon the occurrence of the earliest of the following events:

- (a) 60 days after 100% of the total number of Lots (as the Project may be amended or expanded from time to time) have been conveyed to Owners other than the Declarant;
- (b) twenty-five (25) years after the Declarant has ceased to offer Lots for sale in the ordinary course of business; or
- (c) the date upon which Declarant has recorded an instrument voluntarily surrendering all rights to control the Association.

The term Period of Declarant’s Control is intended to be synonymous with the phrase “period of administrative control” as that phrase term is used throughout the Community Act.

1.40 “**Phase**” shall mean and refer to a particular stage or area of development within the Project as designated by the Declarant.

1.41 “**Plat Map(s)**” means any record of survey map of the Project (or any portion thereof) as approved by Weber County and recorded in the Recorder’s Office, including any maps that may be prepared and recorded as a substitution to or amendment of any such record of survey maps, as the Project may be amended or expanded from time to time. The Plat Map(s) and all matters shown thereon are incorporated into this Declaration by this reference.

1.42 “**Private Yard**” means and refers to any portion of a Lot upon which a Dwelling or other Dwelling-related improvements (*e.g.* driveways, sidewalks, patios, etc.) have not been constructed or installed. Private Yards are only located in non-AMY Neighborhoods. Private Yards are not located in, and do not pertain to, AMY Neighborhoods.

1.43 “**Project**” means and includes all of the Property, and all or any portion of the Additional Land that has been annexed into and made part of the Project, including any and all Lots, Common Area (which includes Limited Common Area, if any) and Public Streets. The Project also includes any Common Improvements, Dwellings and Owner Improvements/Amenities located on such real property, as well as all easements, rights, and appurtenances belonging thereto. Although the Project is intended to eventually include the Additional Land, the term “Project” shall not include any portion of the Additional Land that has not yet been annexed into and made part of the Project by the recordation of a Supplemental Declaration as set forth under Article 21. The name of the Project is “The Bridges at Wolf Creek”.

1.44 “**Public Streets**” means and refers to those portions of the Project that have been dedicated as public thoroughfares. Public Streets are to be maintained, plowed, repaired and replaced by the County. The Public Streets include certain Public Infrastructure that comprises the Public Streets, such as any asphalt, cement, pavement, curbs and/or gutters that may be part of such Public Streets, as solely determined by the County.

1.45 “**Public Infrastructure**” means and refers to those portions of the Project that are to be maintained, repaired and replaced by the County, as solely determined by the County. Such Public Infrastructure may include, for example, Public Streets, as well as any asphalt, cement, pavement, curbs, gutters and vehicular bridges that may be part of such Public Streets.

1.46 “**Recorder’s Office**” means the Recorder's Office of Weber County, State of Utah.

1.47 “**Recording Date**” means and refers to the date upon which this Declaration is recorded in the Recorder’s Office.

1.48 “**Reserve Fund**” collectively means and refers to those funds that are identified and described under Section 14.6, which are to be 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. As more particularly described under Section 14.6, the term “Reserve Fund” collectively means and refers to (a) the General Reserve Fund that is to be used for the repair, replacement and/or restoration of certain Common Improvements that are intended for the use and benefit of all Owners in the entire Project, and (b) any Neighborhood Reserve Fund the Association may choose to establish and maintain in order to pay the cost of repairing, replacing and/or restoring certain Common Improvements that are only for the use and benefit of the Owners of Lots located in a particular Neighborhood.

1.49 “**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 that are deemed by the Board as necessary for the Owners’ use and enjoyment of the Project.

1.50 “**Supplemental Declaration**” means and refers to a declaration that may be unilaterally executed and recorded by the Declarant for the sole purpose of annexing all or any portion of the Additional Land into the Project such that the annexed Additional Land becomes subject to the terms, conditions, covenants and restrictions of this Declaration. Without in any way limiting the previous sentence, a Supplemental Declaration may not be used to amend, revise or clarify any term or condition of this Declaration. The terms and conditions of this Declaration may only be amended, revised or clarified as set forth in this Declaration or as permitted by applicable law.

1.51 “**Vacant Lot**” means and refers to any Lot upon which construction of a Dwelling has yet to begin. A Lot shall cease to be deemed a “Vacant Lot” immediately upon the commencement of construction of any portion of, or any improvements related to, a Dwelling on such Lot.



## ARTICLE 2 – DESCRIPTION OF PROJECT

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

**2.1 Project.** The name of the Project is “The Bridges at Wolf Creek”.

**2.2 Association.** The name of the Association is “The Bridges Homeowners Association” which shall govern the entire Project. If Declarant determines the Project would be more efficiently managed and administered by multiple homeowner associations, the Declarant may, in Declarant’s sole discretion, elect to form separate homeowner associations for each Neighborhood or for certain Neighborhoods (for example, one homeowners association for each Neighborhood, or perhaps one homeowners association for the AMY Neighborhoods and a separate homeowners association for the non-AMY Neighborhoods). If Declarant elects to form separate homeowners associations, the Declarant shall record with the Recorder’s Office the appropriate governing documents for the formation and administration of each such homeowners association.

**2.3 Description and Location.** The legal description of the land upon which the Project is located as of the Recording Date is set forth under Exhibit “A” to this Declaration. The entire Project is located within Weber County in the State of Utah.

**2.4 No Cooperative or Condominiums.** The Project is not a cooperative, and no portion of the Project contains or will contain any condominiums.

**2.5 Right to Expand Project.** Pursuant to Article 21 of this Declaration, Declarant reserves the option to expand the Project by annexing all or any portion of the Additional Land into the Project by recording a Supplemental Declaration with the Recorder’s Office.

**2.6 Neighborhoods.** As of the date of the recording of this Declaration, the Declarant intends to develop the Project into six (6) separate Neighborhoods identified as:

Parkside  
Mountainside  
Homestead  
North 40  
Hillside  
Grove Cabins

Declarant reserves the right to change the number of Neighborhoods and/or identify such Neighborhoods using names other than those listed above.

**2.7 AMY vs. non-AMY Neighborhoods.** Each Neighborhood will be either an AMY Neighborhood or a non-AMY Neighborhood as solely determined by the Declarant. The Association shall have no right or authority whatsoever to change the designation of any Neighborhood. The distinction between AMY Neighborhoods and non-AMY Neighborhoods can be observed by examining the Plat Maps that comprise the Project, and may be further indicated on the Supplemental Declarations.

2.7.1 AMY Neighborhoods. AMY Neighborhoods include the following distinguishing characteristics:

- Association manages and maintains all yards (AMYS)
- Declarant installs irrigation/sprinkler systems on all AMYS
- Association owns, controls and maintains all irrigation/sprinkler systems
- There are no Private Yards
- Storage Sheds are prohibited
- Each Lot is entirely surrounded by Common Area
- AMYS generally include a portion of a Lot and a portion of the Common Area that surrounds the Lot as more particularly described under Section 6.2 of this Declaration.
- Each Lot is also a “Dwelling Envelope” as that term is defined under Section 1.21 of this Declaration

2.7.2 Non-AMY Neighborhoods. Non-AMY Neighborhoods include the following distinguishing characteristics:

- Each Owner owns, manages and maintains his or her yard (Private Yard)
- Each Owner installs, owns, controls and maintains the irrigation/sprinkler system located on his or her Private Yard
- Storage Sheds are permitted subject to DRB approval as required under the Governing Documents
- There are no AMYS or Dwelling Envelopes

**2.8 Common Area / Limited Common Area.** The Project shall include Common Area as more particularly described in this Declaration. As of the Recording Date, the Project is not expected to include any Limited Common Area. However, the Declarant reserves the right to include Limited Common Area in one or more future Phases of the Project. The inclusion of Limited Common Area in any such future Phase will be disclosed on the Plat Map and the Supplemental Declaration that annexes such Phase into the Project. The Supplemental Declaration will describe how such Limited Common Area is to be used, managed and maintained.

**2.9 Common Improvements.** As of the Recording Date, the Project is intended to include the following Common Improvements: open space, walking trails, benches and picnic areas. Declarant may, but is under no obligation, to construct any other Common Improvements or any similar amenities as part of the Project.

**2.10 No Restrictions on Alienation.** There shall be no restriction or restraint on alienation of any Lot including, without limitation, the leasing of any Dwelling. The language of this Section 2.10 is subject to any applicable laws, rules, regulations or ordinances that may be imposed by Weber County or any government agencies (*e.g.* restrictions on short-term rentals). The language of this Section 2.10 is also subject to any Rules and Regulations the Association may adopt regarding short-term rentals.

**2.11 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. Declarant hereby conveys and warrants pursuant to Utah Code Annotated Sections 57-1-20 and 57-8a-302 to Metro, with power of sale for the purpose of securing payment of Assessments under the terms of this Declaration and any amendment or supplement thereto. Declarant may at any time before the end of the Period of Declarant’s Control (as defined in the Bylaws), or the Association after the end of the Period of Declarant’s Control, appoint a successor trustee at any time by filing a notice in the office of the Recorder pursuant to Utah Code Section 57-1-22.

### **ARTICLE 3 - HOMEOWNERS' ASSOCIATION**

#### **3.1 Form of Association**

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

#### **3.2 Membership**

3.2.1 Qualification. 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 Transfer of Membership. 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 Mandatory Membership. 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 Voting**

3.3.1 Number of Votes. The total 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.

3.3.2 Voting Owner. 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. The voting representative for a particular Lot shall be designated by the Owner (or all Owners) of such Lot by written notice to the Board, and need not be an Owner of that Lot. The designation shall be revocable at any time by written notice to the Board from the voting representative or from any party holding an ownership interest in the subject Lot. This power of designation and revocation may be exercised by the guardian of the Owner of a Lot, as well as the administrators or executors of an Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. Notwithstanding any other language of this Section 3.3.2, any written notice that a particular individual has been designated as the “voting representative” for a particular Lot shall expire two (2) years after the date posted on such written notice or the date the written notice was received by the Board, whichever date is earlier. Upon such expiration, the voting representative for such Lot must, again, be designated by the Owner (or all Owners) of such Lot by written notice to the Board.

3.3.3 Joint Owner Disputes. 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.

3.3.4 Pledged Votes. 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.

3.3.5 Notice of Owners' Vote. As permitted under Section 57-8a-214 of the Community Act, the Association may provide all Owners notice of any vote of the Owners via the following electronic means: email or the Association's website (if the Association chooses to establish and maintain such a website). The Association may not utilize text message or any other electronic means of delivering such notices. Notwithstanding the previous sentence, an Owner may, by written demand to the Board, require that the Association provide such Owner with notice of any vote of the Owners via regular U.S. mail at the Owner's mailing address that is on file with the Association. If no mailing address for the Owner has been filed with the Association, the Association shall deliver notice of any vote of the Owners to the physical address of the Owner's Lot and/or Dwelling.

3.3.6 Mail-In Ballots. 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.

3.3.6 Online/Electronic Mail Voting. Unless otherwise prohibited by the Acts, with regard to matters that must be submitted to a vote by all or any portion of the Owners, the Association may utilize online balloting as provided and administered through a reputable third party online/website service. The Association may not send an email to Owners requesting that they vote by replying to the email. The Association may, however, email a scanned copy of the 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, back to the Association. Notwithstanding any other provision of this Declaration, the Association must mail to, and receive from, all Owners a hardcopy 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.

### **3.4 Association Bylaws**

#### 3.4.1 Adoption of Bylaws

Bylaws for the 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".

#### 3.4.2 Bylaws Provisions

The Bylaws may contain supplementary provisions, not inconsistent with this Declaration, regarding the operation and administration of the Project. The Bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the Project.

### **3.5 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 15.6 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 Common Expenses:

(a) Utilities. Water, sewer, garbage collection, electrical, telephone, gas and any other utility service as may be necessary for the Common Area or any Common Improvement.

(b) Insurance. 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) Management Services. 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 of the Common Area, and the maintenance, repair or replacement of any Common Improvements, whether or not such personnel are employed directly by the Board or are furnished or employed by the Manager.

(d) Professional Services. 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) Common Area Maintenance Services. Maintenance, restoration, replacement and/or repair of the Common Area and Common Improvements as the Board shall determine as necessary and proper.

(f) Materials, Supplies. 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 Special Assessment.

(g) Personal & Real Property. 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 or personal property (other than for purposes of restoring, repairing or replacing portions of the Common Area or any Common Improvements) valued in excess of Ten Thousand Dollars (\$10,000) by lease or purchase without approval of a Majority of the Owners.

(h) Lien Discharge. 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 Not for Profit. 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 Right to Contract. 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 Common Area Entry by Board. 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.

4.3.5 Association Use of Third Parties. The Association may hire qualified individuals or entities to perform the Association's Common obligations with regard to the maintenance, repair and/or replacement of Common Improvements. The Association must enter into a written agreement with such individuals or entities, and they must be fully bonded and must be properly insured consistent with the advice and/or requirements of the Association's insurance agent or provider.

**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 Areas, all Common Improvements, and all Owner Improvements/Amenities shall be used, operated, managed, 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; and/or (c) pose any threat to the health or safety of people or animals.

**5.2 Lots and Dwellings**

5.2.1 No Association Responsibility. Unless otherwise clearly set forth in this Declaration (e.g. the Association’s maintenance of a portion of a Lot that comprises an AMY) 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 (including any Vacant Lot).

5.2.2 Owner Responsibilities. Each Owner shall complete the construction of his or her Dwelling no later than eighteen (18) months after the County has issued a permit for construction of such Dwelling. Each Owner shall properly maintain, repair and/or replace his or her Lot and Dwelling consistent with all requirements of the Governing Documents.

5.2.3 Property Deterioration. 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 Owner of such Lot or Dwelling will have sixty (60) days from the date the Owner receives such written notice to commence and diligently pursue to completion satisfactory repair of the Property Deterioration.

If the Owner refuses or fails to timely commence and pursue to completion satisfactory repair of such Property Deterioration, the Association shall serve the Owner with a final written notice (“**Final Property Deterioration Warning**”) that a fine will be imposed if the Property Deterioration is not adequately remedied, or if remedial work has not been commenced, within a reasonable period of time following the date the Owner receives the Final Property Deterioration Warning. As used in the previous sentence, the phrase “reasonable period of time” means no less than seven (7) business days and no more than one (1) month.



Any written notice that may be delivered by the Board under this Section 5.2.2 must be delivered via certified U.S. mail (with return receipt) at the Owner's mailing address that is on file with the Association. If no mailing address for the Owner has been filed with the Association, the Association shall deliver such written notice to the physical address of the Owner's Lot and/or Dwelling.

As permitted under Section 57-8a-208 of the Community Act, the Association may, via the Board's adoption of a rule, specify the dollar amount of the fine for any such Property Deterioration. Any such fine for Property Deterioration must be assessed by the Association in a manner that is consistent with Article 13 of this Declaration. Accordingly, any Owner who has been assessed a fine for Property Deterioration shall have the right to request an informal hearing to protest or dispute such fine as more particularly described under Section 13.2.

5.2.4 Vacant Lots. The Owner of any Vacant Lot shall be solely responsible for maintaining such Vacant Lot in a clean, safe, and debris-free condition as more particularly required under the Governing Documents.

### **5.3 Common Areas**

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. The Association shall perform such maintenance as required under the Governing Documents. Owners are prohibited from cutting, trimming or otherwise altering any Landscaping whatsoever on any portion of the Common Areas, including, without limitation, any Common Area that may be part of an AMY.

As set forth under Section 6.2.4, although a portion of each AMY may be part of the Project's Common Area and although the Association will be responsible for maintaining the Landscaping located on such AMY, the Owner of any Dwelling that is surrounded by an AMY is obligated to keep and maintain the AMY in a clean, safe, and debris-free condition.

The Association is hereby granted a nonexclusive, perpetual easement over, across and upon all Common Areas (including, without limitation, any portion of Common Area that is part of an AMY) 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 and the Declarant harmless 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 that may have been caused or alleged to be 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 gross negligence or willful misconduct of the Association.

## **5.4 Common Improvements**

5.4.1 Association Responsibilities. 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 on any portion of the Project.

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 such Owner or his or her family members, tenants, guests or invitees.

5.4.3 Owner Improvements/Amenities Located on Association Maintained Yards (AMYs). Because they are not used, nor intended to be used, by more than one Owner, certain Dwelling-related improvements located on Common Area (including, for example and without limitation, driveways, walkways, steps and porches that encroach onto Common Area or are located on an AMY) fall under the definition of "Owner Improvements/Amenities" and shall not be deemed Common Improvements. Accordingly, the Association shall have no duty whatsoever to inspect, maintain, repair or replace 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 or are located on an AMY shall at all times be subject to Section 5.2.3 regarding Property Deterioration.

## **5.5 Owner Improvements/Amenities**

5.5.1 No Association Responsibility. Unless otherwise clearly set forth in this Declaration, the Association shall have no responsibility or liability whatsoever regarding the inspection, maintenance, repair or replacement of any Owner Improvements/Amenities.

5.5.2 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.

5.5.3 Damage or Injury. 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 use, operate, inspect, 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 harmless the Declarant and the Association, and their officers, directors, members, managers, employees and agents 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 any Owner Improvement/Amenity on or in any portion of the Project (including any AMY).

5.5.4 Association Approval/Disapproval. The Association (through the Board) shall, at all times, have the right and authority to approve or disapprove the temporary or permanent construction, installation, placement, or storage of any Owner Improvement/Amenity on any portion of the Project, including, without limitation, any portion of the Common Area and any portion of any AMY. Accordingly, the Association may require the removal of any such Owner Improvement/Amenity from any portion of the Project if (a) the temporary or permanent construction, installation, placement, or storage of the Owner Improvement/Amenity was not approved by the Board in advance and in writing, or (b) the Board reasonably determines that the Owner Improvement/Amenity has fallen into irreparable disrepair and/or has become a safety hazard.

5.5.5 Not Common Improvements. Under no circumstances shall any Owner Improvement/Amenity be considered or identified as a Common Improvement.

## **5.6 Noxious Weeds**

Each Owner of any Lot (including any Vacant Lot) shall take all actions reasonably necessary to treat, control and remove from such Lot any and all noxious weeds as may be identified or defined by the Association, the Weber County Weed Department or any other governmental agency with authority over such matters. Because the timing for effective treatment, control or removal of noxious weeds is often critical, if the Owner of a Lot fails to immediately respond to the Association's written request to treat, control or remove any noxious weeds from such 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 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 Lot shall pay all costs incurred by the Association. The Association shall have the right to assess an Individual Assessment against the Owner's Lot and/or Dwelling if the Owner fails to timely pay such weed removal costs incurred by the Association.

## **5.7 Aesthetics**

All Lots, Dwellings, Common Area (including any AMYs), Common Improvements and Owner Improvements/Amenities must be maintained, repaired and/or replaced in a manner that does not violate the aesthetic standards of the Project as further described under Article 10 of this Declaration.

## **5.8 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 (including AMYs), Common Improvements, and any Owner Improvements/Amenities. The Board must place 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 Article 8 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 Declaration, 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 Article 13 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 then allowing Owners to ask questions or provide their input in an open forum.

## **ARTICLE 6 – ASSOCIATION MAINTAINED YARDS (AMY Neighborhoods Only)**

### **6.1 Applicability**

This Article 6 shall only apply to AMY Neighborhoods. This Article 6 shall have no relevance or applicability whatsoever to any other portion of the Project, including any non-AMY Neighborhood.

### **6.2 Association Maintained Yards (AMYS)**

Each AMY consists of and includes (A) the entire Remaining Portion of each Dwelling Envelope and (B) the Common Area that surround each Dwelling Envelope. As noted under Section 1.21, each Dwelling Envelope is also defined as a “Lot”. The term “**Remaining Portion**” means and refers to any portion of the Dwelling Envelope that lies outside of the Dwelling Location. The term “**Dwelling Location**” means and refers to the portion of the Dwelling Envelope upon which the Dwelling, including the attached garage and certain Dwelling-related Owner Improvements/Amenities (*e.g.* driveways, walkways, steps, porches, patios, decks and similar improvements) have been constructed or installed. The Association shall manage and maintain the entirety of all AMYS as set forth in this Declaration. Any questions or disputes regarding the existence of, or the boundaries of, any AMY shall be solely addressed and/or resolved by the Board.

6.2.1 Ownership. The Owner of the Dwelling Envelope shall, at all times, own the entire Dwelling Envelope, including the Remaining Portion of the Dwelling Envelope that comprises the AMY. The Association shall, at all times, own the Common Area portion of the AMY. The legal description for any Lot or Dwelling shall not state nor imply that the Common Area portion of the AMY is, in any way, exclusively attached to, appurtenant to, or part of such Lot or Dwelling. Any such language in any legal description shall be completely null and void.

6.2.2 Boundaries / Fences. AMYS shall have no discernible boundaries. Owners and the Association are prohibited from marking, fencing off or otherwise separating any Dwelling Envelope, or any portion thereof, from the surrounding Common Area. Likewise, Owners and the Association are prohibited from marking, fencing off or separating AMYS from one another. Owners and the Association are also prohibited or from marking or fencing off the Privacy Zone (as defined below).

6.2.3 Privacy Zone. Each AMY includes at least some Common Area, which, as noted under Section 1.10, is intended for the common benefit and use of the Owners. Nonetheless, 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. Accordingly, a Privacy Zone shall generally extend no more than thirty (30) feet from each side of each Dwelling. If the distance between two adjacent Dwellings is less than thirty (30) feet, the Privacy Zone for each Dwelling shall extend to a point that is halfway between each Dwelling. If a Public Street or a boundary of the Project is located less than thirty (30) feet from any particular Dwelling, the Privacy Zone for such Dwelling shall extend to the edge of Public Street or the Project boundary.

The Owner of each Dwelling (as well as such Owner’s family members, guests, tenants and other invitees) shall have a reasonable right to prevent other individuals from entering or using the Privacy Zone. Nothing in this Section 6.2.3 shall prevent or restrict the Association from maintaining the entire AMY as set forth in any Governing Document. Likewise, nothing in this Section 6.2.3 shall prevent or restrict the Association (whether through the Board or the DRB) from governing the manner in which the AMYs may be used as set forth in any Governing Document. This Section 6.2.3 shall not restrict nor prohibit any Owners from using any Common Improvements (*e.g.* walking trails) that may be located near or within any Privacy Zone.

6.2.4 Maintenance. Except for the Association’s maintenance of the Landscaping as described under Section 6.4, the Owner of each Dwelling shall be responsible for keeping and maintaining the AMY that surrounds his or her Dwelling in a clean, safe, and debris-free condition as more particularly required under the Governing Documents.

### **6.3 Owner Liability for Damage or Injury**

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 use and/or maintain the AMY that surrounds his or her Dwelling as required by any Governing Document.

### **6.4 Landscaping**

6.4.1 Installation. All Landscaping located on any portion of the AMY shall be planted or installed by the Declarant or an agent of the Declarant. Any and all such Landscaping shall comply with building and design standards as approved and published by the DRB. Owners are prohibited from planting or installing any Landscaping of any kind on any portion of the AMY (including any Remaining Portion of the Dwelling Envelope).

6.4.2 Association Maintenance. Aside from the Declarant’s initial planting and installation of Landscaping, and aside from an Owner being 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 or invitees) the Association shall be solely responsible for planting, replanting, transplanting, seeding, sowing, replacing and/or maintaining any and all Landscaping located on any portion of the AMYs. The Association’s maintenance of such Landscaping shall include routine care and the trimming of hedges, bushes, and trees. Owners are prohibited from cutting, trimming or otherwise altering any

Landscaping whatsoever on any portion of any AMY (including any Remaining Portion of the Dwelling Envelope).

The decision of whether or not to 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 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 or invitees). Under such circumstances, the Association may demand that the cost of repairing or replacing such Landscaping be borne by the Owner or other individual(s) deemed by the Association as responsible for damaging or destroying any part of the Landscaping.

## **6.5 Irrigation/Sprinkler Systems**

The Declarant shall be solely responsible for the installation of an irrigation/sprinkler system within each AMY. The Declarant shall assume any and all costs for such installation including, without limitation, any costs related to planning, installation, equipment, and labor. All irrigation/sprinkler systems must comply with the Association's requirements, as may be imposed by the Board or the DRB.

The Declarant 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. Irrigation System Control Devices that operate an irrigation system that serves more than one Dwelling or more than one AMY may be located on the exterior wall (and wired to the electrical system) of any Dwelling as determined by the Declarant and/or the Association. All portions of any such irrigation/sprinkler systems shall be deemed "Common Improvements."

In order to maintain control over the consumption of water, the Association shall, at all times, retain complete control over all irrigation/sprinkler systems. 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 and/or programming any Irrigation System Control Devices.

The Association shall be solely responsible for operating, maintaining, repairing and/or replacing the irrigation/sprinkler systems. Any costs related to the operation, maintenance, repair and/or replacement of the irrigation/sprinkler systems shall be paid as a Neighborhood Expense.

The Association is 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 the 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 and the Declarant harmless 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 that may have been caused or alleged

to be caused, in whole or in part, by the installation, operation, maintenance, repair or replacement of all or any portion of any irrigation/sprinkler system, except where caused by the gross negligence or willful misconduct of the Association or the Declarant.

## **6.6 Owner Improvements/Amenities**

The Association (whether through the Board or the DRB) shall, at all times, have the right and authority to approve or disapprove the temporary or permanent construction, installation, placement, or storage of any Owner Improvement/Amenity on any portion of the AMYs (including, without limitation, any Remaining Portion of any Dwelling Envelope). Accordingly, the Association may require the removal of any such Owner Improvement/Amenity from any portion of any AMY if (a) the temporary or permanent construction, installation, placement, or storage of the Owner Improvement/Amenity was not approved by the Board in advance and in writing, or (b) the Board reasonably determines that the Owner Improvement/Amenity has fallen into irreparable disrepair and/or has become a safety hazard.

## **ARTICLE 7 – PRIVATE YARDS**

### **7.1 Applicability**

This Article 7 shall only apply to portions of the Project that are not located in an AMY Neighborhood. This Article 7 shall have no relevance or applicability whatsoever to any AMY Neighborhood.

### **7.2 Private Yards**

Each Private Yard includes any portion of a Lot upon which a Dwelling, including the attached garage and certain Dwelling-related Owner Improvements/Amenities (*e.g.* driveways, walkways, steps, porches, patios, decks and similar improvements) have not been constructed or installed.

7.2.1 Ownership. The Owner of each Lot shall own, in fee simple, the entire Lot including the Private Yard located on such Lot.

7.2.2 Boundaries / Fences. The boundaries of each Private Yard (which are identified by the boundaries of the Lot upon which the Private Yard is located) shall be as indicated on the Plat Map. Owners and the Association are prohibited from marking, fencing off or otherwise separating adjacent Private Yards.

7.2.3 Maintenance. Each Owner must keep and maintain his or her Private Yard in a clean, safe, and debris-free condition as more particularly required under the Governing Documents.

### **7.3 Owner Liability for Damage or Injury**

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 use and/or maintain his or her Private Yard as required by any Governing Document.

## **7.4 Landscaping**

7.4.1 Installation. The Owner of each Lot shall be solely responsible for planting and installing all Landscaping located on his or her Private Yard. All such Landscaping shall comply with building and design standards as approved and published by the DRB. The planting and installation of such Landscaping must be completed no later than eighteen (18) months after the County has issued a permit for construction of the Dwelling. The DRB may, at the DRB's discretion, issue to any Owner a written extension of the deadline for completing the planting and installation of any such Landscaping.

7.4.2 Owner Maintenance. The Owner of each Lot shall be solely responsible for planting, replanting, transplanting, seeding, sowing, replacing and/or maintaining any and all Landscaping located on his or her Private Yard.

7.4.3 Association Maintenance. If the Owner fails to properly maintain the Landscaping located on a Lot, the Association may (but shall not be required to) perform such maintenance and impose against the Owner of such Lot an Individual Assessment to cover the costs of the maintenance. The Landscaping maintenance referred to under Section 7.4.2 and this Section 7.4.3 includes, for example but without limitation, the removal of dead, dying or diseased trees or bushes, and the removal of any and all noxious weeds as described under Section 5.6.

## **7.5 Irrigation/Sprinkler Systems**

The Owner of each Private Yard shall be solely responsible for the installation of a irrigation/sprinkler system on such Private Yard, and shall assume any and all costs for such installation including, without limitation, any costs related to planning, installation, equipment, and labor. The irrigation/sprinkler system must comply with the Association's requirements, as may be imposed by the Board or the DRB. All portions of any such irrigation/sprinkler system located on a Private Yard shall be deemed an Owner Improvement/Amenity and shall not be deemed a Common Improvement. Accordingly, the Owner shall be solely responsible for operating, inspecting, maintaining, repairing and/or replacing any irrigation/sprinkler system located on his or her Private Yard. In order to maintain control over the consumption of water, the Association may adopt and enforce Rules and Regulations regarding the manner in which, and the extent to which, Private Yards may be irrigated.

## **7.6 Owner Improvements/Amenities**

The Association (whether through the Board or the DRB) 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 any Private Yard. Accordingly, the Association may require the removal of any such Owner Improvement/Amenity from any portion of any Private Yard if the temporary or permanent construction, placement, or storage of such Owner Improvement/Amenity was not approved by the Board or the DRB in advance and in writing, or (b) the Board reasonably determines that the Owner Improvement/Amenity has fallen into irreparable disrepair and/or has become a safety hazard.



## ARTICLE 8 – SNOW REMOVAL

Except as otherwise provided in this Declaration, the Association shall reasonably remove, or cause the removal of, snow from the following portions of the Project:

- (A) any roadways located in the Project that have not been designated and dedicated for public use;
- (B) certain paved walkways and stairways that, as reasonably determined by the Board, are intended for wintertime usage;
- (C) parking areas located on Common Area that, as reasonably determined by the Board, are intended for wintertime usage; and
- (D) other portions of the Project as may be reasonably determined by the Board.

Notwithstanding the Association's snow removal obligations as set forth in the previous paragraph, the Association shall have no obligation or responsibility whatsoever to remove snow from the following portions of the Project:

- (A) any Public Streets;
- (B) any non-public paths or roads that, as reasonably determined by the Board, are not intended for wintertime use;
- (C) any paved or unpaved walkways and stairways that as reasonably determined by the Board, are not normally intended for wintertime usage (*e.g.* exercise and scenic walkways/trails, etc.);
- (D) any driveways, walkways, sidewalks, steps or porches located on any Lot; or
- (E) any driveways, walkways, sidewalks, steps or porches located on any AMY.

## ARTICLE 9

### DWELLINGS / STORAGE SHEDS / DRIVEWAY STREET ACCESS

#### 9.1 AMY Neighborhoods

9.1.1 Number of Dwellings. Only one Dwelling may be constructed on each Dwelling Envelope/Lot. No other structure and no detached garage shall be permitted on any portion of any Dwelling Envelope/Lot.

9.1.2 Dwelling Location. The entire Dwelling Location (as that term is defined under Section 1.22 and Section 6.2) must be situated within the boundaries of the Dwelling Envelope. The Dwelling Location shall be solely determined by the DRB in a manner that reasonably attempts to preserve view corridors and open space, positions each Dwelling in an attractive manner, and maintains an appropriate limit on Lot coverage. Nothing in this Declaration, or in any Governing Document, shall be construed to grant or establish any sort of view easements. The DRB shall solely determine whether the Dwelling Location reasonably meets the requirements of the Governing Documents.

9.1.3 Setback Lines. Setback lines do not apply to any AMY Neighborhoods. However, as required under this Declaration, the DRB must approve the Dwelling Location within the Dwelling Envelope.

9.1.4 Dwelling Size Requirements. Dwellings may be single level and double level only. Dwellings may not be three levels or more. No single level of any Dwelling may be greater than 1650 square feet. The total square footage of any Dwelling may be 1300 to 3300 square feet. The square footages limitations set forth in this Section 9.1.4 include any portion of the Dwelling that may be located under the garage, and also includes any portion of the Dwelling located under the roof, but does not include any patios, balconies, porches and/or decks. Variances from the Dwelling size requirements contained in this Declaration are prohibited unless a written variance is granted at the sole discretion of the DRB.

9.1.5 Garages. The Dwelling square footages limitations set forth under Section 9.1.4 do not include the garage. All Dwellings must include an attached garage, which may not exceed 1000 square feet. Garages may be one-car or two-car garages only.

9.1.6 Height Restrictions. No portion of any structure on any Lot may exceed twenty-four (24) feet in height as measured at the natural (existing) grade on the Lot prior to construction to a point halfway between the eaves and the ridgeline of the roof. The maximum permissible ridgeline height will be thirty (30) feet above natural (existing) grade, with the intention being to have the structure's mass follow the natural, existing contour of the land. No garage may exceed one story. The garage must be attached to the Dwelling and must be secondary in appearance to the main structure of the Dwelling.

9.1.6 Storage Sheds. Storage Sheds are prohibited in any AMY Neighborhood.

9.1.7 Double Lot Dwellings. Double Lot Dwellings are prohibited in any AMY Neighborhood.

## **9.2 Non-AMY Neighborhoods**

9.2.1 Number of Dwellings. Only one Dwelling may be constructed on each Lot. No other habitable structure and no detached garage shall be permitted on any portion of any Lot.

9.2.2 Dwelling Location. The entire Dwelling must be situated within the boundaries of the Lot. The location of each Dwelling shall be solely determined by the DRB in a manner that reasonably attempts to preserve view corridors and open space, positions each Dwelling in an attractive manner, and maintains an appropriate limit on Lot coverage. Nothing in this Declaration, or in any Governing Document, shall be construed to grant or establish any sort of view easements. The DRB shall solely determine whether the location of the Dwelling reasonably meets the requirements of the Governing Documents.

9.2.3 Setback Lines. The entire Dwelling, including the attached garage and certain Dwelling-related Owner Improvements/Amenities (*e.g.* driveways, walkways, steps, porches, patios, decks and similar improvements) and the entire Storage Shed (if any) must be located inside the boundaries of the setback lines for the Lot, as depicted on the Plat.

9.2.4 Dwelling Size Requirements. Dwellings may be single level and double level only. Dwellings may not be three levels or more. No single level of any Dwelling may be greater than 2300 square feet. The total square footage of any Dwelling may be 1300 to 5000 square feet. The square footages limitations set forth in this Section 9.2.4 include any portion of the Dwelling that may be located under the garage, and also include any portion of the Dwelling located under the roof, but does not include any patios, balconies, porches and/or decks. Variances from the Dwelling size requirements contained in this Declaration are prohibited unless a written variance is granted at the sole discretion of the DRB.

9.2.5 Garages. The Dwelling square footages limitations set forth under Section 9.2.4 do not include the garage. All Dwellings must include an attached garage, which may not exceed 1300 square feet. Garages may be one-car, two-car or three-car garages only.

9.2.6 Height Restrictions. No portion of any structure on any Lot may exceed twenty-four (24) feet in height as measured at the natural (existing) grade on the Lot prior to construction to a point halfway between the eaves and the ridgeline of the roof. The maximum permissible ridgeline height will be thirty (30) feet above natural (existing) grade, with the intention being to have the structure's mass follow the natural, existing contour of the land. No garage may exceed one story. The garage must be attached to the Dwelling and must be secondary in appearance to the main structure of the Dwelling.

9.2.7 Storage Sheds. In addition to the Dwelling, each Lot may include no more than one Storage Shed subject to approval by the DRB and subject to the restrictions and requirements set forth in this Declaration or the Design Guidelines. A Storage Shed shall be deemed an Owner Improvement/Amenity.

Storage Sheds must match, as closely as reasonably possible, the architectural style, materials and color of the Dwelling. The design of the Storage Shed shall compliment the architectural aesthetics of the Neighborhood, and must not detract from the uniformity and appearance of the overall Project, as determined in the sole discretion of the DRB.

Construction and workmanship of the Storage Shed shall be of the same quality as the Dwelling. Substandard workmanship will not be allowed. The Storage Shed must be a permanent structure. Prefabricated or temporary Storage Sheds are strictly prohibited. Storage Sheds must be "one story" in height only. Multi-story Storage Sheds are strictly prohibited. The maximum size of each Storage Shed shall be limited to 12 feet wide by 14 feet long by 12 feet high. Storage Sheds must be erected/constructed as "slab on grade" or, if pillars are to be used, no higher than 2 feet above grade and must be underpinned with approved material. The DRB may require that trees, shrubs or other plant material surround the Storage Shed in order to provide a visually pleasing appearance. The Storage Shed must be intended, designed and used solely for the purpose of storing gardening, lawn or landscaping tools or similar equipment. Storage Sheds shall not be used for occupancy, or as an office or a recreational or playground facility. Any utilities servicing the Storage Shed must be located underground and must meet all county and state codes. All storage sheds must be located on each Lot such that they are the least visible from adjacent streets and other Lots. The design, size and placement of any Storage Shed is subject to prior written approval by the DRB. In all cases, the final approval or disapproval of any Storage Shed rests with the DRB. The DRB is not obligated to approve the construction or placement of a Storage Shed on any particular Lot. No Storage Shed may be constructed on any Lot prior to construction of the Dwelling on such Lot.

9.2.8 Double Lot Dwellings. Subject to governmental regulations, restrictions and approvals, and also subject to approval of the DRB, any Owner who owns two adjoining Lots may construct a single Dwelling that is located on both Lots (a “**Double Lot Dwelling**”). An Owner may not construct a Dwelling that is located on more than two adjoining Lots. Double Lot Dwellings shall be subject to the following standards and requirements:

9.2.8.1 Double Lot Dwelling Size and Placement. Any and all restrictions regarding the size, design and location of the Dwelling, or any other structure, as provided under this Declaration, shall apply to the Double Lot Dwelling or any other structures that may be constructed on adjoining Lots.

9.2.8.2 Notice of Building Parcel Designation. The Owner of any adjoining Lots upon which an Owner intends to build a Double Lot Dwelling shall execute and deliver to the Board or DRB a recordable Notice of Building Parcel Designation under which the adjoining Lots shall be designated as a single building parcel. The Board or DRB shall record or file such Notice with the Recorder’s Office upon the commencement of construction of the Double Lot Dwelling. Once the adjoining Lots have been combined pursuant to the recording of such Notice, the Lots cannot be separated unless such Notice has been vacated pursuant to the applicable procedures or requirements of any governmental agency or authority with jurisdiction over such matters. The Owner of any adjoining Lots upon which the Owner intends to build a Double Lot Dwelling shall also execute and deliver any document(s) that may be required by any governmental agency with authority regarding such matters, and any other document(s) that may be reasonably required by the Board or DRB.

9.2.8.3 Membership and Voting. The Owner of any adjoining Lots upon which the Owner constructs, or intends to construct, a Double Lot Dwelling shall continue to have one membership and one vote for each such Lot.

9.2.8.4 Assessments. The Owner of any adjoining Lots upon which the Owner constructs, or intends to construct, a Double Lot Dwelling shall continue to pay Assessments on each Lot. The Assessments imposed on such Owner will not be discounted or reduced in any manner whatsoever due to such Owner holding title to more than one Lot.

### **9.3 Both AMY and non-AMY Neighborhoods**

9.3.1 No Used or Temporary Structures. No previously erected, used, or temporary structure, mobile home, trailer house, or any other non-permanent structure may be placed, installed, constructed or maintained on any Lot. This restriction shall not apply to any structure that Declarant may erect or use for administrative, sales and/or promotional purposes relating to the Project during its development and marketing.

9.3.2 Non-Compliant Structures. In the event an Owner constructs or places any structure or building of any kind or any size on a Lot without meeting the requirements for approval as outlined in this Declaration or the Design Guidelines, the Board may take such action as necessary to cause the Owner to remove or modify such structure or building as required by the DRB in order to comply with the Governing Documents including, without limitation, this Declaration and/or the Design Guidelines.

9.3.3 Driveway Street Access. Any Lot that is located on a street corner, or the intersection of two streets may, subject to County and DRB approval, include driveway access to both streets. The County and/or the DRB may grant or deny such approval at their sole and absolute discretion. No such Lot located on a street corner may include more than two (2) driveways. All other Lots may include access to the adjacent street via just one (1) driveway.

## **ARTICLE 10 – AESTHETICS AND ARCHITECTURAL STANDARDS**

### **10.1 Generally**

It is the intention and purpose of this Declaration to impose aesthetic and architectural standards that result in a Project with Dwellings, Common Area, Owner Improvements/Amenities and Common Improvements that constructed, installed and maintained in an attractive and aesthetically pleasing manner, including Dwellings that are consistent and compatible with regard to their size, design, building materials, colors and general appearance.

### **10.2 Design Guidelines**

The Project’s aesthetical and architectural standards must be consistent with building and design standards (“**Design Guidelines**”) as approved and published by the Association’s Design Review Board (“**DRB**”). Such Design Guidelines must at all times remain consistent with those provisions of this Declaration that directly or indirectly impact the aesthetic and architectural standards of the Project.

### **10.3 Design Review Board**

The DRB shall consist of no less than three (3) members and no more than five (5) members. At least one member of the DRB must be an architect or design professional with experience in residential subdivisions that is not a member of the Association. The initial DRB will consist of three (3) members that have been appointed by the Declarant and who do not need to be Owners. The Declarant will have the sole authority to appoint, remove and/or replace any member of the initial DRB. No later than ninety (90) days after 75% of all Lots in the entire Project have been sold or transferred to persons other than the Declarant, (A) the DRB may, at the Declarant’s sole discretion, be expanded to four or five members, (B) at least one member of the DRB must be an Owner who may, at the Declarant’s sole discretion, be either appointed by the Declarant or elected by the Owners, and (C) the Declarant will continue to have the authority to appoint, remove and/or replace any members of the DRB that were appointed by the Declarant.

In order to maintain the architectural compatibility and continuity established by the Declarant’s administration and oversight of the initial DRB, the Declarant shall continue to govern the DRB until the DRB has approved the plans for construction of the final Dwelling of the entire Project. After the DRB has approved the plans for construction of the final Dwelling, the Declarant shall no longer govern the DRB. The Declarant may, at any time, relinquish the Declarant’s authority over the DRB by executing and recording the appropriate notice in the Recorder’s Office.

If Declarant voluntarily elects to relinquish Declarant's authority over the DRB, or the DRB has approved the plans for construction of the final Dwelling, then the Board shall, by a majority vote, determine how many members (not less than three but no more than five) will serve on the DRB from that point forward and how the members of the DRB will be selected. The Board may, in the Board's sole discretion, choose to appoint the members of the DRB or place such matter to a vote by the Owners. The Board may choose to appoint the members of the Board to also serve as the members of the DRB.

The Design Guidelines will be enforced, and may be periodically amended, updated, clarified and/or supplemented by the DRB. The DRB must, at all times, maintain a current version of the Design Guidelines in writing, and must furnish or make available to the Owners a complete copy of the current version of such Design Guidelines.

#### **10.4 Dwellings / Owner Improvements/Amenities**

In order to preserve a uniform appearance to the Project, no exterior changes whatsoever to any Dwelling or any Owner Improvement/Amenity shall be commenced, performed constructed, maintained, made or done without the DRB's prior written approval. The DRB shall have sole discretion to establish, regulate and determine the exterior appearance of the Dwellings and all Owner Improvements/Amenities consistent with the Design Guidelines. The DRB may require and otherwise regulate painting and other decorative finishing of the Dwellings 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 power of the DRB shall extend to screens, doors, windows, awnings, railings or any other visible portions of each Dwelling, as well as any Owner Improvements/Amenities that may be attached to or are otherwise part of the Dwelling, as solely determined by the Board.

#### **10.5 Common Area / Association Maintained Yards (AMYS)**

The DRB shall have sole the discretion to establish, regulate and determine the aesthetics and appearance of any and all Common Areas including, without limitation, any portion of any AMY. In order to establish and/or maintain the Project's uniform appearance to the Project, no changes may be made to any portion of the Common Area (including any AMY) without the DRB's prior written approval.

#### **10.6 Common Improvements**

The DRB shall have the sole discretion to establish, regulate and determine the aesthetics and appearance of any and all Common Improvements. In order to preserve a uniform appearance to the Project, no changes may be made to any such Common Improvements without the DRB's prior written approval. All requests for permission to alter, construct or remove any such Common Improvements shall be delivered to the Board in writing and shall include plans and specifications detailing the nature and extent of such alteration, construction or removal.

#### **10.7 Vacant Lots**

The provisions of this Article 10 shall apply to any Vacant Lot, as well as the AMY that is contiguous to such Vacant Lot. Accordingly, the Owner of any Vacant Lot shall not construct, erect, install, maintain or replace on his or her Vacant Lot (or the AMY that is contiguous to such Vacant Lot) any improvement of any kind whatsoever without the prior written consent of the DRB.

## **10.8 Fines**

As more particularly set forth under Article 13 of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the aesthetical and architectural standards set forth under this Article 10, or the violation of any Design Guidelines that may be adopted by the DRB. The Board must assess any such fines in a manner that is consistent with Article 13 of this Declaration. Prior to adopting, approving, amending, updating and/or clarifying any Design Guidelines, or prior to adopting or approving a schedule of fines that may be imposed for violations of the Design 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 then allowing Owners to ask questions or provide their input in an open forum.

## **ARTICLE 11 – USE RESTRICTIONS**

### **11.1 Occupation and Use**

Dwellings shall be occupied and used for single-family residential purposes only, on an ownership basis, and 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 the Governing Documents.

### **11.2 Prohibited Occupation or Uses**

No Dwelling shall be converted, nor constructed or used as, a duplex or any other multi-family structure, or as a halfway house or similar housing for people who have been discharged from prison or similar institutions. No Lot may be subdivided unless such Lot originally comprised two separate Lots (as shown on the Plat Map) that had been joined as one pursuant to any applicable provisions of the Governing Documents.

### **11.3 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 use of 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 11.3 is to preserve the right of Owners (and the Owner's family members, guests, tenants and other occupants 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 11.3 do not apply to the leasing or renting of any Dwelling.

#### **11.4 Common Area**

11.4.1 Waste Storage. No storage of waste of any kind is permitted on any portion of the Project (including any Common Area, Lot or AMY) 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 or debris including, for example, lawn, tree, or landscape clippings or trimmings, household refuse, or recyclable materials. No composting, trash or garbage 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 streets and removed from such location at the end of that same day.

11.4.2 Materials or Equipment. No materials and/or equipment may be stored or accumulated on any portion of the Project (including any Common Area, Lot or AMY) without Board 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 DRB's building and design standards and/or any written directive of the DRB).

#### **11.5 Vacant Lots**

Any and all restrictions, rules or regulations set forth in any of the Governing Documents shall be entirely applicable to any Vacant Lot. Likewise, the Owner of any such Vacant Lot shall be subject to the enforcement provisions of the Governing Documents including, without limitation, any such provisions related to fines.

#### **11.6 Fences Prohibited**

Fencing shall not be permitted on any portion of the Project without the Board's prior written approval. This Section 11.6 shall not prohibit or prevent the Declarant or the Association from installing or constructing decorative fencing within the Project.

#### **11.7 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 strictly 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. This Section 11.7 shall not apply to the Declarant's use of Drones for the purpose of promoting the Project.



## **11.8 Clotheslines Prohibited**

Clotheslines are prohibited on any portion of the Project.

## **11.9 Water Conservation**

It is the intent of the Declarant and the Association to conserve water and preserve the natural vegetation and condition of the Project, and minimize the visual and ecological impact of the Project, to the greatest extent reasonably possible given the nature of the Project. Accordingly, water conservation landscaping practices (also referred to as “xeriscaping”) must be utilized on all portions of the Project, including all Common Areas and Lots. Landscaping throughout the entire Project shall minimize water usage by emphasizing native or drought-tolerant species that are compatible with existing natural environmental and ecological conditions, including species that may be listed under the Design Guidelines and/or recommended by the Utah Native Plant Society or similar organization. Natural, non-living materials including, for example, rocks and rock structures that have been approved by the DRB are permitted as part of water-efficient landscaping.

## **11.10 Signage**

No signs will be permitted on any Lot or within the Project, except for traffic control signs placed by governmental authorities of the Association, temporary signs warning of some immediate danger, or signs not in excess of six square feet located on a Lot identifying the contractor and/or architect of any Dwelling while it is under construction on such Lot. Signs indicating a Lot is for sale may be placed in accordance with governmental sign regulations, provided no such sign may exceed six square feet in size. Until the expiration of the Period of Declarant’s Control, the Declarant may post within the Project signs (no larger than thirty-two square feet in size) announcing the availability of Lots and giving sales information. No permanent signs stating the address or the name of the Owner of the Lot may be installed without the advance written consent of the Board. The restrictions of this Section 11.10 shall not apply to any signage easements granted to Declarant under the terms and conditions of this Declaration.

## **11.11 Lighting**

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 after dark. In order to ensure compliance with this Section 11.11 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 string lighting (other than for the holiday season November 15 – January 15) and no or landscape lighting whatsoever is permitted in any portion of the Project including, without limitation, on any Dwellings or on any other structures located in the Project (*e.g.* the Club House) or in flowers. String lighting (party lighting) is permitted on an occasional and temporary basis for entertainment purposes only.

e) Holiday lighting and holiday decorations (whether lit or unlit) must be removed no later than February 28th.

#### **11.12 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.

#### **11.13 Underground Utilities**

All gas, electrical, telephone, cable television, and any other utility lines in the Project must be installed and maintained underground, including lines within any Lot which provides any form of utility service entirely within that Lot. No propane tanks or oil tanks may be installed on any Lot except as necessary to provide temporary heat during construction.

#### **11.14 Patios, Porches Decks and Balconies.**

All patios, porches, decks and balconies shall be maintained in a safe and neat manner. Patios, porches, decks and balconies are generally intended for keeping and using items that are commonly kept and used in such areas, such as patio furniture and gas or electric barbeques. Accordingly, Owners (and the tenants, family members, guests or any other occupants of any Dwelling) shall not use such areas for the general storage of items or for the storage of excessive or unsightly personal property or similar items.

### **11.15 Vehicle Parking**

The parking of any vehicles along the side of the streets is discouraged in order to prevent accidents involving children or animals that may be hidden by vehicles parked along the streets.

Parking spaces are reserved for, and restricted to use by, vehicles that are owned or leased by Owners and the family members, tenants and guests of Owners. Such parking spaces may only be used to park vehicles that are in working condition, may legally be operated on public streets, and have been properly registered with a governmental motor vehicles department or division. The Board may require removal of any vehicle that is not owned or leased by Owners (or by family members, tenants or guests of Owners) or is inoperative or is not properly registered, as well as any equipment or item that is improperly stored in any such parking space or parking 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 may cause removal of such vehicle, equipment or item at the sole risk and expense of the owner thereof.

No vehicle shall be left in general view (including on any driveway) that is not currently registered with a governmental motor vehicles department or division, and that is not in working condition. No vehicle may be parked on any portion of the Common Area.

No recreational vehicle (motor homes, campers, trailers, boats, snowmobiles, 3-wheel motor vehicles or similar items) shall be parked or stored on any portion of the Project. Such recreational vehicle may be parked or stored in the garage of any Dwelling provided the garage door remains closed when the garage is not being used.

Parking within the Project may be further regulated by rules adopted by the Board from time to time provided that such rules do not conflict with any laws, rules or ordinances that may be adopted by the County. In the event of any such conflict, and provided the County has jurisdiction over private streets located within the Project, the laws, rules or ordinances shall prevail.

### **11.16 Vehicles Restricted to Roadways**

No motor vehicle may be operated or parked in the Project except on improved roads and driveways. No snowmobiles or motorcycles will be operated on any Lot except for ingress and egress or while loading the equipment for lawful transport on public streets.

### **11.17 RVs, Campers, Boats, Trailers and Commercial Trucks**

No recreational vehicles, motor homes, mobile homes, boats, commercial vehicles, trailers (including, without limitation, travel trailers, tent trailers and boat trailers), camper shells, detached campers, all-terrain vehicles, golf carts, or off-road vehicles shall be parked or maintained on any portion of any Lot (except in a garage) or on any street. Notwithstanding the foregoing, cars, light trucks (having a one-ton rating or less), and passenger vans may be parked in garages or driveways at any time without violating this Section 11.17. The Association shall have the right to have any vehicle, vessel or trailer that is parked, kept, or maintained in violation of this provision towed away at the sole cost and expense of the owner of such vehicle, vessel or trailer.

### **11.18 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).

Excessive or disturbing noise is prohibited at all times. Such noise includes continuously barking dogs, loud speakers, 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 guest, tenant or other occupant of any Dwelling) is permitted before 8 A.M. or after 10 P.M. Exceptions to this Section 11.18 may be permitted with prior written consent of the Board.

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.

### **11.19 No Unsightliness**

No unsightliness shall be permitted on any Lot. This shall include, without limitation, the open storage of any building materials (except during the construction of any Dwelling or Owner Improvement/Amenity); open storage or parking of farm or construction equipment, boats, campers, trailers, trucks larger than pick-up trucks (except during periods of actual loading and unloading), or inoperable motor vehicles; accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage; lawn or garden furniture except during the season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Lot in a manner that it is visible from any other Lot or any street.

### **11.20 Sewer Connection Required**

All Lots are served by sanitary sewer service, and no cesspools, septic tanks, or other types of waste disposal systems are permitted on any Lot. All Dwellings must be connected to the sanitary sewer system.

### **11.21 Drainage**

No Owner shall alter the direction of natural drainage from his Lot, nor shall any Owner increase the amount of natural storm run-off leaving his Lot.

### **11.22 Mailboxes**

Mail and newspaper boxes are for the exclusive use of Owners or their family members and tenants. Keys to these boxes may be obtained from the Association for a nominal fee.

### 11.23 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 (other than properly supervised and contained barbecues or fire pits, after having obtained the appropriate burning permit, as may be governed by local code or burning regulations or ordinances).

### 11.24 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 11.24.1, and (b) are clearly permitted under applicable local, state or federal law.

11.24.1 Dwellings. 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.

11.24.2 Common Area. Owners are strictly prohibited from constructing or erecting any Communication Device(s) upon any portion of the Common Area (which includes any AMYs).

11.24.3 Liability and Insurance. 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.

11.24.4 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 11.24 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 11.24 is held to conflict with any applicable laws, rules or regulations, those portions shall be deemed stricken and all other portions of this Section 11.24 regarding Communication Device installation, maintenance, use and insurance will remain in full force and effect.

11.24.5 Waiver. No requirements or restrictions of this Section 11.24 may be verbally waived or changed by the Board. Any such waiver or change will be effective only when placed in a 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 Section 11.24, 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.

## **11.25 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.

## **11.26 Animals**

11.26.1 Limits. No Owner may 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 including, by example and without limitation, horses or chickens shall be raised, bred or kept upon any portion of the Project.

11.26.2 Animals in Common Area. No animal shall be permitted in any Common Area unless carried in a carrier or properly controlled on a leash or similar restraining device. All animal waste shall be promptly removed from the Common Area (which includes any AMY) and be fully cleaned-up by the animal's owner.

11.26.3 Animal Enclosures/Houses. 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 (which includes any AMY).

11.26.4 Indemnification. Each Owner who keeps an animal shall indemnify and hold all other Owners, the Association, and the Manager (if any) 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.

11.26.5 Additional Board Rules. 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.

## **11.27 Dwelling Completion Before Occupancy**

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

## **11.28 Leases and Short-Term Rentals.**

Subject to laws, rules, or regulations that may be adopted by Weber County, there are no restrictions on the right of any Owner to lease, rent or otherwise grant occupancy rights to any Dwelling. Each Owner acknowledges and agrees that Dwellings may be rented on a daily, weekly, monthly, or other periodic basis, and that vacation and other short-term rentals are permitted.

Owners who rent their Dwelling must assume complete responsibility for the actions and behavior of their tenants and the guests of such tenants. Owners shall provide their tenants with a copy of the Governing Documents to ensure compliance. 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 Owner of the Dwelling.

### **11.29 Effect on Insurance**

Nothing shall be done or kept in any Dwelling or in the Common Area (which includes AMYs) 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.

### **11.30 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. Prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, 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 then allowing Owners to ask questions or provide their input in an open forum. 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 Article 13 of this Declaration, the Board may adopt Rules and Regulations that impose fines for any violation of the use restrictions set forth under this Article 11, 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 13 of this Declaration.

## **ARTICLE 12 – DETENTION/ DRAINAGE AREAS FLOOD ZONES & SIGNAGE AREAS**

Notwithstanding any other language in this Declaration, the Board may, at the Board's discretion, regulate, restrict or even prohibit the use of any portion of the Common Areas (including, without limitation, any portion of any AMY) that may serve as storm water detention areas, drainage easement areas, flood zone easement areas as identified on a Plat Map or as designated by any governmental agency with authority over such matters. Likewise, the Board may, at the Board's discretion, regulate, restrict or even prohibit the use of any portion of the Common Area (including, without limitation, any portion of any AMY) where Project signage or monuments have been installed. The Board may impose any such restrictions or prohibitions described in this Article 12 by means of a written resolution that has been approved by a majority of the Board.

## **ARTICLE 13 – FINES**

### **13.1 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 Article 13.

## **13.2 Imposition of Fines**

The purpose of this Section 13.2 is to comply with Section 57-8a-208 of the Utah Community Association Act, as may be periodically amended or supplemented.

13.2.1 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 Section 13.2, 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 Section 13.2; 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.

13.2.2 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 Section 13.2.1, 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 Section 13.2.1.

13.2.3 After the Board has assessed a fine against an Owner under this Section 13.2, 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.

13.2.4 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.

13.2.5 At the informal hearing described under Section 13.2.4, 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.

13.2.6 If an Owner timely requests an informal hearing under Section 13.2.4, 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.

13.2.7 An Owner may appeal a fine assessed under this Section 13.2 by initiating a civil action no later than one hundred eighty (180) days after:

(a) if the Owner timely requests an informal hearing under Section 13.2.4, 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 Section 13.2.4, the day on which the time to request an informal hearing under Section 13.2.4 expires.

13.2.8 (a) Subject to Section 13.2.8(b) a Board may delegate the Board's rights and responsibilities under this Section 13.2 to a managing agent.

(b) A board may not delegate the Board's rights or responsibilities described in Section 13.2.5.

### **13.3 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 14 – BUDGET AND EXPENSES**

### **14.1 Association Budget and Estimated Expenses**

14.1.1 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year that begins on January 1<sup>st</sup> of each calendar year and ends on the subsequent December 31<sup>st</sup> of that same year. Not less than thirty (30) days prior to the annual Owners' meeting, the Board (or the Manager, if so requested by the Board) shall prepare and furnish to the Owners an operating budget (the "**Annual Budget**") which shall set forth an itemization of expenditures for the upcoming fiscal year. The Board may furnish the Annual Budget to the Owners solely by posting a copy of the Annual Budget on the Association's website. Alternatively, the Board may choose to mail a copy of the Annual Budget to the Owners.

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. The Annual Budget shall separately itemize Neighborhood Expenses, if any. The Annual Budget shall also include the General Reserve Fund Line Item for such fiscal year as described under Section 14.2, and one or more Neighborhood Reserve Fund Line Item(s), if any, as described under Section 14.3.

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. The Annual Budget, and each line item therein, is intended as a management tool for the Board to meet the Common Expenses and cash needs of the Association for the applicable fiscal year. The actual amount of any given line item or category may exceed or be less than the amount that is set forth in the Annual Budget. Nothing herein or in the Annual Budget shall prevent the Board, in its discretion, from reallocating funds from one line item or category in the Annual Budget to another line item or category in order to meet actual expenses as they are incurred. Any such reallocation shall not require the Board to give prior notice to the Owners or obtain the approval of the Owners.

The Annual Budget also may, but is not required to, include a Reserve Fund budget that shows the total amounts that are intended to be deposited into the Reserve Fund during the upcoming fiscal year, as well as the total amounts that are intended to be disbursed from the Reserve Fund during such upcoming fiscal year, including the manner in which such disbursements are intended to be used. Any such Reserve Fund budget must be reasonably consistent with the determinations of the most recent reserve analysis.

14.1.2 Owner Disapproval. The proposed Annual Budget and Annual Assessments shall become effective as of the date of the annual Owners' meeting (and shall retroactively apply to the beginning of the fiscal year for which the Annual Budget was prepared) unless the Annual Budget is specifically disapproved by a vote of at least a Majority of the Owners either at the annual Owners' meeting or at a special meeting that is held and completed not later than forty-five (45) days following the date of the annual Owners' meeting.

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 establish the 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.

14.1.3 Annual Budget Shortfall. If the sums estimated and budgeted for the Annual Budget, or any portion thereof, at any time prove inadequate for any reason the Board may, under the circumstances described under Section 15.6.1 impose a Special Assessment in order to remedy such shortfall.

**14.2 General Reserve Fund Line Item.** The purpose of this Section 14.2 is to comply with Section 57-8a-211 of the Community Act, as may be periodically amended by the Utah legislature.

14.2.1 Determination of General Reserve Fund Line Item. In calculating, formulating or determining its Annual Budget, the Association must include a "**General Reserve Fund Line Item**" which shall be used to fund the General Reserve Fund. The General 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 General Reserve Fund as a result of, for example and without limitation, an unexpected depletion of the General Reserve Fund due to the repair, replacement, or restoration of Common Areas and/or Common Improvements that were not anticipated or accounted for as part of the Association's most recent reserve analysis. There shall be only one General Reserve Fund Line Item in the Annual Budget for the

14.2.2 Veto of General Reserve Fund Line Item. No later than forty-five (45) calendar days after the day on which the Association adopts the Annual Budget, the General 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 General Reserve Fund Line Item).

If the Owners veto the General Reserve Fund Line Item as provided under this Section 14.2.2, and a General Reserve Fund Line Item exists in a previously approved Annual Budget that was not vetoed, the Association shall continue to fund the General Reserve Account in accordance with the General Reserve Fund Line Item from the previously approved Annual Budget.

**14.3 Neighborhood Reserve Fund Line Item.** In addition to the General Reserve Fund, the Association may also choose to establish a Neighborhood Reserve Fund for the purposes set forth under Section 14.6.

14.3.1 Determination of Neighborhood Reserve Fund Line Item. In calculating, formulating or determining its Annual Budget, if the Association has elected to establish a Neighborhood Reserve Fund for a particular Neighborhood, the Association shall include in the Annual Budget a separate "**Neighborhood Reserve Fund Line Item**" which shall be used to fund such Neighborhood Reserve Fund. The Neighborhood 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 Neighborhood Reserve Fund as a result of, for example and without limitation, an unexpected depletion of a Neighborhood Reserve Fund due to the repair, replacement, or restoration of Common Areas and/or Common Improvements that were not anticipated or accounted for as part of the Association's most recent reserve analysis.

14.3.2 Veto of Neighborhood Reserve Fund Line Item. No later than forty-five (45) calendar days after the day on which the Association adopts the Annual Budget, the Neighborhood Reserve Fund Line Item may be vetoed by a majority of all Owners of the Lots located in the Neighborhood for which the Neighborhood Reserve Fund has been established (at a special meeting that may be called by any Owner(s) of such Neighborhood for the purpose of voting whether to veto the Neighborhood Reserve Fund Line Item).

If such Owners veto the Neighborhood Reserve Fund Line Item as provided under this Section 14.3.2, and a Neighborhood Reserve Fund Line Item exists in a previously approved Annual Budget that was not vetoed, the Association shall continue to fund the Neighborhood Reserve Account in accordance with the Neighborhood Reserve Fund Line Item from the previously approved Annual Budget.

14.3.3 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 General Reserve Fund Line Item or any Neighborhood 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.

As noted above, the Association is only required to establish and maintain the General Reserve Fund, which may be funded via the General Reserve Fund Line Item or a Special Assessment, as more particularly described in this Declaration. The Association is not, however, required to establish and maintain a Neighborhood Reserve Fund for each Neighborhood. The Association (by a majority vote of the Board) has the option of establishing and maintaining a separate Neighborhood Reserve Fund for any particular Neighborhood in order to pay the cost of repairing, replacing and restoring certain Common Improvements that are only intended for the use and benefit of the Owners of Lots located in that Neighborhood, as more particularly described under Subsection 14.6.1.2.

**14.4 Common Expense Fund.** With the exception of those amounts that may be set aside and deposited into any Reserve Fund(s), or any amounts the Board may elect to deposit into a separate special fund, the total amount of any and all Assessments paid by the Owners shall be deposited into the Common Expense Fund.

#### **14.5 Reserve Analysis**

14.5.1 Reserve Analysis Frequency. As required by the Community Act, 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.

14.5.2 Reserve Analysis Purpose. 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 Areas 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.

14.5.3 Reserve Analysis Contents. 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. 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.

#### **14.6 Reserve Funds**

##### 14.6.1 General Reserve Fund / Neighborhood Reserve Fund.

14.6.1.1 General Reserve Fund. The Association shall establish and maintain a General Reserve Fund for the purpose of repairing, replacing and restoring Common Improvements that are intended for the use and benefit of the Owners of all Lots located in the entire Project. Examples of such Common Improvements include, for example but without limitation, Project signage or monuments, open space, walking trails, benches and picnic areas that may be used by all the Owners of all Lots located in the entire Project.

14.6.1.2 Neighborhood Reserve Fund. In addition to the General Reserve Fund, the Association may also establish and maintain one or more Neighborhood Reserve Funds for the purpose of repairing, replacing and restoring certain Common Improvements that are only intended for the use and benefit of the Owners of Lots located in a particular Neighborhood. Examples of such Common Improvements include, for example but without limitation, Landscaping located on AMYs and irrigation/sprinkler systems located on AMYs.

14.6.2 Purpose of Reserve Fund. In addition to the purposes for which a Reserve Fund is to be established as described under Section 14.6.1, or any other provisions of this Declaration, the Reserve Fund may also be used to pay for any unexpected Common Expenses, provided the cost of such unexpected Common Expenses cannot reasonably be funded through the Annual Budget, or from the Common Expense Fund or other funds of the Association. However, the General Reserve Fund may only be used to pay for unexpected Common Expenses that do not include Neighborhood Expenses. Meanwhile, any Neighborhood Reserve Fund may only be used to pay for unexpected Neighborhood Expenses that have been incurred by the Neighborhood for which that Neighborhood Reserve Fund was established.

14.6.3 Funding of General Reserve Fund. The General Reserve Fund shall be funded via the General Reserve Fund Line Item as described under Section 14.2 of this Declaration. As set forth under Section 15.6.3, the General Reserve Fund may also be funded via Special Assessment(s) that are imposed against the Owners of all Lots located in the entire Project.

14.6.4 Funding of Neighborhood Reserve Fund. Any Neighborhood Reserve Fund the Association may elect to establish shall be funded via the Neighborhood Reserve Fund Line Item as described under Section 14.3 of this Declaration. As set forth under Section 15.6.4, a Neighborhood Reserve Fund may also be funded via Special Assessments that are imposed only against the Owners of Lots located in the Neighborhood for which the Neighborhood Reserve Fund has been established.

#### 14.6.5 Use of Reserve Funds.

14.6.5.1 Use of General Reserve Fund. As set forth under the Community Act, the Board may not use money in the General Reserve Fund (i) for daily Association maintenance or administrative expenses, unless a Majority of the Owners vote to approve the use of such General Reserve Fund monies for such purpose; or (ii) for any purpose other than those purposes for which the General Reserve Fund was established. The Board is also prohibited from using any money in the General Reserve Fund for the payment of any Neighborhood Expenses.

14.6.5.2 Use of Neighborhood Reserve Fund. Notwithstanding any other language in this Declaration, the Board may not use money in any Neighborhood Reserve Fund (i) for daily Association maintenance or administrative expenses; or (ii) for any purpose other than those purposes for which the Neighborhood Reserve Fund was established. The Board is prohibited from using any money in the Neighborhood Reserve Fund for any costs or expenses that are not solely related to the Neighborhood for which the Neighborhood Reserve Fund was established (e.g. the repair, replacement or restoration of Landscaping on AMYs located in that Neighborhood, or the repair, replacement or restoration of irrigation/sprinkler systems on AMYs located in that Neighborhood). If the Board wishes to use monies in any Neighborhood Reserve Fund in a manner that is restricted or prohibited by this Subsection 14.6.5.2, or by any other provision of this

Declaration, the Board must first obtain an affirmative vote or written consent from a majority of all Owners of the Lots located in the Neighborhood for which the Neighborhood Reserve Fund has been established.

14.6.6 Annual Presentation and Discussion of Reserve Fund. As required under the Community Act, the Association shall, at each annual meeting of the Owners or at a special meeting of the Owners called for the purpose of addressing the General Reserve Fund and any Neighborhood Reserve Fund that may have been established: (i) present the reserve analysis; and (ii) provide an opportunity for the Owners to discuss reserves and vote on whether to fund such Reserve Funds and, if so, how to fund them and in what amount. The Association shall prepare and keep minutes of each such meeting held and indicate in the minutes any decision relating to funding any Reserve Fund.

**14.7 Funds to be Maintained Separately.** The Common Expense Fund and each Reserve Fund (including the General Reserve Fund and each Neighborhood Reserve Fund, if any) shall be kept in separate accounts, shall be established and deposited with a federally-insured bank or credit union, and shall be deposited into a checking, savings or certificate of deposit account. In the event the Board elects to establish and maintain any separate fund, a separate account shall be established for each such fund and deposited with a federally insured bank or credit union.

**14.8 Recordkeeping.** As required under the Acts, the Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas 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 15 – ASSESSMENTS

### 15.1 Owner Payment of Assessments

15.1.1 Assessments. Each Owner shall pay Assessments subject to and in accordance with the procedures set forth in this Article 15 or any other applicable provisions of the Governing Documents. As used in this Declaration, the term “**Assessments**” shall include Annual Assessments, Neighborhood Assessments, Special Assessments, Individual Assessments, and any other assessments as may be permitted under the Community Act or the Governing Documents.

15.1.2 Purpose of Assessments. Any and all Assessments provided for under this Declaration shall be used for the purpose of operating the Project, 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 for administering and regulating the Project, all as may be more specifically authorized from time to time by the Board.

15.1.3 Obligation to Pay Assessments. Each Assessment shall be joint and several personal debts and obligations of the Owner(s) and contract purchaser(s) of Lots for which the same are assessed 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.

15.1.4 No Waiver. 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 Areas, non-use of any Common Improvements, and/or the abandonment of his or her Dwelling.

15.1.5 Duty to Pay Independent. 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.

15.1.6 Imposition of Assessments. The dollar amount of, and the purpose for, any Assessment shall be determined pursuant to the procedures set forth in the Acts and/or the Governing Documents. However, the Board has the sole authority and discretion to determine how and when any Assessment will be imposed upon, paid by and/or collected from the Owners.

15.1.7 Application of Payments. 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; and (iv) any remaining charges.

15.1.8 Account Status. The Association shall provide Owners with a timely accounting of the status of their accounts. 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.

15.1.9 Statement of Assessments Due. 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 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.

15.1.10 Superiority of Assessments. 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.

15.1.11 Declarant. Notwithstanding any language in the Governing Documents to the contrary, unless otherwise prohibited by the Acts or any applicable governmental law, rule or regulation, the Declarant shall not be obligated to pay Annual Assessments or Neighborhood Assessments on any Lots that are owned by the Declarant unless and until: (A) the Dwellings to be

constructed on such Lots have been completed as solely evidenced by the County's issuance of a Certificate of Occupancy; or (B) Declarant voluntarily elects to pay the Annual Assessments and/or Neighborhood Assessments, whichever first occurs. However, the Declarant shall not be exempt from the payment of any Special Assessments that may be imposed by the Association or the Board or that may be otherwise required under the Governing Documents. With regard to any Dwellings that are owned by the Declarant and serve as a model home for sales purposes, Declarant shall pay Fifty Percent (50%) of the Annual Assessments or Neighborhood Assessments due and payable on the Lots upon which such Dwellings are constructed.

## **15.2 Allocation of Assessments / Common Expenses**

As noted under Article 2, the Project is composed of multiple Neighborhoods. Each Neighborhood may or may not incur Neighborhood Expenses. In the AMY Neighborhoods, for example, the Association bears the cost of maintaining the AMYs that surround each Dwelling. The Association will not incur such costs in the non-AMY Neighborhoods, since each Owner bears the cost of maintaining his or her yard.

On a yearly basis, the Association may collect from each Owner both an Annual Assessment and a Neighborhood Assessment. As noted below, Neighborhood Assessments are used to pay Neighborhood Expenses, while Annual Assessments will be used to pay all other Common Expenses that may be incurred by the Association.

The purpose of imposing both Annual Assessments and Neighborhood Assessments is to ensure that Common Expenses are properly and fairly allocated amongst the Owners (*e.g.* the Owner of Lot located in a non-AMY Neighborhood is not paying for the maintenance of a Association Maintained Yard in a AMY Neighborhood). The Association shall impose a Neighborhood Assessment against the Owners of a particular Neighborhood only if the Association incurs Neighborhood Expenses for that Neighborhood.

## **15.3 Neighborhood Assessments**

Neighborhood Assessments shall be levied by the Board against all Lots (and the Owner of such Lots) located in a particular Neighborhood in order to pay the Neighborhood Expenses of that Neighborhood. Each Neighborhood Assessment shall be equally imposed against all Lots located in the Neighborhood against which the Neighborhood Assessment is being imposed. The Association is prohibited from using Neighborhood Assessments for any purpose other than paying Neighborhood Expenses (or, as set forth in Section 14.6.4, funding the Neighborhood Reserve Fund) without first obtaining an affirmative vote or written consent from a majority of the Owners of the Lots located in the Neighborhood against which the Neighborhood Assessments were imposed.

## **15.4 Annual Assessments**

Annual Assessments shall be levied by the Board against each Lot (and the Owner of each Lot) located in the entire Project in order to pay any and all Common Expenses that are not Neighborhood Expenses. All Annual Assessments shall be assessed to each Lot and the Owner(s) thereof in an amount equal to the Percentage Interest for such Lot.



## **15.5 Notice of Annual/Neighborhood Assessments and Time for Payment.**

The Board shall notify each Owner in writing as to the amount of the proposed Annual Assessment and Neighborhood Assessment (if any) against such Owner's Lot for the upcoming fiscal year no later than thirty (30) calendar days prior to January 1<sup>st</sup> of such upcoming fiscal year. Each Annual Assessment and Neighborhood Assessment shall be payable in twelve (12) equal monthly installments, with each such installment due on the first day of each calendar month during the fiscal year to which the Annual Assessment and Neighborhood Assessment relates.

The monthly installment of the proposed Annual Assessment and Neighborhood Assessment (if any) shall become due and payable on the first day of January of the fiscal year to which the proposed Neighborhood Assessment relates (the "**Intended Fiscal Year**") and shall continue to be due and payable on the first day of each subsequent calendar month unless or until the Annual Budget upon which the proposed Annual Assessment and Neighborhood Assessment was based is disapproved by the Owners as described under Section 14.1.2. If such Annual Budget is disapproved, each Owner shall thereafter pay the monthly installment that was paid by such Owner under the Annual Budget of the previous fiscal year, and shall continue to pay such amount on the first day of each calendar month until such time as the Annual Budget for the Intended Fiscal Year has been approved. The Board shall determine the manner in which any discrepancies in monthly installments due and payable by each Owner for any Intended Fiscal Year (caused by delayed approval of the Annual Budget for that Intended Fiscal Year) will be resolved.

The failure of the Board to deliver timely notice of any Annual Assessment and/or Neighborhood Assessment (if any) 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, Neighborhood 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 shall have been given to the Owner.

## **15.6 Special Assessments.**

In addition to Annual Assessments and Neighborhood Assessments, the Board may, on behalf of the Association, periodically impose special assessments ("**Special Assessments**") pursuant to this Section 15.6.

15.6.1 Annual Budget Shortfall. If the sum estimated and budgeted for the Annual Budget, or any portion thereof, at any time proves inadequate for any reason the Board may impose a Special Assessment in order to remedy such shortfall.

### 15.6.1.1 Excess/Unforeseen Neighborhood Expenses.

If the shortfall is caused by excess or unforeseen Neighborhood Expenses for a particular Neighborhood, the Special Assessment required to remedy the shortfall shall be equally imposed only against the Lots (and the Owners of such Lots) located in that Neighborhood. The Board shall not, except in the event of an emergency situation, use any General Reserve Fund monies to remedy any shortfall caused by excess or unforeseen Neighborhood Expenses. If a majority of the Board determines that such an emergency situation has occurred, and that General Reserve Fund monies absolutely must be utilized in order to remedy the shortfall, the Owners of the

Lots located in that Neighborhood must replace the monies that were withdrawn from the General Reserve Fund no later than ninety (90) days after the funds were withdrawn. The Board shall impose against the Owners a Special Assessment in order to replenish the General Reserve Fund, and the Board shall not be required to obtain any vote or approval of the Owners of the Neighborhood prior to imposing such a Special Assessment.

15.6.1.2 Excess/Unforeseen Common Expenses.

If the shortfall is caused by excess or unforeseen Common Expenses (not including any Neighborhood Expenses) the Special Assessment required to remedy the shortfall shall be imposed against each Lot (and the Owner of each Lot) located in the entire Project.

Any such Special Assessment deemed by a majority of the Board as necessary to remedy an Annual Budget shortfall caused by excess or unforeseen Common Expenses, and imposed by the Board without the prior approval of the Owners, shall not exceed twenty percent (20%) of the Annual Assessment for the same fiscal year in which the Special Assessment has been imposed. Owners shall be given no less than thirty (30) calendar days written notice of any such Special Assessment caused by an Annual Budget shortfall caused by excess or unforeseen Common Expenses.

If a majority of the Board determines an Annual Budget shortfall caused by excess or unforeseen Common Expenses may only be adequately remedied by a Special Assessment that exceeds twenty percent (20%) 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 General Reserve Fund.

15.6.2 No Board Majority. If a majority of the Board is unable to determine that an emergency situation has occurred (as described under Subsection 15.6.1.1) or that an Annual Budget shortfall may only be adequately remedied by a Special Assessment (as described under Section 15.6.1) then the Board shall present the matter to a vote of the Owners of the Neighborhood or the Owners of the entire Project (as applicable) and the Special Assessment must then be approved by a majority of the Owners of the Neighborhood or a Majority of the Owners of the entire Project (as applicable).

15.6.3 General Reserve Fund Shortfall. In the event of a shortfall in the General Reserve Fund, the Board may impose against all Owners of the entire Project a Special Assessment to remedy such shortfall, provided the Board has first obtained an affirmative vote or written consent from a Majority of the Owners. Such Special Assessment shall be assessed to each Lot and the Owner(s) thereof in an amount equal to the Percentage Interest for such Lot. If the Board is unable to obtain an affirmative vote or written consent from a Majority of the Owners, the General Reserve Fund may only be replenished through the General Reserve Fund Line Item of the Annual Budget, as more particularly described under Section 14.2.

15.6.4 Neighborhood Reserve Fund Shortfall. In the event of a shortfall in any particular Neighborhood Reserve Fund, the Board may impose (against all Owners of the Lots located in the Neighborhood for which that Neighborhood Reserve Fund has been established) a Special Assessment to remedy such shortfall, provided the Board has first obtained an affirmative vote or written consent from a majority of such Owners. Such Special Assessment shall be equally assessed against each Lot and the Owner(s) thereof. If the Board is unable to obtain an affirmative vote or written consent from a majority of such Owners, the Neighborhood Reserve Fund may only be replenished through the Neighborhood Reserve Fund Line Item of the Annual Budget, as more particularly described under Section 14.3.

15.6.5 No Authority to Incur Expenses. This Section 15.6 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 any Annual Budget shortfall or any shortfall in any Reserve Fund(s).

15.6.6 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. Notice in writing 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.

**15.7 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 the Governing Documents or otherwise determined by the Board.

15.7.1 Delinquent Assessments. 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, including the appurtenant Limited Common Area and the exclusive use thereof, regardless of whether a written notice is recorded.

15.7.2 Late Fees and Accruing Interest. The Association's policies regarding late fees and/or accruing interest in connection with delinquent Assessment payments shall be determined by the Board and shall be set forth in the Rules and Regulations. Such policies shall be consistent with applicable laws, rules or regulations regarding the imposition of late fees and/or interest on delinquent Assessment payments.

15.7.3 Suspension of Right to Vote. 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 warning pursuant to Section 13.2.1.

15.7.4 Suspension of Right to Use Certain Amenities. At the discretion of the Board, an Owner's right to use certain Common Improvements (such as, for example, the Association's clubhouse, swimming pool, etc.) 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 warning pursuant to Section 13.2.1. Suspension of any Owner's right to use certain Common Improvements will be extended to the tenants, guests or any other occupants of such Owner's Dwelling.

15.7.5 Notice of Suspension. Before suspending any Owner's right to vote, or before suspending any Owner's right to access or use certain Common Improvements, the Board shall give written notice to such Owner. The notice shall state: (A) voting rights and/or right to access or use certain Common Improvements will be suspended if payment of the Assessment is not received within three (3) business days; (B) the amount of the Assessment(s) 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 thirty (30) calendar days from the date the notice is received. If a hearing is requested, the Owner's right to vote or access or use certain Common Improvements may not be suspended until after the hearing has been conducted and a final decision has been reached by the Board.

15.7.6 Security Deposit. 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 deliver to the Association and maintain a security deposit not in excess of three (3) months of estimated Assessments, which may be collected in the same manner as other Assessments. Such deposit shall be held in a separate fund, credited to such Owner, and such deposit monies may be used by the Board whenever such Owner is more than ten (10) calendar days delinquent in paying his or her Annual Assessment or any other Assessment.

## **15.8 Lien / Foreclosure**

15.8.1 Lien. The Association shall have a lien on the interest of the Owner(s) of the Lot for (A) any delinquent Assessment, (B) 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 (C) any fine the Association may impose against the Owner of such Lot, provided that (i) the time for appeal described in Section 13.2.7 has expired and the Lot Owner did not file an appeal; or (ii) the Owner timely filed an appeal under Section 13.2.7 and the district court issued a final order upholding a fine imposed under Section 13.2.

The provisions of this Section 15.8.1, and any other provisions of this Declaration related to the imposition, collection or enforcement of liens, are intended to comply with applicable provisions of the Community Act, as well as Utah Code Section 38-12-102 and any other laws, rules or regulations related to liens. The Association and the Board shall at all times comply with any amendments to the Community Act or any other applicable provisions of the Utah Code that may govern the manner in which liens are imposed, collected and/or enforced.

The recording of this Declaration constitutes record notice and perfection of the lien described in this Section 15.8.1. A lien under this Subsection is not subject to Utah Code Annotated Title 78B, Chapter 5, Part 5, Utah Exemptions Act, as may be amended or supplemented. If an Assessment is payable in installments, the lien described in this Subsection 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 Subsection has priority over each other lien and encumbrance on a Lot except:

- (1) a lien or encumbrance recorded before this Declaration was recorded;
- (2) 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
- (3) a lien for real estate taxes or other governmental assessments or charges against the Lot.

15.8.2 Foreclosure of Lien and/or Collection Action. 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.

15.8.3 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 15.8.1, 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.

15.8.4 Appointment of Trustee. The Declarant hereby conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8-45 to the attorney of the Association, provided that he or she is a member of the Utah State Bar, as Trustee, with power of sale, the Lot and all improvements to the Lot for the purpose of securing payment of Assessments under the terms of this Declaration.

Notwithstanding the above paragraph, 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 that 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 or supplemented. 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.

15.8.5 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 (A) 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; (B) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (C) be sent to the Owner by certified mail, return receipt requested; and (D) be in substantially the following form (or other form as the Community Act may recommend or require):

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE, The Bridges Homeowners Association, a Utah nonprofit corporation, the Association for the project in which your Dwelling is located, intends to foreclose upon your Dwelling 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 Dwelling and to collect the amount of an unpaid assessment against your Dwelling, 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 Dwelling," 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].

15.8.6 Rental Value. From the time of commencement of any action to foreclose a lien against a Dwelling for nonpayment of delinquent Assessments, the owner or purchaser of such Dwelling shall pay to the Association the reasonable rental value of the Dwelling to be fixed by the Board, and the plaintiff in any such foreclosure shall be entitled to the appointment of a receiver to collect the same, who may, if said rental is not paid, obtain possession of the Dwelling, refurbish it for rental up to a reasonable standard for rental Dwellings in that type of dwelling unit, rent the Dwelling or permit its rental to others, and apply rents first to costs of the receivership and attorney's fees thereof, then to costs of refurbishing the Dwelling, then to costs, fees and charges, of the foreclosure action, then to the payment of the delinquent Assessment charges.

15.8.7 One-Action Rule Inapplicable. 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 and/or any Assessment.

**15.9 Future Lease Payments.** As set forth under Section 57-8a-310 of the Community Act, if the Owner of a Dwelling who is leasing the Dwelling fails to pay an Assessment for more than sixty (60) calendar days after the Assessment is due, the Board, upon compliance with this Section 15.9, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

15.9.1 Notice to the Owner. The Manager or Board shall give the Owner written notice of its intent to demand full payment from the tenant. The notice shall: (A) provide notice to the tenant that full payment of the remaining lease payments, beginning with the next monthly payment unless the Assessment is received within fifteen (15) days from the date of the notice, must be paid directly to the Association at the following address: (address to which payment should be mailed, payment must go to the attorney if the account has been turned over for collection); (B) state the amount of the Assessment due, including any interest or late payment fee; and (C) state that any costs of collection, and other Assessments that become due, may be added to the total amount due.

15.9.2 Notice to the Tenant. If the Owner fails to pay the Assessment due by the date specified in the written notice described under Section 15.9.1, the Manager or Board may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association. The Manager or Board shall mail a copy of the notice to the Owner. The notice shall state: (A) that due to the Owner's failure to pay the Assessment within the time period allowed, the Owner has been notified of the intent of the Board of Directors to collect all lease payments due to the Association; (B) that until notification by the Association that the Assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (C) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement.

15.9.3 All funds paid to the Association pursuant to this Section shall be deposited in a separate account and disbursed to the Association until the Assessment due is paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association.

15.9.4 Within five (5) business days after payment in full of the Assessment, including any interest, late payment fee, and costs of collection, the Manager or Board shall notify the tenant in writing that future lease payments are no longer due to the Association. The Association shall mail a copy of the notification to the Owner.

15.9.5 If, as described under this Section 15.9, the Association receives lease payments for a particular Dwelling that are otherwise due and payable to the Owner of that Dwelling, the Association shall not assume any obligations, responsibilities or liabilities as the "landlord" of the Dwelling. The Owner shall continue to assume any and all of the Owner's obligations, responsibilities or liabilities as the Owner/landlord of the Dwelling.

**15.10 Reassessment of Delinquent Assessments.** In the event that all or part of any Assessment (including any Annual Assessment or Special Assessment) or any other expenses of the Board cannot be promptly collected from the Owners or any other persons or entities liable for the payment of such Assessments or expenses pursuant to the Acts or the Governing Documents, the Board shall have the right and authority to apply and reassess and reallocate such uncollected Assessments or expenses to all Owners as a Common Expense, without prejudice to the Board's right and authority to the collection of such uncollected Assessments or expenses from the Owners or any other persons or entities liable for their payment.

**15.11 Remedies Cumulative.** The remedies provided to the Association under this Article 15 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 16 – COMPLIANCE AND ENFORCEMENT**

### **16.1 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.

### **16.2 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 AMY) 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.

### **16.3 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.

### **16.4 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 that has been signed by the Board.

## **ARTICLE 17 – INSURANCE / LIABILITY**

### **17.1 Property Insurance**

The Association shall maintain, to the extent reasonably available using typical insurance carriers and markets: (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.

## **17.2 General Liability Insurance**

The Association shall obtain 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), or at some other higher amount as reasonably determined by the Board, 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.

## **17.3 Insurance Coverage for Theft and Embezzlement of Association Funds**

The Association shall obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three 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.

## **17.4 Directors and Officers Insurance**

The Association shall obtain directors' and officers' liability insurance protecting current and past members of 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.

## **17.5 Association Personal Property**

The Association may, in the Board's discretion, maintain insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

## **17.6 Workers' Compensation Insurance**

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

## **17.7 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.

## **17.8 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.

## **17.9 Miscellaneous**

17.9.1 Waiver of Liability. 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.

17.9.2 Election to Restore in Lieu of Cash Settlement. 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.

17.9.3 Name of the Insured. The named insured under each policy shall be in form and substance essentially as follows “The Bridges Homeowners Association, a Utah domestic nonprofit corporation, for the use and benefit of the individual Owners.”

17.9.4 Certificate of Insurance. 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.

17.9.5 Cancellation or Nonrenewal Subject to Procedures. A cancellation or nonrenewal of any insurance policy under this Paragraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

17.9.6 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.

17.9.7 Waiver of Subrogation. 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.

17.9.8 Additional Coverage. 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.

17.9.9 Review of Insurance. 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.

## **17.10 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 portion of the Common Area (including, without limitation, any street, parking space or AMY located within the Project).

## **ARTICLE 18 – EASEMENTS**

### **18.1 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 any other utility services.

### **18.2 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 (including, without limitation, any AMYs or Private Yards) as are necessary to perform the duties

and obligations of the Association as set forth in the Governing Documents. Such duties and obligations may include, for example and without limitation, the maintenance, repair and replacement of Common Improvements such as Project signage/monuments, decorative fencing or irrigation/sprinkler systems. 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.

### **18.3 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.

### **18.4 Encroachments**

The language of this Section 18.4 is intended to address 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 located 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 located 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.

## **ARTICLE 19 – CONSENT IN LIEU OF VOTE**

Subject to Subsection 16-6a-707 of the Utah Revised 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.

### **19.1 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.

### **19.2 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.

### **19.3 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.

### **19.4 Statutory Requirements or Restrictions**

The provisions of this Article 15 are subject to any applicable requirements or restrictions that may be set forth in the Nonprofit Corporation Act.

## ARTICLE 20 – LIMITATION OF LIABILITY

### 20.1 No Personal Liability

So long as a Board member, Association officer, or member of any Association or Board committee has acted in good faith, without 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.

### 20.2 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 willful misfeasance or malfeasance 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 21 EXPANSION OF PROJECT / ADDITIONAL LAND

**21.1 Expansion of Project.** At any time during the Period of Declarant's Control, the Declarant may add all or any portion of the Additional Land and cause the same to become a part of the Project by recording with the Recorder's Office a subdivision plat describing the portion of the Additional Land and the Lots created on it and a Supplemental Declaration stating that the Declarant has add such portion of the Additional Land to the Project and such added portion of the Additional Land will become subject to and governed by this Declaration.

**21.2 Additional Land.** As used in this Declaration, the term "Additional Land" means and refers to any portion of the real property that: (A) is or may be owned by Declarant or any entity affiliated with Declarant, (B) is located adjacent to or in the vicinity of the Property, and (C) has not yet been made subject to this Declaration through the recording of a Supplemental Declaration. Without in any way limiting or restricting the real property that could be identified as Additional Land, as of the date of the recording of this Declaration, the Additional Land refers to and includes (i) Weber County Parcel No. 22-006-0004, which consists of approximately 160 acres, (ii) Weber County Parcel No. 22-017-0011, which consists of approximately 13 acres, and (iii) Weber County Parcel No. 22-006-0033, which consists of approximately 89 acres (not including that portion of Parcel No. 22-006-0033 that is identified as the "Property" under this Declaration).

**21.3 No Obligation to Expand.** The Declarant reserves the right to add some or all of the Additional Land to the Project, but is under no obligation to do so. The Additional Land, if not added to the Project, may be developed in a manner that is different from that described in this Declaration. Declarant also reserves the right to, without the consent of the Association or any Owners, reduce the Project and/or remove any of the unrecorded Phases any portion of the Additional Land that may have been or may be encumbered by this Declaration.

**21.4 Expansion in Phases.** The Declarant may exercise its right to expand the Project in one or more phases or stages (individually a “Phase” and collectively the “Phases”). The addition of some of the Additional Land does not obligate the Declarant to add the balance of the Additional Land to the Project, or to add to the Project any Common Areas or Common Improvements that may have been contemplated as part of any future Phase(s).

## **ARTICLE 22 – AMENDMENT TO DECLARATION**

Amendments to the Declaration shall be made by an instrument in writing entitled “Amendment to Declaration” which sets forth the entire amendment. Consistent with the Declarant’s duties, rights and obligations throughout the Governing Documents, prior to the termination of the Period of Declarant’s Control, the Declarant may unilaterally amend this Declaration.

As provided under Section 57-8a-104 of the Utah Community Association Act, after the Period of Declarant’s Control has expired, any proposed amendment must be approved by a majority of the Board prior to being presented to the Owners for their approval. After the Period of Declarant’s Control has expired, amendments to this Declaration may be adopted at a meeting of the Owners if Owners holding at least sixty-seven (67%) percent of the voting rights vote in favor of such amendment, or without any meeting if all Owners have been duly notified and Owners holding at least sixty-seven (67%) percent of the 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. 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 23 – PERIOD OF DECLARANT’S CONTROL

The term Period of Declarant’s Control is intended to be synonymous with the term “Period of Administrative Control” as that term is used in the Community Act.

During the entire Period of Declarant’s Control:

- A. the Declarant shall have the authority to appoint or remove members of the Board,
- B. the Declarant shall have the authority to exercise the authority assigned to the Association under the Governing Documents.
- C. the actions or decisions of the Association and the Board must be approved by the Declarant before such actions or decisions become effective; and
- D. the Declarant is exempt from the Rules and Regulations and any Association rulemaking procedures.

**23.1 Partial or Complete Termination of Period of Declarant’s Control.** Notwithstanding any language in any Governing Documents that may be construed to the contrary with respect to the Declarant’s ability to voluntarily terminate the Period of Declarant’s Control, the Declarant may (in its sole and absolute discretion) voluntarily terminate the Period of Declarant’s Control in whole or in part, with respect to all or any portion of the Project, any portion of Additional Land, or with respect to any issue, matter or subject whatsoever. Declarant’s decision to voluntarily partially or completely terminate the Period of Declarant’s Control with respect to all or any portion of the Project, any portion of Additional Land, or with respect to any issue, matter or subject shall in no event affect, modify, or act to waive Declarant’s authority under the Period of Declarant’s Control except with respect to such portion of the Project, any portion of Additional Land, or with respect to any issue, matter or subject.

Termination of the Period of Declarant’s Control shall not result in any loss or waiver whatsoever of Declarant’s rights incident to Declarant’s ownership of any Lots or any unbuilt and/or unsold Dwellings.

## ARTICLE 24 – MISCELLANEOUS

### 24.1 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.

## **24.2 Notices for All Purposes**

24.2.1 Delivery of Notice. Pursuant to Section 57-8a-214 of the Community Act, except as otherwise specifically permitted under any provision of this Declaration or except as otherwise required under the Acts, any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be electronically delivered to the Owners via email or the Association's website (if the Association chooses to establish and maintain such a website). The Association may not utilize text message or any other electronic means of delivering notices.

Notwithstanding the previous sentence, an Owner may, by written demand to the Board, require that the Association provide such Owner with any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws via regular U.S. mail at the Owner's mailing address that is on file with the Association. If no mailing address for the Owner has been filed with the Association, the Association shall deliver notice of any vote of the Owners to the physical address of the Owner's Lot and/or Dwelling. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board shall be given to the President or Secretary.

If delivery of any such notice is made by regular U.S. mail, any such notice shall be deemed to have been delivered three (3) business days after a copy has been deposited in the United States mail, postage prepaid, for first-class mail, addressed to the person entitled to such notice.

24.2.2 Mortgagee Notice. Upon written request therefor 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 on record of the Association as requesting such notifications. The Association is not responsible to search for entities that may be entitled to receive notification.

## **24.3 Declarant's Sales Program**

24.3.1 Generally. Notwithstanding any language in the Governing Documents to the contrary, and unless otherwise clearly prohibited under the Community Act or any other applicable law, rule or regulation, until the date upon which Declarant has sold all Dwellings owned by Declarant or the Expansion Deadline (whichever occurs first) the provisions of this Section 24.3 shall remain in full force and effect. Neither the Owners, the Association, nor the Board shall interfere with the completion of any improvements of the Project or the sale of Declarant's Dwellings, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of any Dwellings that are owned by Declarant.

24.3.2 Sales Office and Model Dwellings. Declarant shall have the right to maintain one (1) or more sales offices and one (1) or more model Dwellings at any time. Such office and/or models may be one or more of the Dwellings owned by the Declarant, one or more separate structures or facilities placed on the Property or the Additional Land for the purpose of aiding Declarant's sales effort, or any combination of the foregoing.

24.3.3 Promotional. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Project.

24.3.4 Common Area Use. Declarant shall have the right to use the Common Areas of the Project including but not limited to the right to use the clubhouse as a sales office and in any other ways deemed by Declarant as reasonably necessary to facilitate sales.

24.3.5 Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices. Declarant shall also have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility that was placed on the Project for the purpose of aiding Declarant's sales effort.

#### **24.4 Easements Reserved by Declarant.**

Declarant hereby reserves to itself and its assigns, and for the benefit of the Association and all the Owners, the following described perpetual non-exclusive easements over all portions of the Project:

##### **(A) Construction and Marketing Easements and Related Rights.**

(i) The right to, from time to time, construct, install, inspect, maintain, repair and replace any utilities or infrastructure to serve the Project including, without limitation, electricity, water, sewer, phone, communications cables, and storm water and drainage systems which may include detention and retention ponds for the Project and any land that may become part of the Project;

(ii) The right to, from time to time, construct, maintain and repair earth walls, slopes, retaining walls and other supports; and

(iii) Subject to the provisions of Section 24.3, the right to, from time to time, construct and maintain offices, prefabricated structures, booths or other structures for administrative, sales and promotional purposes relating to the Project during its development and marketing.

##### **(B) Landscaping and Drainage Easements.**

(i) The right to, from time to time, re-vegetate, landscape, beautify or maintain any portions of the Project to the extent deemed by Declarant or the Association as reasonably necessary to mitigate any undesirable visual impact of the Project; and

(ii) The right to, from time to time and to the extent permitted by Utah law, preserve, improve, maintain, restore and re-vegetate natural and man-made storm drainage or storm water detention features, and to convey or hold water in such features in order to adequately control surface water and/or control erosion.

#### **24.5 Declarant's Rights Assignable.**

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering any Dwellings or Buildings in the Project title to which is vested in the Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to the Declarant (in its capacity as Declarant) herein.

#### **24.6 Transfer of Management.**

Notwithstanding any language in the Governing Documents to the contrary, Declarant may, at any time during the Period of Declarant's Control, elect to transfer management of the Project to a Board elected by the Owners, but may also, at any time, relinquish and reclaim its reserved right to select the members of the Board.

#### **24.7 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.

#### **24.8 Owner Joint and Several Responsibility.**

If any Dwelling is owned by more than one Owner ("**Multi-Owner Dwelling**"), the Owners of such Multi-Owner Dwelling shall be "jointly and severally" responsible and liable for the performance and fulfillment of any Owner responsibilities, obligations and/or liabilities associated with such Multi-Owner Dwelling as set forth under the Governing Documents. By example, and without limitation of the previous sentence, if the Association were to impose a fine or Special Assessment against a Multi-Owner Dwelling, the Association may proceed to collect payment of such fine or Special Assessment from (A) any one Owner, (B) all Owners, or (C) less than all of the Owners of such Multi-Owner Dwelling.

#### **24.9 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 24.9.

#### **24.10 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.

#### **24.11 Effective Date**

This Declaration shall take effect upon recording.

#### **24.12 Rules Against Perpetuities and Unreasonable Restraints**

As provided under Section 57-8a-108 of the Utah 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.

#### **24.13 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.

#### **24.14 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.

#### **24.15 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.

**24.16 “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.

**24.17 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.

**24.18 Execution by WCU, LLC**

By executing this Declaration, WCU, LLC (aka Wolf Creek Utah) acknowledges, understands and agrees that this Declaration shall be recorded against, and shall encumber, any portion of Phase 1 of the Project in which WCU, LLC may hold an interest. WCU, LLC shall not, however, for any purposes or to any extent whatsoever, be deemed a Declarant or to have any rights, duties, privileges, obligations or liabilities that might otherwise be held by the Declarant.

IN WITNESS WHEREOF, the Declarant and WCU, LLC have caused this Declaration to be executed by its duly authorized officers on the \_\_\_\_ day of \_\_\_\_\_, 2017.

THE BRIDGES HOLDING COMPANY, LLC,  
a Utah limited liability company

By: \_\_\_\_\_  
Name: John Lewis  
Title: \_\_\_\_\_

WCU, LLC,  
a Utah limited liability company

By: \_\_\_\_\_  
Name: John Lewis  
Title: \_\_\_\_\_

Exhibit "A"  
to  
Declaration of Covenants, Conditions And Restrictions  
for The Bridges at Wolf Creek

**Legal Description**  
**of**  
**Property**

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 Streets) and any easements or improvements located upon such real property (including, without limitation, any and all Dwellings, Common Improvements, Owner Improvements/Amenities and Public Infrastructure) located in that certain residential subdivision located in Weber County, State of Utah, commonly known as "The Bridges at Wolf Creek" as identified and included in the following Plat Map, as such Plat Map may be substituted or amended:

Parkside P.R.U.D. Phase 1, which was recorded on \_\_\_\_\_, 2017, as Entry No. \_\_\_\_\_ in Book \_\_\_\_ at Page \_\_\_\_ of the Official Records of the Recorder's Office of Weber County, State of Utah.

Exhibit "B"  
to  
Declaration of Covenants, Conditions And Restrictions  
for The Bridges at Wolf Creek

Bylaws  
of  
The Bridges Homeowners Association

[See attached Bylaws consisting of twenty (20) pages]



BYLAWS  
OF  
THE BRIDGES HOMEOWNERS ASSOCIATION

ARTICLE 1  
NAME, PRINCIPAL OFFICE AND DEFINITIONS

1.1 Name and Location. These are the Bylaws of The Bridges Homeowners Association, a Utah nonprofit corporation (the “**Association**”). The Bridges at Wolf Creek, which is a Planned Residential Unit Development (“**PRUD**”) and residential community that has been subjected to that certain Declaration of Covenants, Conditions, Restrictions and Reservations for The Bridges at Wolf Creek, as may be amended from time to time, to which these Bylaws are attached as Exhibit “B”.

1.2 Principal Office. The principal office of the Association shall be located at such office as may be designated by the Board from time to time.

1.3 Purposes. 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 Applicability of Bylaws. The Association, all Owners and all persons using the Project (including any occupants of any Dwellings) 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 Incorporation of Association.

(a) The Association shall be incorporated under the Utah Revised 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.

1.6 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

ARTICLE 2  
MEMBERSHIP; MEETING OF ASSOCIATION MEMBERS

2.1 Membership. The Association shall have two classes of Membership: Class “A” and Class “B”. The Class “A” Members shall be the Owners. The sole Class “B” Member shall be the Declarant.

The Class “B” membership shall terminate upon the earlier of: (a) two years after expiration of the Period of Declarant’s Control or (b) when, in Declarant’s sole discretion, Declarant declares the Class “B” membership as terminated as evidenced by an instrument that has been recorded in the Recorder’s Office.

The continuation of Class “B” membership after the Period of Declarant’s Control has expired shall not, in any manner whatsoever, cause the Declarant to retain any rights, duties, obligations, powers or authority that were granted or imposed upon the Declarant during the Period of Declarant’s Control pursuant to the Governing Documents. During the period of time that begins on the date the Period of Declarant’s Control has expired, and continuing until the date the Class “B” membership has terminated, the Declarant shall merely be entitled to appoint one Director as more particularly described under Section 3.1 of these Bylaws.

2.2 Place of Meeting. 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.

2.3 Annual Meetings. There shall be an annual meeting of the Members on or about the first Saturday of February at 6:00 p.m. at the Project or at such other reasonable place and time (although not more than sixty (60) calendar days before or after such date) as may be designated by written notice of the Board delivered to the Members and all Eligible Mortgagees, no less than thirty (30) calendar days prior to the date fixed for such meeting.

At or prior to such annual meeting, the Board shall furnish, or cause to be furnished, to each Owner for their review: (i) a copy of the proposed Annual Budget for the new fiscal year, and the estimated allocation of such proposed Annual Budget to each Owner; and (ii) a statement of the Common Expenses, and an itemization of receipts and disbursements for the previous and new fiscal year, together with the allocation thereof to each Owner; and (iii) a copy of any documents related to any matters described in the annual meeting notice as matters to be discussed and/or approved at such meeting (for example, and without limitation, Association contracts or agreements).

At the annual meeting, there shall be presented a review of the Common Expenses, itemizing receipts and disbursements for the preceding fiscal year, and the allocation thereof to each Members, the estimated Common Expenses for the new fiscal year, and a final proposed Annual Budget based upon such estimated Common Expenses.

Within ten (10) business days after the annual meeting, a copy of the proposed Annual Budget shall be delivered to any Members who were not present at the annual meeting.

2.4 Special Meetings. 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 thirty-three percent (33%) of the total Percentage Interest, which notice shall be delivered according to Section 2.5 below. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.5 Notice of Meetings. The Board may provide Members notice of each meeting either via U.S. mail or via certain electronic methods as specifically set forth under this Section 2.5.

2.5.1 Contents of Notice. 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.

2.5.2 Mailed Notice. If notice of any meeting is delivered via mail, such notice shall be mailed via United States Postal Service, postage prepaid for first-class delivery, no later than thirty (30) calendar days, but no more than sixty (60) calendar days, prior to such meeting to each Member entitled to vote at such meeting. Such mailed notice shall be deemed as delivered when deposited in the U.S. mail addressed to the Member at the Member's registered address, with first-class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Dwelling address shall be deemed to be that Member's registered address for purposes of notice in this Subsection 2.5.2.

2.5.3 Electronic Notice. Notice of any meeting may be delivered to Members via email or the Association's website. However, any Member may, by written demand, require that the Association provide notice to such Member via U.S. mail only.

2.6 Members of Record. Upon purchasing a Dwelling in the Project, each Member shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Dwelling has been vested in such Member, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to receive notice of, or to vote at, any meeting of the Members, the Board may designate a record date, which shall be no later than thirty (30) calendar days, nor more than sixty (60) calendar days, prior to the meeting for determining Members entitled to receive notice of, or to vote at, the meeting. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed as the record date for determining Members entitled to receive notice of, or to vote at, the meeting. The persons or entities appearing in the records of the Association on such record date as the Members of record of Dwellings in the Project shall be deemed to be the Members of record entitled to receive notice of, and vote at, the meeting of the Members.

2.7 Voting Rights. The total voting power of all Members shall be equal to the total number of any Dwellings in the Project that (a) are owned by an Owner other than the Declarant, or (b) have been completed as evidenced by the County's issuance of a Certificate of Occupancy and have been made subject to the terms and conditions of this Declaration. The total "voting right" available to the Member of any one Dwelling shall be equal to the Percentage Interest for that Dwelling. The Board shall be entitled to cast a vote on behalf of any Dwelling which has been acquired by or on behalf of the Association. Any such vote must be cast on behalf of the Dwelling consistent with a majority vote of the Board. The Board shall not be entitled to cast a vote on behalf of any Dwelling which has been acquired by or on behalf of the Association with regard to any election of any Director.

2.8 Proxies, Absentee Ballots and Rights of Mortgagees.

2.8.1 Proxies. Any vote may be cast by proxy. A proxy given by an Member to any person who represents the Member at meetings of the Association shall be in writing, dated and signed by such Member and shall be filed with the Secretary no less than three (3) calendar days prior to the meeting at which such proxy is intended to be utilized. 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 2.15 below. Every proxy shall automatically cease upon sale of the Dwelling. A proxy must be for the entire voting right of a Dwelling with no divisions accepted.

2.8.2 Absentee Ballots. Any vote may be cast by absentee ballot.

2.8.3 Mortgage Rights. Any Owner may pledge or assign that 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.

2.9 Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in-person or by proxy or by absentee ballot at any meeting of the Association with respect to any Dwelling 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 Dwelling in such capacity.

(b) Joint Owners. Whenever any Dwelling is owned by two or more persons jointly, according to the records of the Association, the vote of the Dwelling 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 Dwelling shall be disregarded completely in determining the proportion of votes given with respect to the matter.

#### 2.10 Quorum of Members.

(a) At any regular annual meeting of the Association, the Members that are represented for any purpose at the annual meeting shall constitute a quorum. For any other meeting of the Association, including special meetings or action taken without a meeting, Members cumulatively holding at least fifty percent (50%) of the total Percentage Interest of the Association's voting rights, whether present in-person or by proxy or by absentee ballot, 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.

(c) Unless otherwise provided or prohibited under any provision of the Acts, the Declaration or these Bylaws, if any meeting of Members (including the regular annual meeting) cannot be organized or conducted due to a lack of quorum, the Members who are present, either in-person or by proxy (but not by absentee ballot), may reconvene the meeting no sooner than thirty (30) minutes from the time of the originally scheduled meeting and the quorum requirement at such adjourned meeting shall be one-half (1/2) of the quorum requirement of the original meeting.

The provisions of this Subsection 2.10(c) shall not supersede any vote or decision that requires the approval or disapproval of a "Majority of the Owners" as set forth under the Governing Documents. In other words, if the Declaration provides that a particular matter requires the approval of a "Majority of the Owners", that matter must be approved by Owners holding at least Fifty Percent (50%) of the total Percentage Interest; such matter cannot be approved merely by a majority of the Owners who attend a particular meeting, even if a "quorum" has been established to organize or conduct that meeting.

2.11 Binding Vote. The vote of the holders of more than fifty percent (50%) of the total Percentage Interest of voting rights present (whether in-person, by proxy, or by absentee ballot) at a meeting at which a quorum is constituted shall be binding upon all Members for all purposes except where a higher percentage vote or a higher number of votes is required by law, the Declaration, or these Bylaws.

2.12 Waiver of Irregularities. 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 date of the meeting.

2.13 Order of Business. 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 any Director(s); (g) Unfinished business; (h) New business; and (i) Adjournment.

2.14 Meeting Procedure. 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. 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.”

2.15 Action by Written Ballot in Lieu of a Meeting.

2.15.1 Action by Written Ballot. At the discretion of the Board, any action, except removal of Directors, 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 entitled to vote on the matter no later than thirty (30) calendar days prior to the date on which the ballots must be received by the Association in order to be counted.

2.15.2 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 or a scanned and emailed copy of that Member’s ballot. Once a written ballot has been submitted (whether in-person or via facsimile or scanned and emailed ballot) such ballot may not be revoked or withdrawn.

2.15.3 Information Required in Ballot Solicitations. 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 unless the vote is pursuant to the secrecy procedure described in Subsection 2.15.4: (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.

2.15.4 Secrecy Procedure. The Board may elect to conduct a vote pursuant to this Subsection by a secrecy procedure whereby a written ballot is accompanied by: (1) A secrecy envelope; (2) A return identification envelope to be signed by the Member; and (3) Instructions for marking and returning the ballot.

2.15.5 Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board within seventy-two (72) hours of the deadline for the 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 as 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) Except as provided in Subsection 2.15.5(4), 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.

(4) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.15.6 Member Notification of Ballot Results. The Board shall notify each Member no later than fifteen (15) calendar days after the ballots have been counted, by mail, e-mail or via the Association's website, of the results of the ballot meeting, or that a quorum of ballots was not returned (if a quorum was in fact required).

### ARTICLE 3 BOARD OF DIRECTORS – SELECTION, TERM OF OFFICE

3.1 Declarant Appointment and Removal. During the entire Period of Declarant's Control the Declarant shall be entitled to appoint each and every Director. During such Period of Declarant's Control the Declarant may voluntarily choose to appoint an Owner to one (1) Director position on the Board, or may voluntarily allow the Owners to elect an Owner to fill such position on the Board.

During the period of time that begins on the date the Period of Declarant's Control has expired, and continuing until the date the Class "B" membership has terminated, the Declarant shall be entitled to appoint one (1) Director who may or may not be an Owner. During such period of time the Declarant may voluntarily choose to appoint an Owner to such Director position, or may voluntarily allow the Owners to elect an Owner to fill such position on the Board.

Any Director position that is or may be filled by the Declarant, regardless of whether or not that Director is an Owner and regardless of whether or not Declarant elected or appointed such Director, shall serve at the pleasure of the Declarant and may therefore be removed from the Board by a unilateral decision of the Declarant at any time, with or without cause.

### 3.2 Number and Qualifications.

(a) The affairs of the Association shall be governed by a Board of Directors composed of three (3) Directors. The term of office may be one (1) or two (2) calendar years, and the expiration of such terms may, to the extent practical or possible, be offset or staggered such that the normal number of vacancies in any given calendar year will not be a majority of the positions on the Board.

(b) Except for any Director who was appointed to the Board by the Declarant, beginning with the first election that occurs after every Dwelling within the entire Project (including any Dwelling that has been built on the Additional Land) has been conveyed to an Owner, each Director that is elected to the Board must be an Owner or the co-owner of a Dwelling. However, at no time may multiple Owners of the same Dwelling simultaneously serve as Directors. 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 Dwelling.

### 3.3 Removal of Board Members.

(a) As set forth under Section 3.1, during the entire Period of Declarant's Control the Declarant shall be entitled to unilaterally appoint and remove each and every Director. Accordingly, only the Declarant may remove any Director who was appointed to the Board by the Declarant.

(b) At any annual or special meeting, other than a meeting by written ballot conducted pursuant to Section 2.15, any Director, other than any Declarant appointee, may be removed, with or without cause, by Owners holding more than fifty percent (50%) of the total Percentage Interest who are present, whether in-person or by proxy or by absentee ballot, at a duly constituted meeting at which a quorum is present. 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 Director whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

(c) The Board may remove any Director, other than any Declarant appointee, for cause by the vote of a majority of all Directors then in office. Reasons for removal for cause may include: delinquency in Assessment payments for sixty (60) calendar days or more; suing, or being sued by the Association or the Board or any Director or Member of the Association; and absence from three (3) consecutive regular meetings of the Board. The vacancy shall be filled as provided in Section 3.3 of these Bylaws.



3.3 Vacancies. Any Board vacancy caused by the removal or resignation of any Director who was appointed by the Declarant shall only be filled by an appointee of the Declarant.

Any Board vacancy caused by the Board's decision to remove a Director, or caused by the resignation of a Director who was not appointed by the Declarant, shall be filled for the balance of the term of such Board vacancy by the affirmative vote of a simple majority of the remaining Directors even though they may constitute less than a quorum. If the remaining Directors are unable to achieve a simple majority to fill the Board, that vacancy shall be filled by a vote of the Owners pursuant to the Association's process for electing Directors.

Any Board vacancy caused by the removal of a Director by a vote of the Owners shall be filled by a vote of the Owners pursuant to the Association's process for electing Directors.

No later than thirty (30) days following the expiration of the Period of Declarant's Control, the Owners shall hold an election in order to replace any positions on the Board that the Declarant is no longer entitled to fill.

No later than thirty (30) days following termination of the Class "B" membership, the Owners shall hold an election in order to replace the position on the Board that the Declarant is no longer entitled to fill.

Any person appointed or elected to fill a mid-term vacancy of the Board shall complete the remaining term of the vacated Board position.

3.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for reasonable actual expenses incurred in the performance of his or her duties.

3.5 Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take a regular or special meeting by obtaining the written approval of all the Directors in accordance with Utah Code Section 16-6a-813, as may be amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### ARTICLE 4 APPOINTMENT, NOMINATION AND ELECTION OF DIRECTORS

4.1 Expiration of Period of Declarant's Control. The provisions of this Article 4 shall apply only after the Period of Declarant's Control has expired.

4.2 Nomination.

(a) Method of Nominations. Nomination for election to the Board may be made by a Nominating Committee. Prospective Directors must be nominated from among the Owners. Any

such prospective Director must provide the Nominating Committee notice of his or her intent to run no later than five (5) calendar days prior to the meeting in which elections will occur. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies.

(b) Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board; and two (2) or more Members of the Association.

4.3 Election. At the election for Directors, the Owners or their proxies shall cast one (1) vote towards the entire list of Director nominees. If just one Director position must be filled, the nominated Owner receiving the largest amount of votes (with each Owner's vote being given the same weight as that Owner's Percentage Interest) 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. The results of each Director election shall be posted at the Association's clubhouse and on the Association's website.

Directors may be elected by mail-in ballot (in lieu of a meeting of the Owners). Mail-in ballots must be sent to all Owners entitled to participate in the election. Provided a ballot has been mailed to all such Owners entitled to vote, the properly completed ballots that are received by the Association shall be sufficient to determine the outcome of the election.

4.4 Class "B" Membership Following Period of Declarant's Control. During the period of time that begins on the date the Period of Declarant's Control has expired, and continuing until the date the Class "B" membership has terminated, the nomination and election procedures set forth under this Article 4 shall be subject to the Declarant's right to hold or appoint one (1) position on the Board as required under Section 3.1 of these Bylaws.

## ARTICLE 5 MEETINGS OF THE BOARD OF DIRECTORS

5.1 Organizational Meeting.

(a) Location, Date and Time. The first meeting of a newly-elected Board shall be held within fourteen (14) calendar days of election at such place, date and time as shall be fixed by the Directors at the meeting at which the Directors were elected. Notice of such first meeting shall be given to each member of the newly-elected Board.

(b) Procedure and Business. 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 organizational meeting, the Board shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

5.2 Regular Meetings. Regular meetings of the Board shall be held no less than six (6) times during each fiscal year, with each such meeting being held no less than once every other calendar month, at such place and hour as may be fixed from time to time by resolution of the Board. Should

the Board meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, or at another date and time agreed upon by the Board with notice to all Directors.

5.3 Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) calendar days notice to each Director by mail, including electronic mail if approved by the Board, telephone, or facsimile. The notice must state the time, place, and purpose of the meeting.

5.4 Meeting Procedure.

(a) Meetings of the Board shall be conducted by the President.

(b) A decision of the Board is deemed valid without regard to any procedural errors related to the rules of order unless the error is reflected in the meeting minutes or appears on the face of the Board resolution (if any) memorializing the Board's decision.

5.5 Open Meetings; Executive Sessions.

(a) Open Meetings. Except as provided in Subsection (b) of this Section 5.5, all meetings of the Board shall be open to Owners. 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.

(b) Executive Sessions. In the discretion of the Board, the following matters may be considered in executive session: (1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters; (2) Personnel matters, including salary negotiations and employee discipline; (3) The negotiation of contracts with third parties; (4) Collection of unpaid Assessments; and (5) Other matters of a sensitive, private, or privileged nature.

(c) Executive Session Procedure. Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the President or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

5.6 Meetings by Telephonic or Electronic Communication. 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 Directors participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

5.7 Waiver of Notice. Any Director may, at anytime, waive notice of any meeting of the Board in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a

Director at any meeting of the Board shall constitute a waiver of notice by the Director, except where the Director 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 Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at the meeting.

This Section 5.7 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 Section 5.7, then the requirements of Section 16-6a-815 shall control.

5.8 Quorum and Acts. At all meetings of the Board a majority of the existing Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors 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 6 POWERS, RIGHTS, AND DUTIES OF THE BOARD

6.1 General Powers and Duties. 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.

6.2 Specific Powers. In addition to powers authorized by the Declaration, these Bylaws or by resolution of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, and subject to Section 6.3 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.

(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, employees or agents and to pay to said persons a reasonable compensation therefore.

(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 employees 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 Project, 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 Dwellings and the Common Areas and Common Improvements, as well as Worker's Compensation Insurance.

(n) 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.

(o) Purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary to convenient in management of 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.

(p) 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.

(q) Borrow funds and enter into promissory notes, provided that any such action has been approved in writing by a Majority of the Owners.

(r) 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.

(s) Maintain a corporate seal.

(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 Project, including the maintenance and repair of any Dwelling if the same is necessary to protect or preserve the Project.

### 6.3 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 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 6.3(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 6.3(c) below.

(b) Minimum Required Signatures. 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 whatsoever. Any such contract, agreement or document must be signed by at least two (2) members of the Board of Directors.

(c) Emergency Maintenance or Repairs. 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 Subsection 6.3(c) 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 Dwelling, or any other individuals or property that may be located on the Project.

(d) Period of Declarant's Control. The provisions of this Section 6.3 shall not apply during the Period of Declarant's Control.

ARTICLE 7  
OFFICERS AND THEIR DUTIES

7.1 Designation and Qualification.

(a) Designation. 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) Qualifications. The President, Vice-President (if any), Secretary and Treasurer shall each be a member of the Board, but the other officers need not be Board members. Any Board member may be an officer of the Association.

(c) Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices specified in Subsection 7.1(a).

(d) Special Appointments. 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.

7.2 Election and Vacancies.

(a) Generally. The officers of the Association shall be elected from the Board, and shall be elected by the Board at the organizational meeting of each new Board held in accordance with Section 5.1 or at any Board meeting thereafter, to serve until their respective successors are elected at the next organizational meeting. 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.

(b) Period of Declarant's Control. During the entire Period of Declarant's Control, the Declarant shall name, appoint and/or remove any and all officers of the Association. Such officers must be named or appointed from the Directors that have been appointed to the Board by the Declarant.

(c) Class "B" Membership Following Period of Declarant's Control. During the period of time that begins on the date the Period of Declarant's Control has expired, and continuing until the date the Class "B" membership has terminated, the Declarant shall not have the right to name, appoint and/or remove any officers of the Association. During that period of time, however, the Director who was appointed to the Board by the Declarant pursuant to Section 3.1 may be elected to an officer position pursuant to an election of the members of the Board.

7.3 Resignation. 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.

7.4 Removal of Officers. 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 from the Board, either with or without cause. However, as set forth under Section 3.1, during the entire Period of Declarant's Control the Declarant shall be entitled to unilaterally appoint and remove some or all members of the Board as provided herein. Accordingly, the Declarant may veto any vote of the Board to remove any officer of any other Director from the Board.

7.5 Compensation of Officers. 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.

7.6 Duties of Officers. The duties of the officers are as follows:

(a) President. 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 an association.

(b) Vice-President. 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) Secretary. 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) Treasurer. 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 8 INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS

Each officer and Director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Director or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Director or officer or person may be entitled by law or agreement or vote of the members or otherwise.



ARTICLE 9  
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 Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Board.

9.1 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.

(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.

9.2 Records of Receipts and Expenditures. 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.

9.3 Assessment Roll. The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Dwelling. The account shall designate the Dwelling number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

9.4 Financial Reports and Audits.

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board to all Owners and to all Mortgagees of Dwellings who have requested the same in writing no later than ninety (90) calendar days following the end of each fiscal year.

(b) No less than once every three (3) fiscal years, the Board shall, at the expense of the Association, obtain an audit or other financial review of the Association's books and records, and shall either cause a copy of the results of such audit or other financial review to be available for review by the Owners, or shall post the results of such audit or other financial review on the Association's website. The Board may not conduct the audit or other financial review itself, and must retain the services of a qualified independent financial entity.

9.5 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.6 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Dwelling pursuant to rules adopted by resolution of the Board or if no such resolution has been adopted, pursuant to the Utah Revised 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; (2) the most recent financial statement prepared pursuant to Section 9.4; and (3) 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 Subsection 9.5(b), subject to a reasonable fee for furnishing copies of any documents, information or records described in this Section 9.5. 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 Section 9.5. The fee may include reasonable personnel costs incurred to furnish the information.

9.6 Records Not Subject to Inspection. 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 Section 9.6, 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 executive session held in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Board in executive session held 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.

9.7 Notice of Sale or Mortgage. Immediately upon the sale or Mortgage of any Dwelling, the Owner shall promptly inform the Secretary or Manager of the name and address of the purchaser, vendee or Mortgagee.

## ARTICLE 10 AMENDMENTS

10.1 Adoption. Amendments to these Bylaws may be approved by the Association at a duly constituted meeting or 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 Percentage Interest of those votes that are actually cast is required for any amendment to be adopted. The approval of sixty-seven percent (67%) of the total Percentage Interest of all Owners shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.

10.2 Execution and Recording. 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.

10.3 Challenge to Validity. 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 11 MISCELLANEOUS

11.1 Notices.

(a) Association. All notices to the Association or the Board shall be sent 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.

(b) Owners.

(1) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Board, or if no address has been designated, then to the Owner's Dwelling.

(2) If a Dwelling is jointly owned or the Dwelling has been sold under a land sale contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Dwelling shall be sufficient.

11.2 Waiver, Precedent and Estoppel. 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 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used 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 Conflicts. 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.

11.5 Adoption of Bylaws. These Bylaws have been created for the Association by the Declarant and will be formally adopted by the Board of Directors on behalf of the Association at the Board's organizational meeting.