

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
THE TOWNS AT BRYLEE FARMS OWNERS SUB-ASSOCIATION**

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This Declaration of Covenants, Conditions, and Restrictions for The Towns at Brylee Farms Owners Sub-Association (this "**Townhome Declaration**") is made as of this 21st day of May, 2021 by Brylee Estates Development, Inc., a Utah corporation, and Brylee Estates Land Holding, LLC, a Utah limited liability company (collectively, "**Declarant**") and consented to by Fieldstone Brylee Farms, LLC, a Utah limited liability company, as declarant under that certain Declaration of Covenants, Conditions, and Restrictions for Brylee Farms Subdivision, as of the date set forth on the signature page below.

RECITALS

A. The Declarant is the owner of certain real property located in Eagle Mountain City, Utah County, Utah, as more particularly described on Exhibit A-1 attached hereto (the "**Townhome Property**"). Declarant is developing the Townhome Property with attached townhomes (the "**Neighborhood**") as Phase 1 of a townhome project. The Neighborhood shall be subdivided into individual Lots for attached townhomes, streets, and certain common facilities.

B. The Neighborhood is located within the master planned community known as Brylee Farms Subdivision located in Utah County ("**Master Planned Project**"), which Project is presently comprised of single family detached homes.

C. The Master Planned Project is currently subject to that certain *Declaration of Covenants, Conditions, and Restrictions for Brylee Farms Subdivision* (as the same may in the future be, amended, the "**Master Declaration**") recorded on April 24, 2020 in the Utah County Recorder's Office as Entry No. 54467:2020 by Fieldstone Brylee Farms, LLC, a Utah limited liability company (the "**Master Declarant**"). The Brylee Farms Homeowners Association, a Utah non-profit corporation, has been formed to administer the Master Declaration and to perform other functions as set forth in the Master Declaration (the "**Master Association**"). The Master Declarant has or will, as of even date herewith, record a Declaration of Inclusion to include the Townhome Property within the Master Planned Project. As a result, the Townhome Property shall be subject to the terms and conditions of the Master Declaration.

D. Under Section 3.2 of the Master Declaration, the Master Association is permitted to allow a sub-association to be created for any portion of the Master Planned Project, the requirements of which must be additional to those of the Master Association. The developer of the Neighborhood desires to create a sub-association to govern the Neighborhood's common areas, limited common areas and to collect assessments on behalf of the Master Association. The Master Association has consented to the creation of such a sub-association hereunder. The Master Association will continue to govern the Master Association's Common Areas and the Master Association's Benefitted Areas. In the event of any conflict between the requirements of the Master Association and the sub-association, the requirements of the Master Association will control.

E. The Townhome Association (“**Townhome Association**”) formed hereunder has been, or will be, incorporated as a Utah non-profit corporation to act as a homeowners association with the powers of managing and maintaining the Neighborhood Common Areas, administering and enforcing this Townhome Declaration, and assessing and collecting from Owners a share of the costs for maintaining and repairing any and all Neighborhood Common Areas and performing such other acts as are provided for in this Townhome Declaration, the Townhome Bylaws, by statute, or which generally benefit the Townhome Property. The Neighborhood is not a cooperative and no portion of the Townhome Property is subject to the Condominium Association Act, Utah Code § 57-8-1.

F. Declarant has adopted the covenants, conditions, restrictions, easements, servitudes, and limitations set forth in this Townhome Declaration (collectively, the “**Covenants**”) for the purpose of:

- i. Helping to ensure uniformity in the development of the Lots;
- ii. Protecting long-term property values and a desired quality of life in the Neighborhood;
- iii. Facilitating the initial sale of Lots by the Declarant, its successors and assigns, and subsequent sale by the individual Owners of Lots in the Neighborhood;
- iv. Maintaining the Neighborhood Common Areas in accordance with the Townhome Declaration and with City standards; and
- v. Providing for mandatory dispute resolution procedures and requirements to avoid litigation, as set forth in Article 15 of this Townhome Declaration.

NOW THEREFORE, for the benefit of the Neighborhood and the Owners thereof, the following covenants, conditions, restrictions, and easements shall apply to and be binding on the Neighborhood:

ARTICLE 1

Definitions

Capitalized terms used in the Governing Documents (including recitals) have the following meanings:

- 1.1 Assessment. Assessment means any amount charged, imposed or levied by the Townhome Board on or against a Lot or the Owner of that Lot and shall include fines, interests and costs of collection incurred by the Townhome Association in connection with any action taken to bring an Owner into compliance with this Townhome Declaration.

- 1.2 Builder. Builder means any natural person(s) or legal entity that purchases a Townhome Lot and constructs or causes to be constructed a Townhome on such Lot.
- 1.3 City. City means Eagle Mountain City, Utah County, in the State of Utah.
- 1.4 County. County means Utah County in the State of Utah.
- 1.5 Common Expenses. Common Expenses mean all sums spent to administer, maintain, and/or replace the Neighborhood Common Areas; expenses agreed upon as common expenses by a majority of a quorum of Owners; expenses authorized by the Governing Documents; expenses authorized by the Governing Documents or the Community Association Act as common expenses; any other expenses necessary for the common benefit of the Owners.
- 1.6 Community Association Act. Community Association Act shall mean the Utah Community Association Act, Utah Code §§ 57-8a-101 et seq., as it may exist at any given time.
- 1.7 Declarant. Declarant means Brylee Estates Development, Inc., and its successors and assigns.
- 1.8 Director. Director means a member of the Townhome Board.
- 1.9 Governing Documents. Governing Documents mean the Plat Map, Final Site Plan, the Master Declaration the Master Bylaws, the Master Articles, this Townhome Declaration, the Townhome Bylaws, the Townhome Articles, Architectural Standards and Guidelines and Rules and Regulations.
- 1.10 Improvement. Improvement means any structure, paving, planting or other change in a Lot involving an expenditure of funds which does not constitute maintenance.
- 1.11 Living Unit. Living Unit means a structure or portion of a structure which is designed as an attached townhome unit or a duplex unit and intended for use and occupancy as a single-family residence located on a Lot, together with all improvements located on the Lot concerned which are used in conjunction such single-family residence.
- 1.12 Lot. Lot means a lot, parcel, plot, or other division of land designated for separate ownership and separately numbered on the Plat Map. Lots shall include the Living Unit, and all Improvements to the Lot whether under or over the Neighborhood Common Areas or not. Each Lot shall be assigned a separate "parcel" or "tax identification" number by the appropriate governmental agency.

1.13 Master Planned Project. Master Planned Project means all phases of The Brylee Farms Subdivision, as recorded with the County and as shown on the Plat Map. The Master Planned Project includes the land, buildings, improvements and structures, easements, rights, appurtenances, and articles of personal property intended for use in connection therewith. The Master Planned Project is not a cooperative.

1.14 Member. Member means a Person who is an Owner of a Lot and has the right to vote on matters presented to the Members of the Townhome Association. If an Owner is not a natural person, the Owner may designate in writing an individual to act as its representative. If no representative is designated, then an officer, trustee, director, manager, or member as shown in the entity's formative documents shall be its representative.

1.15 Mortgage. Mortgage means and refers to any duly recorded mortgage or deed of trust encumbering a Lot.

1.16 Neighborhood Common Areas. Neighborhood Common Areas means the Parcels as shown on the Plat Map and any other areas shown on the Plat Map as Neighborhood Common Area and any areas shown on the Plat Map as Neighborhood Open Space which are not dedicated to the City or the Master Association. The term "Neighborhood Common Areas" includes any real property deeded to the Neighborhood Association by the Master Association as Neighborhood Common Area, such as Parcels "A" and "B" on the Plat for Phase B, Plat 1. The term "Neighborhood Common Areas" shall also include any areas shown as private roadways on the Plat Map. Neighborhood Common Areas shall include the roofs, the exterior materials of the Living Units and sidewalks that are adjacent to private roadways. Any perimeter fencing that is not located upon a Lot or Neighborhood Limited Common Area shall be included in the term "Neighborhood Common Areas." Neighborhood Common Areas shall not include any fencing installed upon the Lots, retaining walls, doors, garage doors, decks, deck columns, driveways, patios, windows or window frames.

1.17 Neighborhood Limited Common Areas and Facilities shall mean a portion of the Neighborhood Common Areas and Facilities, if any, allocated by the Act, this Declaration, or as may be shown on the Plat Map, for the exclusive use of one or more, but fewer than all, of the Units. The Neighborhood Limited Common Areas shall include driveways, patios, decks and the fencing for each Unit as depicted on the Plat. Each Owner shall be responsible for maintaining all Neighborhood Limited Common Areas for such Owner's Lot, including snow removal.

1.18 Nonprofit Act. Nonprofit Act means Utah Revised Nonprofit Corporation Act, Utah Code §§ 16-6a-101 et seq., as amended or replaced from time to time.

1.19 Owner. Owner means a Person vested with record title to a Lot and whose interest in the Lot is held in fee simple, according to the records of the Utah County Recorder; provided,

however, Owner shall not include a Person who holds an interest in a Lot merely as security for the performance of an obligation. If a Lot is subject to an executory purchase contract, the contract purchaser shall be considered the Owner. However, the seller and buyer may otherwise agree but must inform the Townhome Board in writing of the alternative arrangement.

1.20 Party Wall. Party Wall means and refers to a wall, including without limitation a foundation wall, that forms part of a Living Unit and is located on or adjacent to a boundary line between two or more adjoining Lots owned by more than one (1) Owner and is used or is intended to be used by the Owners of the benefitted Townhome Units as a partition wall.

1.21 Person. Person means an individual, corporation, partnership, association, trustee, or other legal entity.

1.22 Plat Map. Plat Map means the plat maps for The Towns at Brylee Farms (including all Phases on file or to be filed for record with the Utah County Recorder and any amendments or supplements thereto or any plat maps recorded for additional phases). A final Plat Map is attached hereto as **Exhibit B**.

1.23 Resident. Resident means any Person living or staying in the Neighborhood. Residents include without limitation: Owners, tenants, family members of Owners and tenants, and guests staying more than one (1) week.

1.24 Restriction. Restriction means any limitation on the use of a Lot or the freedom of an Owner to act with respect to a Lot as set forth in the Governing Documents.

1.25 Rules and Regulations. Rules and Regulations means rules and regulations adopted by the Townhome Board, from time to time, which clarify or add detail but do not conflict with the Governing Documents.

1.26 Shared Fence. Shared Fence means any fence that is located on or adjacent to a boundary line between two or more adjoining Lots owned by more than one (1) Owner and is used or is intended to be used by the Owners of the benefitted Townhome Units as a partition between the Lots.

1.27 Townhome Articles. Townhome Articles mean the Articles of Incorporation for The Towns at Brylee Farms Owners Sub-Association, as amended from time to time.

1.28 Townhome Association. Townhome Association in this Townhome Declaration means The Towns at Brylee Farms Owners Sub-Association. It is intended that the Townhome Association be a Utah non-profit corporation. Failure of the Townhome Association to maintain its corporate status will not result in dissolution of the Townhome Association. The Townhome Association may renew its corporate status, reinstate its corporate status, or incorporate without Owner approval. As long as the Townhome Association obtains the proper

vote, any actions taken during any period of un-incorporation shall be binding. In the case of any conflict between the Master Declaration and this Townhome Declaration, the Master Declaration shall control, except this Townhome Declaration shall control as to any matter that is more specific than the Master Declaration.

1.29 Townhome Board. Townhome Board means the Board of Directors of the Townhome Association. The Townhome Board governs the business and affairs of the Townhome Association.

1.30 Townhome Bylaws. Townhome Bylaws mean the bylaws of the Townhome Association, as amended or restated from time to time. The Townhome Bylaws are attached as **Exhibit C** to this Townhome Declaration.

1.31 Townhome Declaration. Townhome Declaration means this document, as amended, annexed, supplemented, or restated from time to time.

1.32 Turnover Meeting. Turnover Meeting means the meeting described in Section 10.1.

ARTICLE 2

Submission, Withdrawal, Expansion, Sub-Associations

2.1 Submission. The Neighborhood is submitted to be bound by the Governing Documents, to the provisions of the Community Association Act, and to the Nonprofit Act. All Owners shall take title subject to the Governing Documents, Community Association Act, and Nonprofit Act. All Residents and other users of the Neighborhood shall be subject to the Governing Documents and Community Association Act.

2.2 Change: Withdrawal.

2.2.1 Prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, reconfigure layout of the Lots and/or reduce or increase the number of Lots within the Neighborhood by filing for record with the Utah County Recorder's Office an amended Plat Map reflecting such changes to the Lots.

2.2.2 Prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, withdraw any property (excluding, however, any Neighborhood Common Areas conveyed to the Townhome Association by the Declarant) from the Neighborhood. In addition, prior to the Turnover Meeting, the Declarant may, in its sole and absolute discretion, withdraw any Neighborhood Common Area from the Neighborhood and cause the Townhome Association to convey such property to the Master Association. Such withdrawn property shall no longer be subject to the covenants and restrictions of this

Townhome Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Townhome Declaration which benefits the withdrawn property and burdens any remaining property which is subject to the Townhome Declaration. Such withdrawal shall be made by recording a supplement to this Townhome Declaration with the Utah County Recorder's Office, withdrawing the effect of the covenants and restrictions of the Governing Documents from the withdrawn property. Such withdrawn property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

2.3 Expansion. Prior to the Turnover Meeting, Declarant hereby reserves the option, in its sole and absolute discretion, to expand the Neighborhood and subject additional land to this Townhome Declaration by recording a supplement to this Townhome Declaration with the Utah County Recorder's Office.

**ARTICLE 3
(Reserved)**

**ARTICLE 4
Property and Use Rights in Neighborhood Common Area**

4.1 Member's Right of Enjoyment.

4.1.1 The Neighborhood may have such Neighborhood Common Areas as designated herein for the benefit of the Owners. Every Member of the Townhome Association shall have a non-exclusive right and easement for the use, benefit and enjoyment in and to the Neighborhood Common Area and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth.

4.1.2 Subject to the Governing Documents, each Resident, guest, or invitee has the right to ingress and egress across the Neighborhood Common Areas necessary for access to its Lot. The rights described in this Section are appurtenant to and pass with title to the Lot.

4.1.3 No portion of the Neighborhood Common Area may be used exclusively by any Owner or Owners for personal gardens, storage facilities, or for any other purpose.

4.2 Delegation of Right of Use. Any Member may delegate its rights to the use and enjoyment of the Neighborhood Common Area to Residents, all subject to such reasonable rules and regulations which the Townhome Association may adopt.

4.3 Nuisances and Offensive, Unsightly, and Unsafe Conditions. No Owner shall permit any noxious, offensive, unsightly, or unsafe activity, object, animal, or condition to exist on such Owner's Lot. Without limiting the generality of the foregoing, no unreasonable noise or disturbance shall be permitted on any Lot. Trailers, mobile homes, trucks other than pickups,

boats, tractors, vehicles other than automobiles, campers not on a truck, snowmobiles, snow removal equipment and garden or maintenance equipment shall be kept at all times, except when in actual use, behind approved fencing or otherwise enclosed or screened from view. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view. Service areas, storage piles, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except within an enclosed structure or when appropriately screened from view. No Owner shall dispose, or permit to be disposed, any oil, gas, toxic or hazardous material, or other unsafe substance within the Neighborhood.

4.4 Compliance with Covenants and Restrictions and Rules and Regulations. Each Owner and Resident shall comply with the covenants and restrictions imposed by this Townhome Declaration on the use and enjoyment of the Neighborhood Common Area. Further, each Owner and Resident shall fully and faithfully comply with the rules, regulations and restrictions applicable to use of the Neighborhood Common Area, as such rules, regulations and restrictions are from time to time adopted by the Townhome Association for the safety, care, maintenance, good order and cleanliness of the Neighborhood Common Area.

ARTICLE 5 Maintenance

5.1 Townhome Association Responsibilities. The Declarant shall construct amenities as it deems necessary or as legally required by the City prior to the Turnover Meeting.

5.1.1 The Townhome Association shall supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Neighborhood Common Areas.

5.1.1.1 The Townhome Association shall provide snow removal for the private roadways and private sidewalks (i.e., the sidewalks that are adjacent to the roadways, not the sidewalks leading from an Owner's driveway to their porch).

5.1.1.2 The Townhome Association shall maintain the landscaping in any Neighborhood Common Area or Neighborhood Limited Common Area that is not the responsibility of the Master Association and that is not located within any Owner's fenced yard.

5.1.2 The Townhome Board, after notice and opportunity for hearing, or in the case of an emergency immediately, may assume the maintenance responsibility over a Lot or Living Unit if, in the opinion of the Townhome Board or according to the Governing Documents, the Owner is unwilling or unable to adequately provide such maintenance. Should the Townhome Board exercise its right under this provision, the Townhome Board shall not be liable for trespass or nuisance and shall have the

right to levy an individual assessment pursuant to the Townhome Declaration against such Lot or Living Unit to recover its maintenance costs.

5.2 Owner Responsibility. Except for such exterior elements that are expressly defined as Neighborhood Common Area or Neighborhood Limited Common to be maintained by the Townhome Association, all maintenance, repair, and replacement of the Lots, Living Units, and Improvements shall be the sole responsibility of the Owner thereof, who shall maintain such Lot and Living Unit in good repair and in accordance with the Governing Documents of the Townhome Association. Improvements to be maintained by the Owner include, among other things: driveways, sidewalks (except for sidewalks which are adjacent to a private roadway), walkways, patios, doors, garage doors, decks, deck columns, windows, window frames, fencing and retaining walls appurtenant to the Owner's respective Lot.

5.3 Party Wall. Each Owner hereby acknowledges and agrees that a Party Wall may presently encroach upon or overlap the Owner's Lot. The Party Wall may be comprised of fire proofing material and sound board. Accordingly, each Owner must obtain the written approval of the Townhome Board prior to performing any repairs or replacement to such Party Wall. The Townhome Board may issue such rules and regulations as it deems necessary to govern the process for obtaining such approval.

5.4 Shared Fence. Each Owner hereby acknowledges and agrees that a Shared Fence may presently encroach upon or overlap the Owner's Lot. The Shared Fence must be maintained by the Owners. In the event the Shared Fence is damaged by one of the Owners, such Owner must repair the Shared Fence at its sole cost and expense.

5.5 Utility Lines and Easements. Public utility or public service providers have or will have an easement for the installation, maintenance and repair of such utilities and services as shown on the Plat Map. Each Owner shall be responsible for maintaining, repairing and replacing sewer and water laterals, gas and electric lines and all other utility lines connected to such Owner's Living Unit in the areas outside of the right of way.

ARTICLE 6 Intentionally Omitted

ARTICLE 7 Assessments

7.1 Covenant for Assessment. Each Owner of a Lot, by accepting a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to have covenanted and agreed to pay the Townhome Association all Assessments levied from time to time as provided in this Townhome Declaration, including costs of collection (including attorney's fees) whether or not a lawsuit is commenced. No Owner may exempt themselves from liability for assessments by abandonment of their Lot, failure of the Townhome Association to maintain the Neighborhood Common Areas, or non-use of the Neighborhood Common Areas. Each such Assessment, together with late fees, interest and costs of collection, shall be the personal obligation of the Owner. This personal obligation

shall not pass to the successor in title of an Owner unless expressly assumed by such successor. A successor in title is entitled to a statement from the Townhome Association setting forth the amounts due by the prior owner. The amounts set forth in the statement shall be binding upon the Townhome Association.

7.2 Declarant's Covenant for Assessments. During the Period of Declarant Control, Declarant shall not be subject to Assessments, but Declarant shall contribute such amounts to the Townhome Association as are necessary for the Townhome Association to meet its obligations under the budget after collecting Assessments from any Lots owned by third parties.

7.3 Annual Budget. The Townhome Board shall prepare an annual budget for the Townhome Association. The annual budget shall provide for: the maintenance, repair, and replacement of the Neighborhood Common Areas and the Neighborhood Limited Common Areas for which the Townhome Association is responsible; maintenance of other areas required to be maintained by the Townhome Association; insurance; all other Common Expenses; and the administration, management, operation, and reserves of the Townhome Association. If the Townhome Board fails to adopt an annual budget, the last adopted budget shall continue in effect.

7.4 Reserve Account After the Turnover Meeting, the Townhome Association shall establish a reserve account to fund long-term capital expenditures, maintenance, and replacement items related to the Neighborhood Common Areas in accordance with the Community Associations Act. The Townhome Board shall use reasonable efforts under the circumstances at any given time, subject to the Owners rights under the Community Associations Act, to fund the reserve account. "Reasonable efforts under the circumstances" shall be determined by the Townhome Board and does not require fully funding the reserve account. The Townhome Board shall not be personally liable for failure to fund the reserve except in the event of gross negligence or intentional misconduct of the Townhome Board members is proven in a court of law.

7.5 Regular Assessment. The Townhome Association may collect the regular assessment on an annual basis, semi-annual basis, quarterly basis, or monthly basis, in accordance with the annual budget established pursuant to Section 7.3. Written notice of the regular assessment amount and payment schedule shall be sent to Owners at least 30 days in advance of the beginning of the fiscal year for which the regular assessment will be due. Apart from the initial notice of regular assessment, the Townhome Association is not obligated to send periodic invoices for regular assessments. If the Townhome Board fails to adjust a regular assessment, the amount of the last regular assessment and payment schedule will continue in effect, whether or not notice is sent.

7.6 Special Assessment. The Townhome Association may levy a special assessment for the purpose of defraying in whole or in part the cost of any construction, reconstruction,

maintenance, repair, or replacement of the Neighborhood Common Areas, Neighborhood Limited Common Areas or exteriors of Lots. The Townhome Association may levy a special assessment up to 50% of the annual budget without approval from the Owners. If a special assessment exceeds 50% of the annual budget, it must be approved by a majority of a quorum of Owners.

7.7 Supplemental Assessment. If the regular assessments are inadequate to pay the Common Expenses pursuant to an annual budget, the Townhome Board shall determine the amount of the shortfall. Once the amount of the shortfall is determined, the Townhome Board shall adopt a supplemental budget. The Townhome Association may levy a supplemental assessment to fund the supplemental budget. The Townhome Association may levy a supplemental assessment up to 50% of the original annual budget without approval from the Owners. If a supplemental assessment exceeds 50% of the original annual budget, it must be approved by a majority of a quorum of Owners.

7.8 Individual Assessment. Any expenses attributable to less than all the Lots may be assessed exclusively against the affected Lots. Individual assessments include, without limitation:

7.8.1 Assessments levied against a Lot to reimburse the Townhome Association for costs incurred in correcting a violation of the Governing Documents;

7.8.2 Fines, late fees, interest, collection costs (including attorney's fees);

7.8.3 Services provided to a Lot due to an Owner's failure to maintain, for emergency repairs, or to protect the health, safety, and welfare of adjoining Lots and Neighborhood Common Areas;

7.8.4 Any charge described as an individual assessment in the Townhome Declaration.

7.9 Apportionment of Assessments. Regular, special, and supplemental assessments will be apportioned equally among the Lots. Individual assessments shall be apportioned exclusively to the Lots benefitted or affected.

7.10 Nonpayment of Assessment. Assessments not paid within 10 days after the due date established by the Townhome Board will be late and may be subject to late fees and interest as adopted by resolution of the Townhome Board.

7.11 Application of Payments. Payments shall be credited first to collection costs (including attorney's fees), then to interest and late fees, then to the oldest assessments, then the most recent Assessments.

7.12 Acceleration. If an Owner fails to pay their Assessments for 61 days or more, the Townhome Board may elect to accelerate the remainder of the Assessments against that Owner

due that year.

7.13 Suspension of Voting Rights. If an Owner has a delinquent assessment balance or is in violation of the Governing Documents and has received notice of this violation and has not cured the violation, the Townhome Association may suspend their right to vote in any meeting of the Townhome Association.

7.14 Lien for Assessment. All assessments, late fees, interest, and collection costs (including attorney's fees) not timely paid shall be a charge and continuing lien upon each Lot against which the Assessment is made. The Townhome Association shall file a notice of lien with the Utah County Recorder as evidence of nonpayment.

7.15 Enforcement of Lien. Without waiving its right to personally pursue an Owner for unpaid assessments, the Townhome Association may foreclose its lien in the same manner as deeds of trust, mortgages, or any other manner permitted by Utah law.

7.16 Appointment of Trustee. The Owners hereby convey and warrant pursuant to Utah Code Sections 57-1-20 and 57-Sa-402 to a member of the Utah State Bar, with power of sale, the Lot and all Improvements to the Lot for the purpose of securing payment of assessments under the terms of the Townhome Declaration.

7.17 Subordination of Lien. A lien for assessments shall be subordinate to a first Mortgage now or hereafter placed upon a Lot. The sale of a Lot pursuant to foreclosure of a first Mortgage shall extinguish the lien for Assessments which became due prior to the foreclosure sale. A foreclosure will not relieve the purchaser at foreclosure's obligation to pay the past six (6) months of assessments, late fees, and penalties.

7.18 Payment of Master Association Assessment to Townhome Association. Each Owner of a Lot, by accepting a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to have covenanted and agreed to pay the Townhome Association all Assessments levied from time to time as provided in the Master Declaration, including costs of collection (including attorney's fees) whether or not a lawsuit is commenced. The Townhome Association shall pay to the Master Association all Assessments as are levied in the Master Declaration notwithstanding any Owner's failure to pay such Master Association Assessments to the Townhome Association.

ARTICLE 8
Intentionally Omitted

ARTICLE 9

Membership and Association

9.1 Membership. Every Owner is a Member of the Townhome Association. Membership in the Townhome Association is mandatory, is appurtenant to the Lot, and shall not be separated from the Lot.

9.2 Voting Rights. Voting is governed by the Townhome Bylaws.

9.3 Status and Authority of Townhome Board. The Townhome Board is the governing body of the Townhome Association. It is obligated to manage, operate, and maintain the Neighborhood and to enforce the Governing Documents. The Townhome Board has exclusive authority to act in the Townhome Association's name. Any action taken by the Townhome Board on behalf of the Townhome Association will be deemed to be done in the Townhome Association's name. The rights and powers of the Townhome Board are governed by the Townhome Bylaws.

9.4 Composition and Selection of Townhome Board. The Townhome Bylaws govern how the Townhome Board is established and selected.

9.5 Adoption of Townhome Bylaws. The Townhome Association has adopted Townhome Bylaws which are being recorded simultaneously with this Townhome Declaration.

ARTICLE 10 Declarant Rights

10.1 Administrative Control of Townhome Association. Declarant shall assume full administrative control of the Townhome Association through an interim Townhome Board appointed by the Declarant, which shall serve until the Turnover Meeting (the “**Period of Declarant Control**”).

The Turnover Meeting shall be held at the Declarant's option and sole discretion but shall not be held later than one hundred twenty (120) days from the date the Declarant closes on the sale of the last Lot of which Declarant is considered the Owner or as further described below. For purposes of calculating the date when Declarant sell its last Lot, a bulk sale of the Neighborhood to another Developer shall be excluded; it being the intent of this provision that the Turnover Meeting shall be no later than one hundred twenty (120) days after Declarant, or its assigns or successors, sells the last Lot to a builder or owner to construct a Living Unit.

Declarant may elect to relinquish control of the Townhome Association at an earlier time by written notice to Owners and the Turnover Meeting shall be held within ninety (90) days of such notice.

10.2 Other Rights. In addition to any other rights under the Governing Documents, as long as Declarant owns at least one (1) Lot within the Neighborhood, Declarant:

10.2.1 Sales Office and Model. Shall have the right to maintain a sales office and model on one or more of the Lots which Declarant owns and may grant the same right to a purchaser of multiple lots that wishes to maintain a sales office or model. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

10.2.2 "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations on the Neighborhood, including without limitation, the Neighborhood Common Area.

10.2.3 Declarant Exemption. Unless specifically and expressly bound by a provision of the Governing Documents, Declarant shall be exempt from the provisions of the Governing Documents.

10.2.4 Signage. May maintain a reasonable number of directional signs and "wayfinding" signage within the community to direct potential sales traffic to sales offices and model homes - including within Townhome Association-owned or maintained property.

10.3 Easements Reserved to Declarant.

10.3.1 The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat Map as "Public Utility Easement," or otherwise designated as an easement area over any road or Neighborhood Common Area on the Neighborhood, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Plat Map.

10.3.2 An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Neighborhood and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

10.3.3 Easement granting the privilege of entering upon the Neighborhood Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to affect such purposes.

10.3.4 The reservation to Declarant and its successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Neighborhood Common Area for the purpose of the storage of building supplies and materials, and for

all other purposes reasonably related to the completion of construction and development of the Neighborhood and the provision of utility services, and related services and facilities.

10.3.5 The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Neighborhood in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Lot in any easement area set forth in this Townhome Declaration or as shown on the Plat Map.

10.3.6 The Declarant further reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "common area" and storm water management reservation, to public use all as shown on the Plat Map. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Lot or Lots in the Neighborhood except as set forth in this Townhome Declaration, or as laid down and shown on the Plat Map, without the prior written approval of the Townhome Board.

10.3.7 Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

10.3.8 Declarant further reserves unto itself, for itself and any builder (Declarant-chosen builder) and their successors and assigns, the right, notwithstanding any other provision of the Townhome Declaration, to use any and all portions of the Neighborhood other than those Lots conveyed to Owners, including any Neighborhood Common Area which may have previously been conveyed to the Townhome Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community.

10.4 Assignment of Rights. Notwithstanding anything to the contrary, Declarant may transfer and/or assign all rights and responsibilities of the Declarant, whether provided in this Article or elsewhere within the Townhome Declaration.

The Declarant will take reasonable steps, and will ensure that any Builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by

Owners.

ARTICLE 11
Compliance and Enforcement

11.1 Compliance. Each Owner or Resident of a Lot shall comply with the provisions of the Governing Documents and the rules and regulations adopted pursuant thereto and any applicable statute. Failure to comply therewith shall be grounds for an action or suit maintainable by the Townhome Association or an aggrieved Owner.

11.2 Remedies. Violation of any provisions of the Governing Documents, or of any decision of the Townhome Association made pursuant to such documents, shall give the Townhome Board acting on behalf of the Townhome Association, the right, 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 notice and an opportunity to be heard:

11.2.1 To enter the Lot which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Townhome 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. Costs and attorney's fees shall be an Individual Assessment;

11.2.2 To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

11.2.3 To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Townhome Board;

11.2.4 To terminate the right to receive utility services paid for out of Assessments, if any, or, except for the right to an assigned parking space, to terminate the right of access to and use of recreational and service facilities of the Townhome Association, until the correction of the violation has occurred;

11.2.5 The right of the Townhome Association to suspend the voting rights in the Townhome Association and the rights to use of the Neighborhood Common Area after notice and a hearing for any period not to exceed sixty (60) days for any infraction of any of the Governing Documents; or

11.2.6 Bring suit or action against the Owner on behalf of the Townhome Association and other Owners to enforce this Townhome Declaration, the Townhome Bylaws and any rules or regulations adopted pursuant thereto. Costs and attorney's fees shall be an Individual Assessment.

11.3 Action by Owners. Subject to any limitation imposed under the Governing Documents or Utah law, an aggrieved Owner may bring an action against such other Owner or the Townhome Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

11.4 Injunctive Relief. Nothing in this Section shall prevent an Owner, the Townhome Association, or other interested party from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

11.5 Hearing. The Townhome Board shall, by resolution, promulgate procedures for hearings. When a hearing is requested or required, the hearing shall be conducted in accordance with the Townhome Board's resolution on hearings.

ARTICLE 12
Insurance

12.1 Types of Insurance Maintained by the Townhome Association. The Townhome Association shall maintain the following insurance coverages, to the extent such coverage is not provided by the Master Association:

12.1.1 Property casualty and fire insurance for the Neighborhood Common Areas for the full replacement thereof to the extent reasonably available or deemed advisable by an insurance company;

12.1.2 Property casualty and fire insurance for each attached Townhome to include coverage as required by Utah Code § 57-8a-405.

12.1.3 Liability insurance in an amount deemed advisable by an insurance company; and

12.1.4 Full coverage directors and officers liability insurance for such amount as deemed advisable by an insurance company.

The Townhome Board may adopt insurance rules and policies to maintain the insurance required under this Section and keep the premiums reasonable.

12.2 Insurance Company. The Townhome Association shall use an insurance company knowledgeable with community association insurance, which is licensed in Utah.

12.3 Premium as Common Expense. The premiums for the Townhome Association's insurance policies shall be a Common Expense.

12.4 Payment of Deductible. Each Lot Owner shall maintain a policy of insurance. Payment of the Association's property insurance deductible in connection with a loss shall be

governed by Utah Code § 57-8a-405. Each Owner shall be required to maintain a HO6 policy of insurance in the amount of the Townhome Association's property insurance deductible, which shall initially be \$10,000.00. Each Owner shall provide proof of such insurance to the Association.

12.5 Right to Adjust Claims. The Townhome Association has the right and authority to adjust Claims.

12.6 Insurance Proceeds. If an Owner suffers a loss to their Lot or the improvements thereon, they shall use any insurance proceeds to restore the Lot and improvements to their original or better condition. If an insurable loss to the Neighborhood Common Areas occurs, the Townhome Association shall use the insurance proceeds to restore the Neighborhood Common Areas to their original or better condition.

12.7 Damage and Destruction of Neighborhood Common Area.

12.7.1 Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Neighborhood Common Area, the Townhome Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Townhome Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

12.7.2 Any damage or destruction to insurable improvements on the Neighborhood Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the Members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct.

12.7.3 If, in accordance with this Article, the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the damaged Neighborhood Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Neighborhood Common Area by the Townhome Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Townhome Association for the benefit of the Neighborhood, which proceeds may be used and/or distributed as determined by the Townhome Board, in its discretion, or as otherwise provided in the Governing Documents.

12.7.4 If any Improvements on the Neighborhood Common Area are damaged or destroyed, and the proceeds of insurance received by the Townhome Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Townhome Board shall, without the necessity of a vote of the

members, levy a Special Assessment against all Owners in order to cover the deficiency.

12.8 Obligation of Lot Owner to Repair and Restore.

12.8.1 In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration, or replacement of the insured Improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such Improvements originally approved by the Townhome Board; unless the Owner desires to construct Improvements differing from the original, in which event the Owner shall submit plans and specifications for the improvements to the Townhome Board and obtain its approval prior to commencing the repair, restoration or replacement.

12.8.2 If any Owner of an improved Lot fails to maintain the insurance required by this Article, the Townhome Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Townhome Association for any costs incurred by the Townhome Association in obtaining such insurance, to the same extent as such Owner is liable for assessments levied against its Lot, and, upon the failure of the Owner to pay such costs within 10 days after such Owner's receipt of a written demand therefor from the Townhome Association, the Townhome Association may establish a lien therefor upon the Owner's Lot in accordance with and subject to the provisions of this Townhome Declaration applicable to an assessment lien.

ARTICLE 13

Amendment, Duration and Termination

13.1 Amendments.

13.1.1 Approval Required. Except as otherwise provided in this Townhome Declaration, this Townhome Declaration may be amended by approval of Owners holding sixty-seven percent (67%) of the voting rights of the Townhome Association. The Townhome Board without Owner approval may amend the Townhome Declaration to correct spelling and grammatical errors or to comply with applicable law.

13.1.2 Execution and Recordation. An amendment shall not be effective until the amendment is certified by the president and secretary of the Townhome Association as being adopted in accordance with this Townhome Declaration is acknowledged and is recorded in the Utah County Recorder's Office, Utah.

13.1.3 Declarant's Right to Amend. Notwithstanding anything in this Townhome Declaration, so long as the Period of Declarant Control has not expired or been

terminated, the written consent of the Declarant is required to amend this Townhome Declaration or the Plat Map. As long as the Townhome Association is under the Period of Declarant Control, the Declarant shall have the unilateral right to amend the Townhome Declaration.

13.2 Duration; Termination. This Townhome Declaration shall continue in perpetuity unless and until the Declarant files a notice of termination in the office of the Utah County Recorder at any time prior to the Turnover Meeting, or, thereafter, the Members vote by not less than sixty-seven percent (67%) of all Members of the Townhome Association to terminate the Townhome Declaration and dissolve the Townhome Association. In the event this Townhome Declaration is terminated pursuant to this Section 13.2, this Townhome Declaration shall be terminated by recording a notice with the Utah County Recorder and the Townhome Association shall be dissolved in accordance with Utah law. Any such termination shall require the approval of the Master Association.

ARTICLE 14 Miscellaneous Provisions

14.1 Professional Management. The Townhome Association shall be managed by a professional management company. The Townhome Board may select the professional management company using criteria set by the Townhome Board and complying with Utah law.

14.2 Invalidity; Number; Captions. The invalidity of any part of this Townhome Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Townhome Declaration. 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 this Townhome Declaration.

14.3 Joint Owners. In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Townhome Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Townhome Board, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Townhome Bylaws.

14.4 Lessees and Other Invitees. Lessees, invitees, contractors, family members and other persons entering the Townhome Property under rights derived from an Owner shall comply with all of the provisions of this Townhome Declaration, the Townhome Bylaws and rules and regulations adopted by the Townhome Association restricting or regulating

the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Townhome Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

14.5 Covenants Run with the Land. The Townhome Declaration contains covenants which run with the land and create equitable servitudes. The Townhome Declaration shall be binding upon and inure to the benefit of the Townhome Association, all parties who hereafter acquire any interest in or occupy a Lot or any part of the Neighborhood, their heirs, successors, assigns, grantees, devisees, personal representatives, guests, and invitees. Each Owner or Resident shall comply with the Governing Documents. All interests in the Lots shall be subject to the Governing Documents. Failure to comply shall be grounds for an action for damages or injunctive relief by the Townhome Association or an Owner. By acquiring any interest in a Lot, each Owner or Resident agrees to be bound by the Governing Documents.

14.6 Waiver, Precedent and Estoppel. No restriction, condition, obligation or provision contained in this Townhome Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Townhome Association or any Owner 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 Townhome Association or Owner as to any similar matter.

14.7 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any Lot, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenants. No lease for less than ninety days shall be permitted, unless such lease has converted from its original term of more than ninety days to a month to month tenancy.

14.8 Taxes on Lots. Each Owner will pay all taxes which may be assessed against him or his Lot.

14.9 Service of Process. The registered agent of the Townhome Association will be the Person named in the corporate records on file with the Utah State Department of Commerce.

If the corporate status of the Townhome Association expires, the president shall be the successor agent. The name and address of the president shall be kept with the Townhome Association's records at its principal place of business.

14.10 Gender, etc. Whenever the context so requires, the singular shall include the plural and vice versa. The use of any gender shall include all genders.

14.11 Conflicts. If the Townhome Declaration conflicts with the Community Association Act, the Community Association Act shall control. If the Townhome Declaration conflicts with the Plat Map, the Plat Map shall control. If the Townhome Declaration conflicts with the Townhome Bylaws, Articles, or rules, the Townhome Declaration shall control.

14.12 Litigation. Because litigation can be slow, expensive, uncertain and negatively impact the property values within a community, the Townhome Association shall only enter into litigation by approval of the Declarant, during the Period of Declarant Control, or thereafter by Owners holding eighty percent (80%) of the voting rights of the Townhome Association except for litigation to collect assessments, enforce governing documents (including fines or curative measures) or to defend itself.

ARTICLE 15

Dispute Resolution

15.1 STATEMENT OF INTENT. EVERY OWNER IS CAPABLE OF OBTAINING AN INSPECTION AND IS PERMITTED TO PERFORM, OR PAY SOMEONE ELSE TO PERFORM, ANY INSPECTION ON ANY UNIT THAT OWNER IS PURCHASING OR ANY ASPECT OF THE NEIGHBORHOOD; ALL PRIOR TO PURCHASING A UNIT. MOREOVER, IF ANY WARRANTY HAS BEEN PROVIDED, IT IDENTIFIES THE ONLY ITEMS THAT ARE WARRANTED BY THE DECLARANT. HAVING HAD THE ABILITY TO INSPECT PRIOR TO PURCHASING A UNIT, HAVING RECEIVED A WRITTEN WARRANTY IF ANY WARRANTY IS PROVIDED, AND HAVING PAID MARKET PRICE FOR A UNIT IN THE CONDITION IT AND THE UNITS AND NEIGHBORHOOD COMMON AREA ARE IN AT THE TIME OF PURCHASE, IT IS ACKNOWLEDGED THAT IT IS UNFAIR AND IMPROPER TO LATER SEEK TO HAVE THE DECLARANT AND/OR ANY SUBCONTRACTOR PERFORMING WORK IN THE NEIGHBORHOOD TO CHANGE, UPGRADE, OR ADD ADDITIONAL WORK TO THE NEIGHBORHOOD OUTSIDE OF ANY EXPRESS WARRANTY OBLIGATION. MOREOVER, THE OWNERS (BY PURCHASING A UNIT) AND THE DECLARANT ACKNOWLEDGE AND AGREE THAT LITIGATION IS AN UNDESIRABLE METHOD OF RESOLVING DISPUTES AND CONFLICTS IN THAT IT CAN BE SLOW, EXPENSIVE, UNCERTAIN, AND CAN OFTEN NEGATIVELY IMPACT THE SALE VALUE AND ABILITY TO OBTAIN FINANCING FOR THE PURCHASE OF UNITS FOR YEARS, UNFAIRLY PREJUDICING THOSE OWNERS WHO MUST OR WANT TO SELL THEIR UNIT DURING ANY PERIOD WHEN LITIGATION IS PENDING. FOR THIS REASON, THE OWNERS BY PURCHASING A UNIT AND THE DECLARANT AGREE AND ACKNOWLEDGE THAT CLAIMS AND DISPUTES SHALL NOT BE PURSUED THROUGH COURT ACTION, BUT SHALL BE ASSERTED AND RESOLVED ONLY THROUGH CERTAIN SPECIFIC ALTERNATIVE DISPUTE RESOLUTION MECHANISMS AND ONLY AFTER FULL DISCLOSURE, RIGHT TO CURE PERIODS, AND KNOWING APPROVAL OF THE OWNERS, AS SET FORTH HEREIN. IN ADDITION, THE TOWNHOME ASSOCIATION AND THE OWNERS AGREE THAT THEY TAKE OWNERSHIP AND POSSESSION OF THE UNITS, NEIGHBORHOOD COMMON AREAS, AND NEIGHBORHOOD LIMITED COMMON AREAS AS IS, WITH NO WARRANTIES OF ANY KIND EXCEPT AS OTHERWISE REQUIRED AS A

MATTER OF LAW. THE DECLARANT SPECIFICALLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR OF HABITABILITY, TO THE FULL EXTENT ALLOWED BY LAW.

15.2 To the fullest extent permitted by law, all claims and disputes of any kind that any Owner or the Townhome Association may have involving the Declarant, or any agent, employee, executing officer, manager, affiliate or owner of the Declarant, or any engineer or contractor involved in the design or construction of the Neighborhood, which arises from or is in any way related to a Unit, Building, Neighborhood Common Areas and Facilities, Neighborhood Limited Common Areas and Facilities, or any other component of the Neighborhood (a "Dispute"), shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving claims and disputes between or involving the Declarant and any Owner or between or involving the Declarant and the Townhome Association. Arbitration proceedings shall not be commenced unless the Pre-Arbitration Requirements set forth in Section 15.3 below have been satisfied in full. Without in any way limiting the foregoing, Disputes subject to binding arbitration shall include:

15.2.1 Any allegation that a condition in any of the Units, Buildings, Neighborhood Common Areas and Facilities, Neighborhood Limited Common Areas and Facilities is a construction defect;

15.2.2 Any disagreement as to whether an alleged construction defect has been corrected;

15.2.3 Any disagreement about whether any warranties, including implied warranties, are applicable to the subject matter of any Dispute;

15.2.4 Any disagreement as to the enforceability of any warranties alleged to be applicable to the subject matter of any Dispute;

15.2.5 Any disagreement about whether any warranty alleged to be applicable to the subject matter of any Dispute has been breached;

15.2.6 Any alleged violations of consumer protection, unfair trade practice, or other statutes;

15.2.7 Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;

15.2.8 Any allegation that any condition existing in the Neighborhood or created by the Declarant, including construction-related noise, dust, and traffic, is a nuisance;

15.2.9 Any disagreement concerning the issues that should be submitted to binding arbitration;

15.2.10 Any disagreement concerning the timeliness of performance of any act to be performed by Declarant;

15.2.11 Any disagreement as to the payment or reimbursement of any fees associated with binding arbitration;

15.2.12 Any other claim or disagreement arising out of or relating to the sale, design, or construction of any of the Units, Buildings, Neighborhood Common Areas and Facilities, Neighborhood Limited Common Areas and Facilities.

15.3 Pre-Arbitration Requirements. An Owner or the Townhome Association may only pursue a claim against the Declarant, to the extent allowed herein or by law after the following efforts of dispute resolution have been completed: (1) Right to Cure: the Owner shall provide to the Declarant a written Notice of Claim (defined below) and permit the Declarant one hundred eighty (180) days to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to initiating any formal arbitration proceedings; (2) if the dispute is not resolved within the 180-day Right to Cure period, the parties agree to mediate the dispute prior to taking further action. If additional, different, or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against the Declarant that were not included in any previously submitted Notice of Claim, the Right to Cure period provided for in this section shall immediately apply again and any pending action or proceedings, including any mediation or arbitration, shall be stayed during the 180-day period.

15.3.1 "Notice of Claim" shall mean and include the following information: (1) an explanation of the nature of the claim, (2) a specific breakdown and calculation of any alleged damages, (3) a specific description of the claim along with any supporting opinions, information, or factual evidence upon which the claim is based, (4) photographs of any alleged condition, if applicable, (5) samples of any alleged defective conditions or materials, (6) all efforts taken to avoid, mitigate, or minimize the claim or any alleged damages arising therefrom, and (7) the names, phone numbers, and address of each person providing factual information, legal or factual analysis, or legal or factual opinions related to the claim.

15.4 If a claim or dispute has not been resolved after satisfying and complying with the above-described "Pre-Arbitration Requirements," then the claimant (Owner or Townhome Association) shall have the right to proceed with binding arbitration; however, the Townhome Association shall not pursue or commence binding arbitration unless such action is first approved by sixty seven percent (67%) of the Total Votes of the Townhome Association after first obtaining a written opinion from legal counsel advising the Townhome Association of the likelihood of success on the merits of the claims, the anticipated costs and legal fees, the anticipated expert witness fees, and the likelihood of recovery if the Townhome Association prevails. The written opinion from legal counsel, addressing these topics, must be provided to all Owners before the formal vote on whether to proceed with binding arbitration. The binding arbitration shall be conducted by a member of the American Arbitration Association's Panel of Construction Arbitrators. The binding arbitration shall be conducted according to the rules

and procedures set forth in the Construction Industry Arbitration Rules promulgated by the American Arbitration Association. The award of the arbitrator shall be final and may be entered as a judgment by any court of competent jurisdiction.

15.5 Each party shall bear its own attorney fees and costs (including expert witness costs) for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. Notwithstanding the foregoing, the arbitrator shall, as part of any decision, award to the prevailing party any applicable filing fees or other arbitration fees paid by that party.

15.6 If any Owner, the Townhome Association, or the Declarant files a proceeding in any court to resolve any Dispute, such action shall not constitute a waiver of the right of such party, or a bar to the right of any other party, to seek arbitration of that or any other Dispute and such court shall, upon motion of any party to the proceeding, stay the proceeding before it and direct that such Dispute be arbitrated in accordance with the terms set forth herein.

15.7 The Townhome Association and each Owner waives any right to subrogation against the Declarant and any builder and engineer in the Neighborhood. This waiver shall be broadly construed and applied to waive, among other things, any attempt by any insurer of any Owner or of the Townhome Association from pursuing or exercising any subrogation rights, whether arising by contract, common law, or otherwise, against the Declarant, the engineer, and builder, and their officers, employees, owners, and representatives. To the full extent permitted by law, the Townhome Association and Owners hereby release Declarant, the Neighborhood engineer, and builder, their respective officers, employees, owners, and representatives from any and all liability to the Townhome Association and all Owners, and anyone claiming through or under them by way of subrogation or otherwise, for any loss, injury, or damage to property, caused by fire or any other casualty or event, even if such fire or other casualty shall have been caused by the fault or negligence of Declarant or builder, their officers, employees, owners, and representatives. The Townhome Association and each Owner agrees that all policies of insurance shall contain a clause or endorsement to the effect that this release and waiver of subrogation shall not adversely affect or impair such policies or prejudice the right of the Townhome Association or any Owner to recover thereunder. The Townhome Association and all Owners shall indemnify and defend the Declarant, the builder, and any of their officers, employees, owners, or representatives from any claims barred or released by this provision, including but not limited to any claim brought under any right of subrogation.”


[Signatures on Following Page]

IN WITNESS WHEREOF, the Declarant has caused this Townhome Declaration to be executed as of the date first set forth above.

DECLARANT, TOWNS AT BRYLEE FARMS OWNERS SUB-ASSOCIATION:

BRYLEE ESTATES DEVELOPMENT, INC.

A Utah corporation

By: 
Samuel A. Drown, Manager

BRYLEE ESTATES LAND HOLDINGS, LLC

A Utah limited liability company

By: 
Samuel A. Drown, Manager

Approved:

DECLARANT, BRYLEE FARMS HOMEOWNERS ASSOCIATION:

FIELDSTONE BRYLEE FARMS, LLC

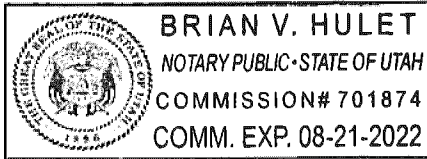
A Utah limited liability company

By: 
Jason Harris, Assistant Secretary

STATE OF UTAH)
 : ss.
COUNTY OF Utah)

The foregoing instrument was acknowledged before me this 21st day of May, 2021, by Sam Drown, as an authorized officer of Brylee Estates Development, Inc., a Utah corporation.

SEAL:

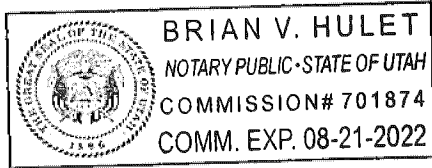


Brian V. Hulet
NOTARY PUBLIC

STATE OF UTAH)
 : ss.
COUNTY OF Utah)

The foregoing instrument was acknowledged before me this 21st day of May, 2021, by Sam Drown, as an authorized officer of Brylee Estates Land Holding, LLC., a Utah limited liability company.

SEAL:

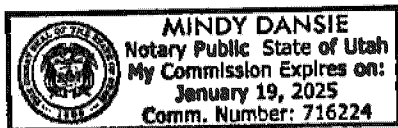


Brian V. Hulet
NOTARY PUBLIC

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

The foregoing instrument was acknowledged before me this 15th day of July, 2021, by Jason Harris, as an authorized officer of Fieldstone Brylee Farms, LLC, a Utah limited liability company.

SEAL:



Mindy Dansie
NOTARY PUBLIC

EXHIBIT A-1

Legal Description of Neighborhood Property



ENGINEERS
SURVEYORS
PLANNERS

**LEGAL DESCRIPTION
PREPARED FOR
FIELDSTONE HOMES
Job No. 18-0021
(March 13, 2019)**

BRYLEE ESTATES PHASE B, TOWNHOMES LEGAL DESCRIPTION

A portion of the Southeast Quarter of Section 2, Township 6 South, Range 2 West, Salt Lake Base & Meridian, located in Eagle Mountain, Utah, more particularly described as follows:

Beginning at a point located N0°51'28"E along the Quarter Section Line 982.74 feet from the South 1/4 Corner of Section 2, Township 6 South, Range 2 West, Salt Lake Base & Meridian; thence N0°51'28"E along the Quarter Section Line 500.06 feet; thence East 1221.97 feet to the west line of Eagle Mountain Boulevard; thence southeasterly along the arc of a 2437.50 foot radius non-tangent curve to the right (radius bears: S67°38'00"W) 492.97 feet through a central angle of 11°35'16" (chord: S16°34'22"E 492.13 feet); thence S79°41'28"W 158.22 feet; thence West 1214.16 feet to the point of beginning.

Contains: ±14.96 Acres

- Civil Engineering
- Structural Engineering
- Surveying
- Land Planning
- Landscape Architecture

www.lei-eng.com

Corporate Office: 3302 N. Main Street • Spanish Fork, UT 84660
Salt Lake Office: 14441 South 980 West • Bluffdale, UT 84065
Boise Office: 2040 S. Eagle Road • Meridian, ID 83642

☎ 801.798.0555 📠 801.798.9393
☎ 801.495.2844 📠 801.495.2847
☎ 208.846.9600

EXHIBIT B

Plat Map

EXHIBIT C

Bylaws

When Recorded Return To:
The Towns at Brylee Farms Owners Sub-Association
9089 South 1300 West
Ste. #100
West Jordan, Utah 84088

BYLAWS OF THE
THE TOWNS AT BRYLEE FARMS OWNERS SUB-ASSOCIATION

ARTICLE I

1.1 Name and Location. The name of the corporation is The Towns at Brylee Farms Owners Sub-Association, hereinafter referred to as the “**Association**.” The principal office of the Association shall be located at 9089 South 1300 West, Ste. #100, West Jordan, Utah 84088 (or at such other location as the Board may designate), but meetings of Owners and Board Members may be held at such other places within or without the State of Utah as may be designated by the Board.

ARTICLE II
DEFINITIONS

2.1 “**Association**” means The Towns at Brylee Farms Owners Sub-Association, a non-profit corporation and its successors and assigns.

2.2 “**Association Act**” means the Community Association Act, Utah Code § 57-8a-101, *et seq.*

2.3 “**Board**” means the Board of Directors of the Association, with all powers as stated in the Declaration, the Articles of Incorporation of the Association, and these Bylaws.

2.4 “**Bylaws**” means these *Bylaws of The Towns at Brylee Farms Owners Sub-Association*, as the same may be amended from time to time in accordance with their terms and provisions.

2.5 “**Declarant**” means the Declarant identified in the Declaration and any successor to whom the rights, privileges, and obligations of the Declarant are assigned.

2.6 “**Declaration**” means the *Declaration of Covenants, Conditions, and Restrictions for The Towns at Brylee Farms Owners Sub-Association*, filed of record in the Utah County

Recorder’s Office in the State of Utah, as the Declaration may be amended from time to time in accordance with its terms and provisions. These Bylaws shall be recorded against the same property encumbered by the Declaration.

2.7 “**Director**” means an individual who is a member of the Board.

2.8 “**Lot**” means the individually subdivided and numbered residential parcels identified on the Plat Map identified in the Declaration, and any amendments thereto.

2.9 “**Nonprofit Act**” means the Utah Revised Nonprofit Act, Utah Code § 16-6a-101, *et seq.*, as amended.

2.10 “**Period of Declarant’s Control**” means the time during which the Declarant retains the right to exercise administrative control of the Association and shall have the other rights and privileges as set forth in the Declaration. The Period of Declarant’s Control shall continue until such time as Declarant sees fit to, by written notice, transfer administrative control of the Association to the Owners, but in no event shall the Period of Declarant’s Control extend beyond the time which is one hundred twenty (120) days after one hundred percent (100%) of the Lots in the Project have been conveyed to individual residential purchasers.

2.11 “**Project**” means The Towns at Brylee Farms Subdivision which Declarant will develop on the Property.

2.12 “**Property**” means the real property located in Eagle Mountain City, Utah County, State of Utah, which is encumbered and burdened by the Declaration and these Bylaws as identified in the Declaration.

2.14 All other capitalized terms used herein have the meanings stated elsewhere in these Bylaws or in the Declaration.

ARTICLE III

MEMBERSHIP IN ASSOCIATION; VOTING; MEETING OF OWNERS

3.1 Membership in Association. Declarant, so long as Declarant owns a Lot, and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to ownership of any Lot. Each Lot in the Project shall be entitled to one (1) vote. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If a Lot is owned by more than one person, the membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. Ownership of a Lot within the Project cannot be separated from the Association membership appurtenant thereto, and any devise, conveyance, or other disposition of a Lot shall constitute a devise, conveyance, or other disposition, respectively, of such Owner’s membership in the Association and the rights appurtenant thereto. The foregoing is not intended to include conveyances made solely for the purpose of securing performance of an obligation.

3.2 Voting. Unless otherwise provided for herein, or required by the Declaration, all matters submitted to a vote shall be by a majority vote of all votes cast. Notwithstanding the foregoing, during the Period of Declarant's Control, Declarant may act in all Association matters with or without a vote of the Owners. To the extent any matters are submitted to a vote of the Owners during the Period of Declarant's Control such matters shall be approved and implemented if, and only if, the Declarant also approves such matters. After the Period of Declarant's Control, all matters submitted to a vote of the Association shall be decided by the votes of the Owners. A change in the ownership of a Lot shall be effective for voting purposes from the time the deed or other instrument effecting such change is recorded. Thereafter, the new Owner shall give the Board written notice of such change of ownership and provide satisfactory evidence thereof. The vote for each Lot must be cast as one vote, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one (1) Owner the vote for the Lot shall be cast as such Owners decide among themselves. In the event such Owners 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. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one Owner attempts to cast the vote for a particular Lot, the vote for that Lot shall be deemed void and shall not be counted.

3.3 Annual Meeting. During the Period of Declarant's Control, the annual meeting shall be held at a place and time determined by the Declarant. Thereafter, the annual meeting of the Association shall be held at a place and time determined by the Board. The Board may change the date of the annual meeting provided it gives reasonable advance notice to all Owners.

3.4 Special Meetings. During the Period of Declarant's Control, the Declarant shall have the sole right to call a special meeting. Thereafter, special meetings of the Association may be called at any time by the Board, or upon written request of the Owners who are entitled to vote thirty-three percent (33%) of all of the total votes of the Association.

3.5 Notice of Meetings. Written notice of each meeting of the Association shall be given by, or at the direction of, the Secretary / Treasurer or person authorized by the Board to call the meeting, by mailing a copy of such notice, postage prepaid, or by email, text or other mode of electronic or digital communication, to the extent not prohibited by law, at least ten (10) days, and no more than sixty (60) days, before such meeting to each Owner entitled to vote, addressed to the Owner's address, email address, number for text, or other mode of electronic or digital communication last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, the purpose of the meeting. The President of the Association will chair meetings of the Owners. The presence of an Owner at a meeting shall be deemed to waive any objection such Owner has to the form and scope of the notice unless such Owner objects at the outset of the meeting.

3.6 Quorum. Except for meetings addressing an amendment of these Bylaws, an amendment of the Declaration, or other matters for which the affirmative votes of a certain

percentage of Owners is required for approval, the Owners present in person or by proxy at a meeting of the Association shall constitute a quorum. Where a certain percentage of affirmative votes of Owners is required to approve an action and such action is to be discussed at the meeting, a quorum shall consist of not less than the number of affirmative votes required to approve such action.

3.7 Proxies. At all meetings of the Association, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary / Treasurer or any professional manager the Association chooses to retain. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his or her Lot.

ARTICLE IV BOARD; SELECTION; TERM OF OFFICE

4.1 Number, Selection and Tenure. The Association will have not less than three (3) and not more than seven (7) Directors. Initially, the Board will have three (3) Directors who will be selected by the Declarant. The Declarant shall decide who serves on the Board during the Period of Declarant's Control and may increase the number of Directors. After the Period of Declarant's Control, the Board will consist of seven (7) Directors. Within ninety (90) days after the end of the Period of Declarant's Control, the Association shall hold an election at which the Owners shall be entitled to elect all seven (7) Directors. Upon such election, the terms of the Directors will be staggered as follows: the two (2) Directors receiving the highest number of votes in such election shall serve for an initial term of three (3) years; the three (3) Directors receiving the next highest number of votes shall serve for an initial term of two (2) years; and the two (2) Directors receiving the next highest number of votes shall serve for an initial term of one (1) year. After the expiration of the initial terms, all Directors shall serve terms of three (3) years. After the Period of Declarant's Control, the Board may change the number of Directors on the Board by the vote of a majority of Directors. In addition, after the Period of Declarant's control the Owners may change the number of Directors by the vote of a majority of Owners. Notwithstanding the foregoing, there shall always be an odd number of Director slots and the terms of the Directors shall be staggered. Notwithstanding the foregoing, Declarant may, at Declarant's discretion, allow one (1) or more seats on the Board to be filled by an Owner chosen by the Members of the Association at any time during the Period of Declarant's Control. Such action shall not be deemed as a termination of the Period of Declarant's Control or a waiver of any of the rights of Declarant as provided herein.

4.2 Removal and Replacement. After the Period of Declarant's Control, a Director may be removed with or without cause by a majority vote of the other Directors or by a majority vote of the Owners at a meeting of the Owners called for the purpose of voting on removal. If a Director is removed, the remaining Directors (provided there are at least two (2) Directors serving) shall determine a replacement Director to fill the remainder of the term of the removed Director. If the Board cannot determine a replacement, or if there are not two (2) directors then serving, the Owners shall fill vacancies on the Board at a meeting called for the purpose of filling vacancies.

4.3 Indemnification. In the event that any legal claim or action is asserted or commenced against a Director or Officer for actions undertaken in his role as a member of the Board or as an

Officer of the Association, whether or not such Director or Officer is still acting in their official capacity, the Association shall indemnify such Director or Officer for losses or claims, and undertake all costs of defense, until and unless it a court of competent jurisdiction determines that such Director or Officer acted with willful or wanton misfeasance or with gross negligence. After such determination, the Association is no longer liable for the cost of defense and may recover costs already expended from the Director or Officer who so acted.

ARTICLE V
MEETINGS OF THE BOARD OF DIRECTORS

5.1 Regular Meetings. Meetings of the Board shall be held as frequently as the Board deems appropriate, but at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall upon a weekend or legal holiday, then that meeting shall be held at the same time on the next day which is not a weekend or legal holiday.

5.2 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 five (5) days written notice to each Director.

5.3 Open Meetings. After the Period of Declarant’s Control, meetings of the Board shall be open to the Owners or Owners’ agents except in cases where the Nonprofit Act permits private meetings. After the Period of Declarant’s Control, any Owner may request notice of all meetings of the Board, in which case the Board shall provide notice of all meetings to such Owner not less than 48 hours prior to such meeting.

5.3 Quorum and Voting. A majority of the number of Directors shall constitute a quorum for the transaction of business. During the Period of Declarant’s Control, all matters requiring a vote of the Directors or otherwise submitted to a vote of the Directors shall be approved and implemented if, and only if, the Declarant also approves such matters. After the Period of Declarant’s Control, all matters submitted to a vote of the Directors shall be decided by the votes of the Directors. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board and of the Association.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD; APPLICABILITY OF THE ACTS

6.1 Powers. The Board shall have power to:

6.1.1 Adopt and publish Rules and Regulations governing the use of any common areas within the Neighborhood or as shown on the Plat Map or identified in the Declaration, that are not Common Areas owned by the Master Association (“**Neighborhood Common Areas**”), and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

6.1.2 Adopt and publish other Rules and Regulations for the management of the Association as are not in conflict with the Association Act, the Declaration, or these Bylaws.

6.1.3 As the Board deems necessary, employ a professional manager, or other independent contractors or employees, to carry out the functions of the Association and exercise the powers of the Board which are properly the subject of delegation; and

6.1.4 Exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Association Act, the Declaration, or the Articles of Incorporation.

6.2 Duties. It shall be the duty of the Board to:

6.2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Association, or at any special meeting when such statement is requested in writing by the Owners who are entitled to vote thirty-three percent (33%) of the total votes;

6.2.2 Supervise any professional manager and all Officers, agents and employees of this Association, and to see that their duties are properly performed;

6.2.3 After the Period of Declarant's Control, do each of the following in the manner set forth in the Declaration:

6.2.3.1 Prepare the budget for the Association as provided in the Declaration and Section 10.1 of these Bylaws;

6.2.3.2 Fix the amount of the annual assessment assessed against each Lot and fix the amount of any supplemental assessments or special assessments applicable to any Lots;

6.2.4 Send written notice of each annual assessment to every Owner subject thereto at least fifteen (15) and no more than sixty (60) days in advance of each annual assessment period and similar notice for imposition of each supplemental assessment or special assessment; and

6.2.5 Foreclose the lien (at the option of the Board) against any Lot for which assessments are not paid in the manner provided for in the Association Act and the Declaration or to bring an action at law (at the option of the Board) against the Owner personally obligated to pay the same;

6.2.6 Issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid and to charge a reasonable fee for the issuance of these certificates;

6.2.7 Procure and maintain insurance as required by the Declaration and the provisions of the Association Act relating to insurance;

6.2.8 Establish a reserve fund and conduct a reserve fund analysis in accordance with the provisions of the Association Act relating to reserve funds;

6.2.9 Cause all Officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; and

6.2.10 Cause the Common Areas to be properly maintained and managed.

6.3 Legal Action Involving Declarant. Neither the Board nor any other person or entity acting, or purporting to act, on behalf of the Association shall file, commence, or maintain any lawsuits or legal proceedings of any nature against Declarant, the individual managers, owners, members, or officers of Declarant, Declarant's contractors, or any other person or entity involved in the construction of the Units or Units thereon unless and until all of the "MANDATORY DISPUTE RESOLUTION REQUIREMENTS" set forth in the Declaration have been satisfied.

6.4 Applicability of the Association Act. The provisions of the Association Act shall apply and govern the Association's rights with respect to levying of assessments, collection of assessments, and remedies that apply in the event of non-payment of assessments.

6.5 Applicability of the Nonprofit Act. The provisions of the Nonprofit Act shall apply and govern the operations and dealings of the Association to the extent not otherwise provided in these Bylaws, the Declaration, or the Articles of Incorporation.

ARTICLE VII OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The following positions shall constitute the officers of this Association ("**Officers**"): a President, a Vice-President, a Secretary / Treasurer, and such other Officers as the Board may from time to time by resolution create.

7.2 Selection of Officers. The Declarant shall select the three (3) initial Officers, and the Declarant shall decide who serves as Officers during the Period of Declarant's Control. After the Period of Declarant's Control, the Board shall annually, at the next meeting of the Board after the Association's annual meeting, select the Officers. After the Period of Declarant's Control, all Officers shall be members of the Board.

7.3 Term. After the Period of Declarant's Control, the Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or are otherwise disqualified to serve.

7.4 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.

7.5 Resignation and Removal. After the Period of Declarant's control, any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary / Treasurer. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.6 Vacancies. After the Period of Declarant's Control, a vacancy in any office may be filed by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

7.7 Multiple Offices. Members of the Board may be Officers in the Association. No person shall simultaneously hold more than one (1) of any of the offices identified above, except in the case of special Officers created pursuant to Section 7.4, above.

7.8 Duties of Officers. The duties of the Officers are as follows:

7.8.1 President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; and shall sign all written contracts or agreements of the Association. The President shall execute any amendments to the Declaration and deliver the same to the Secretary / Treasurer for certification and recordation, provided approval for such amendment has been obtained as provided in the Declaration.

7.8.2 Vice-President. The Vice-President shall act in the place and stead of the President in the-event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

7.8.3 Secretary / Treasurer. The Secretary / Treasurer shall record the votes and keep the minutes of all things and proceedings of the Board and of the Owners; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the Owners of the Association together with their addresses; certify that any amendments to the Declaration have received the required approval and have been executed by the President and shall record the same; and shall perform such other duties as required by the Board. The Secretary / Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; shall sign all checks and promissory notes of the Association; keep the Associations book and accounts; and shall assist the Board with the preparation of the annual budget to be presented to the Owners as provided herein.

ARTICLE VIII
COMMITTEES

8.1 Committees Authorized. The Board may appoint Committees as it deems appropriate for carrying out the purposes of the Association.

ARTICLE IX
BOOKS AND RECORDS

9.1 Open Records. Notwithstanding Section 6.2.1, above, the books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. The Declaration, the Articles of Incorporation, the Bylaws, and any Rules and Regulations promulgated by the Board shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X
BUDGET AND ASSESSMENTS

10.1 Budget. The Board shall prepare an annual budget showing the estimated expenses of the Association and the anticipated annual assessment for the following year attributable to each Lot. The budget shall be completed and distributed to the Owners on or before December 1 of each year.

10.2 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end on December 31 of every year, except that the first fiscal year shall begin on the date of incorporation.

10.3 Payment of Assessments. As more fully set forth in the Declaration, and subject to the exemptions set forth in the Declaration, each Owner is obligated to pay to the Association all assessments, and the Owner's obligation to pay such assessments is secured by a continuing lien upon the Owner's Lot. Any assessment which is not paid when due is delinquent. If the assessment is not paid on time, then the Board has the authority to establish late fees and collect the same from the delinquent Owner. The Board, in the name of the Association, may bring an action at law against the Owner personally obligated to pay the assessments and late fees or foreclose the lien against the Lot in the manner provided by the Association Act, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments and late fees provided for herein or provided in the Declaration by nonuse of the Common Areas or abandonment of his or her Lot.

10.4 Set-up Fee. In addition to the assessments identified in the Declaration, the Association may charge an administrative set-up fee whenever a new Owner takes title to a Lot. The amount of any set-up fee will be determined by the Board in accordance with these Bylaws and may be adjusted by the Board from time to time. The set-up fee will be used to offset the administrative, data entry, and recordkeeping costs associated with the change of ownership from one Owner to another.

ARTICLE XI
AMENDMENTS

11.1 **Amendment.** During the Period of Declarant's Control, the Declarant shall have the right to amend these Bylaws without the consent of any other Owner. Any other amendment proposed during the Period of Declarant's Control must be approved by sixty-seven (67%) of the members of the Association and must also be approved by the Declarant in writing before it can be effective. After the Period of Declarant's Control, these Bylaws may be amended, at a regular or special meeting of the Association, by a vote, in person or by proxy, of the Owners entitled to cast at least sixty-seven percent (67%) of the total votes of the Association; provided, however, that no amendment to the Bylaws shall be adopted that is inconsistent with or contradicts any provisions of the Declaration unless and until the Declaration is also amended (in accordance with the amendment requirements of the Declaration) to resolve such inconsistency or contradiction.

11.2 **Conflict.** 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.

ARTICLE XII
MISCELLANEOUS


12.1 **Governing Law.** These Bylaws shall be governed by, and interpreted in accordance with, the laws of the State of Utah.

12.2 **Severability.** If any section, term, or provision of these Bylaws is determined to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the remaining sections, terms, and provisions of this Declaration which shall all remain in full force and effect.

12.3 **No Waiver.** The failure by the Declarant or the Association to enforce any term or provision of these Bylaws shall not be deemed as a waiver of the right to thereafter enforce such term or provision.

[End of Document. Signature Page Follows.]

ADOPTED BY THE TOWNS AT BRYLEE FARMS TOWNHOME OWNERS SUB-ASSOCIATION, this 21st day of May, 2021, and in witness of the same have been executed by an authorized director of the Association.

Signature: 
Samuel A. Drown, Director