

12690253
1/2/2018 3:35:00 PM \$172.00
Book - 10635 Pg - 2867-2934
ADAM GARDINER
Recorder, Salt Lake County, UT
MORRIS SPERRY
BY: eCASH, DEPUTY - EF 68 P.

AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS, AND
RESTRICTIONS
FOR

THE VILLAS
OF
COUNTRY LANE

A Planned Unit Development

TABLE OF CONTENTS

RECITALS..... **1**

ARTICLE 1: DEFINITIONS..... **2**

 1.1 “Act” 2

 1.2 “Allocated Interest” 2

 1.3 “Architectural Review Committee” 2

 1.4 “Articles” 2

 1.5 “Assessment” 2

 1.6 “Association” 2

 1.7 “Board Member” 2

 1.8 “Board of Directors” or “Board” 2

 1.9 “Bylaws” 2

 1.10 “Common Area” 2

 1.11 “Common Expenses” 3

 1.12 “Declaration” or “Amended Declaration” 3

 1.13 “Design Guidelines” 3

 1.14 “Dwelling” 3

 1.15 “Electronic Transmission” or “Electronically Transmitted” 3

 1.16 “Governing Documents” 4

 1.17 “Lender” 4

 1.18 “Limited Common Area” 4

 1.19 “Lot” 4

 1.20 “Manager” 4

 1.21 “Occupant” 4

 1.22 “Owner” 4

 1.23 “Person” 4

 1.24 “Plat” 4

 1.25 “Project” 4

 1.26 “Property” 4

 1.27 “Rules” 4

 1.28 “Terms and Conditions” 4

ARTICLE 2: THE PROJECT..... **4**

 2.1 Submission to the Act 4

 2.2 Binding Effect of Governing Documents 4

 2.3 Nature of the Project 5

 2.4 Project Name 5

 2.5 Identification of Lots 5

 2.6 Registered Agent 5

ARTICLE 3: LOTS, COMMON AREA, & ALLOCATED INTERESTS **5**

 3.1 The Lots 5

 3.2 Limited Common Area 5

 3.3 Common Area 6

 3.4 No Severance of Common Area 6

 3.5 Allocated Interest of Each Lot in the Votes of the Association 6

 3.6 Plat 7

ARTICLE 4: MAINTENANCE & MODIFICATION	7
4.1. Owner Responsibility for Maintenance of Lots	7
4.2. Maintenance of Common Area	7
4.3. Default in Maintenance	8
4.4. Modifications to Lots and Architectural Review	8
4.5. Utilities	11
ARTICLE 5: ORGANIZATION & GOVERNANCE OF ASSOCIATION	11
5.1 Organization of Association.....	11
5.2 Modifying or Changing the Name of the Project.....	11
5.3 Legal Organization.....	11
5.4 Membership.....	11
5.5 Availability of Documents	11
5.6 Board of Directors or Board.....	12
5.7 Board Members	12
5.8 Limitation on Authority of Owners, Board Members, Officers, and the Board ..	12
5.9 No Estoppel or Reliance on Actions or Authorizations Contrary to Governing Documents.....	13
5.10 Registration with the State	13
ARTICLE 6: GENERAL RIGHTS & RESPONSIBILITIES OF THE ASSOCIATION	13
6.1 Rights and Responsibilities of the Association	13
6.2 Maintenance	13
6.3 Capital Improvements	13
6.4 Paying Expenses.....	13
6.5 Setting and Collecting Assessments.....	14
6.6 Adopting and Enforcing Rules.....	14
6.7 Entering Lots.....	14
6.8 Hiring Managers and Delegating Responsibilities.....	14
6.9 Other Necessary Rights	14
6.10 Enforcement Rights.....	14
6.11 Discretion in Enforcement	14
6.12 Reserve Fund.....	15
6.13 Conflicts with Service Providers and Vendors	15
6.14 Establishing Hearing Procedures.....	15
6.15 Bulk Services Agreements.....	16
6.16 Annual Meeting.....	16
6.17 Project Air Space, Drones, and Unmanned Aircraft	16
6.18 Reinvestment Fee Covenant upon Sale or Transfer of Lot	17
ARTICLE 7: BUDGETS & ASSESSMENTS	18
7.1 Purpose of Assessments	18
7.2 Budget and Regular Assessment.....	18
7.3 Payment of Regular Assessments	19
7.4 Adjustments to Regular Assessments	19
7.5 Personal Obligation for Assessment	19
7.6 Capital Improvements	19
7.7 Allocation of Assessments	19
7.8 Rules Regarding Billing and Collection Procedures.....	19

7.9	Statement of Unpaid Assessment.....	19
7.10	Account Payoff Information.....	20
7.11	Special Assessments.....	20
7.12	Special Assessments to Individual Lot.....	20
7.13	Acceptance of Materials or Services.....	20
7.14	Application of Excess Assessments.....	20
7.15	No Offsets.....	20
7.16	How Payments Are Applied.....	20
7.17	Loans.....	21
ARTICLE 8: NONPAYMENT OF ASSESSMENTS & JOINT AND SEVERAL		
LIABILITY..... 21		
8.1	Delinquency.....	21
8.2	Collection Charges and Interest.....	21
8.3	Joint and Several Liability of Owner and Future Owners.....	21
8.4	Lien.....	21
8.5	Action at Law.....	22
8.6	Homestead Waiver.....	22
8.7	Termination of Delinquent Owner's Rights.....	22
8.8	Requiring Tenant to Pay Rent to Association.....	22
8.9	Attorney Fees Incurred as a Result of a Default.....	22
8.10	Association Responsibility after Foreclosure.....	23
ARTICLE 9: PROPERTY RIGHTS IN LOTS & COMMON AREA..... 23		
9.1	General Easements to Common Area and Lots.....	23
9.2	Public Utilities.....	24
9.3	Easements for Encroachments.....	24
9.4	Limitation on Easement.....	24
9.5	Views.....	24
ARTICLE 10: USE LIMITATIONS & CONDITIONS..... 25		
10.1	Rules.....	25
10.2	Signs.....	25
10.3	Nuisance.....	25
10.4	Temporary Structures.....	25
10.5	Parking.....	25
10.6	Outside Speakers and Amplifiers.....	26
10.7	Repairs.....	26
10.8	Holiday Decorations.....	26
10.9	Unightly Items.....	26
10.10	Animals.....	27
10.11	Residential Occupancy.....	27
10.12	No Subdivision, Timeshare, or Recording by Owners of Terms & Conditions.....	28
10.13	Landscape Maintenance.....	28
10.14	Lighting.....	28
10.15	Energy Conservation Equipment.....	28
10.16	Variances.....	28
10.17	Hazardous Substances.....	29
ARTICLE 11: INSURANCE..... 29		

11.1	Insurance Requirement.....	29
11.2	Annual Insurance Report.....	29
11.3	Property Insurance.....	30
11.4	Comprehensive General Liability (CGL) Insurance.....	30
11.5	Directors' and Officers' Insurance.....	30
11.6	Workers' Compensation Insurance.....	31
11.7	Association's Right to Negotiate All Claims & Losses & Receive Proceeds.....	31
11.8	Insurance Trustee.....	31
11.9	Certificates.....	32
11.10	Named Insured.....	32
11.11	Owner Act Cannot Void Coverage Under Any Policy.....	32
11.12	Waiver of Subrogation Against Owners and the Association.....	32
11.13	Right of Action.....	32
11.14	Applicable Law.....	32
ARTICLE 12: DESTRUCTION OF IMPROVEMENTS.....		32
12.1	Reconstruction.....	32
12.2	Negotiations with Insurer.....	33
12.3	Repair of Lots.....	33
12.4	Priority.....	33
ARTICLE 13: EMINENT DOMAIN.....		33
13.1	Taking of Common Area.....	33
13.2	Taking of Entire Project.....	33
13.3	Total Taking of a Lot.....	33
13.4	Partial Taking of a Lot.....	33
13.5	Priority and Power of Attorney.....	34
ARTICLE 14: TERMINATION.....		34
14.1	Required Vote.....	34
14.2	Termination Agreement.....	34
ARTICLE 15: AMENDMENTS.....		34
15.1	General Amendment Requirements.....	34
15.2	Scope of Amendments.....	34
15.3	Execution and Effective Date of Amendments.....	34
15.4	Changes to Plat or Boundaries of the Association.....	34
15.5	Amendment to Conform to Law.....	35
ARTICLE 16: INTERPRETATION, CONSTRUCTION, & APPLICATION OF DECLARATION.....		36
16.1	No Waiver.....	36
16.2	Conflicting Provisions.....	36
16.3	Interpretation of Declaration and Applicability of the Act.....	36
16.4	Cumulative Remedies.....	36
16.5	Severability.....	36
16.6	Construction.....	36
16.7	Applicable Law.....	37
16.8	Gender and Number.....	37
16.9	Effect of Declaration.....	37
ARTICLE 17: NOTICE.....		37

17.1	Notices.....	37
ARTICLE 18: ATTORNEY FEES AND COSTS.....		40
18.1	Legal Costs Associated with Disputes with Owners.....	40
ARTICLE 19: RESERVES.....		40
19.1	Requirement for Reserves	40
ARTICLE 20: LEASING AND NON-OWNER OCCUPANCY		42
20.1	Declaration and Rules Govern Non-Owner Occupancy	42
20.2	Definitions	42
20.3	No Non-Owner Occupancy	42
20.4	Permissible Non-Owner Occupied Dwelling	42
20.5	Rules and Resolutions Regarding Non-Owner Occupancy	43
20.6	Requirements for Leasing and Non-Owner Occupancy	43
20.7	Exceptions for Family Members	44
20.8	Joint and Several Liability of Owner and Non-Owner Occupants.....	44
ARTICLE 21: GENERAL PROVISIONS.....		44
21.1	Enforcement	44
21.2	No Liability of Officials	44
21.3	Use of Funds Collected by the Association	44
21.4	Owner Liability and Indemnification	44
21.5	Consent, Power of Attorney, and Waiver	45
21.6	Security.....	45
21.7	Reasonable Accommodations	45
21.8	No Representations and Warranties	45
EXHIBIT A		
EXHIBIT B		

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAS OF COUNTRY LANE,
A PLANNED UNIT DEVELOPMENT

This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAS OF COUNTRY LANE, A PLANNED UNIT DEVELOPMENT is adopted by the Villas of Country Lane Homeowners Association, Inc. (the “**Association**”) and is effective as of the date it is recorded in the Salt Lake County Recorder’s Office.

RECITALS

- A. Capitalized terms in this Amended Declaration are defined in Article 1 or in other sections of this Amended Declaration.
- B. An initial plat related to development of the Villas of Country Lane Subdivision was recorded on July 14, 1983 in the Salt Lake County Recorder’s Office as Entry No. 3818059, Book 83-7, at Page 84.
- C. The original Declaration of Covenants, Conditions and Restrictions and Reservation of Easement for The Villas of Country Lane, a Planned Unit Development was recorded on July 14, 1983 in the Salt Lake County Recorder’s Office as Entry No. 3818060, Book 5474, and beginning at Page 2164 (the “**Enabling Declaration**”).
- D. This Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Villas of Country Lane (this “**Amended Declaration**”) is adopted to: (1) clarify and define the rights of the Association and the Owners, in and to the Project, (2) conform to changes to the Utah Community Association Act and other Utah law since the Enabling Declaration was recorded, (3) provide for a general plan for managing the Project and Property, and (4) in furtherance of the effort to efficiently and economically provide a quality living environment and protect and enhance the value of the Project and the Property.
- E. This Amended Declaration, which (along with and subject to any future amendments) shall be the sole declaration for the Project and shall completely replace and supersede in all respects the original Declaration and all prior declarations and amendments thereto (whether recorded or not, properly adopted or not, or referenced in this Amended Declaration or not) prior to the date of the recording of this Amended Declaration.
- F. This Amended Declaration affects the real property located in Salt Lake County, State of Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated herein by reference.
- G. The Bylaws of the Association attached hereto as Exhibit B supersede and replace any previous bylaws of the Association and any amendments thereto.
- H. Pursuant to the amendment requirements contained in Article XV, Section 4 of the Declaration, and the amendment provisions in the Community Association Act, the undersigned hereby certifies that this Amendment was approved by the affirmative vote of Owners holding at least fifty-one percent (51%) of the votes of the members of the

Association and approval of at least sixty-seven percent (67%) of the holders of recorded first mortgages on the lots within the Villas of Country Lane Subdivision.

NOW, THEREFORE, pursuant to the Recitals set forth above and incorporated herein and subject to the Terms and Conditions set forth below, the Association hereby adopts this Amended Declaration. This Amended Declaration, together with the Plat, Bylaws, and Rules adopted by the Association, shall define and govern the rights of the Owners and the Association related to the Project.

ARTICLE 1: DEFINITIONS

As used herein, unless the context otherwise requires:

- 1.1 **“Act”** shall mean the Community Association Act codified beginning at § 57-8a-101 *et seq.*, Utah Code, in effect at the time this Amended Declaration is recorded, and as such may be amended from time to time.
- 1.2 **“Allocated Interest”** shall mean the interest of that Owner which shall be applicable for the purposes of voting, the payment of Assessments and/or Common Expenses, and for other purposes indicated in this Amended Declaration or the Act. Each Lot shall have an equal Allocated Interest.
- 1.3 **“Architectural Review Committee”** shall mean the Villas of Country Lane Homeowners Association Architectural Review Committee as set forth herein.
- 1.4 **“Articles”** shall mean the Articles of Incorporation for the Association filed with the Utah Division of Corporations and Commercial Code, or the chartering document of any other legal entity, if any shall be formed for the Association.
- 1.5 **“Assessment”** shall mean any monetary charge imposed or levied on an Owner by the Association as provided for in this Amended Declaration.
- 1.6 **“Association”** shall refer to the VILLAS OF COUNTRY LANE HOMEOWNERS ASSOCIATION, INC., the membership of which shall include each Owner in the Project. The Association may be incorporated as a nonprofit corporation. If the Owners are ever organized as another type of entity or if the Owners act as a group without legal organization, “Association” as used in this Amended Declaration shall refer to that entity or group.
- 1.7 **“Board Member”** shall mean a duly-qualified and elected or appointed member of the Board of Directors.
- 1.8 **“Board of Directors” or “Board”** shall mean the entity with primary authority to manage the affairs of the Association.
- 1.9 **“Bylaws”** shall mean the bylaws of the Association attached as Exhibit B and all valid amendments and supplements thereto. No amendment to the Bylaws shall be effective until it is recorded.
- 1.10 **“Common Area”** shall mean, unless otherwise more specifically provided in this Amended Declaration, the common area within the Project as reflected on the Villas of Country Lane Plat, and any improvements thereon, and specifically including, but not necessarily limited to:
 - (a) all Common Areas designated as such on the Plat and in this Amended Declaration;
 - (b) the pool and pool related structures and facilities;

- (c) any sidewalks, streetlights, or other improvements that may be constructed on the Common Area;
- (d) perimeter fences;
- (e) the culinary water system up to each Owner's Lot line;
- (f) the sprinkler system throughout the Project;
- (g) the roads within the Project not dedicated to a municipality;
- (h) all utility installations and all equipment connected with or in any way related to the furnishing of utilities for the common use of all Lot Owners or for the Common Area; and
- (i) all other parts of the Project outside of the Lots not dedicated to the public or which are necessary or convenient to the Project's existence, maintenance, safety, or normally in common use. The Association is the owner of the Common Area.

The definition of Common Area in this Amended Declaration shall supersede the definition of "Common Area" in the Act and shall apply in all instances when the term "Common Areas" is used in the Act.

1.11 **"Common Expenses"** shall mean the actual and estimated costs for:

- (a) maintenance, management, operation, repair, and replacement of the Common Area which is maintained by the Association;
- (b) management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, consultants, and employees;
- (c) extermination, security, gardening, and other related services;
- (d) insurance and bonds required or allowed by this Amended Declaration;
- (e) the establishment of reserves;
- (f) other miscellaneous charges incurred by the Association as provided for or allowed in the Act or the Governing Documents; and
- (g) any other expenses of the Association arising from the operation of the Association and not otherwise defined or precluded by the Governing Documents or any applicable law.

1.12 **"Declaration" or "Amended Declaration"** shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Villas of Country Lane, a Planned Unit Development, including all attached exhibits, which are incorporated by reference, and any and all amendments to this Amended Declaration.

1.13 **"Design Guidelines"** shall mean those requirements governing the site location and architectural design of Dwellings and other structures and improvements within the Project.

1.14 **"Dwelling"** shall mean the single-family residence built on any Lot, including the attached garage.

1.15 **"Electronic Transmission" or "Electronically Transmitted"** means a process of communication not directly involving the physical transfer of paper that is suitable for the

receipt, retention, retrieval, and reproduction of information by the recipient, whether by email, texting, facsimile, or otherwise.

- 1.16 **“Governing Documents”** shall mean and refer to this Amended Declaration, the Plat, the Bylaws, the Rules, the Articles, and any other written instrument by which the Association may exercise power, manage, maintain, or otherwise affect the Project.
- 1.17 **“Lender”** shall mean a holder of a mortgage or deed of trust on a Lot.
- 1.18 **“Limited Common Area”** shall mean a portion of the Common Area specifically designated in this Amended Declaration for the exclusive use of Owners of one (1) or more Lots to the exclusion of other Owners. Conveyance of a Lot includes the use of the Limited Common Area designated for the use of the Owner of the Lot. Owners of the Lots adjacent to the Limited Common Area may use the Limited Common Area as permitted by the Association, but the Association remains the owner of the Limited Common Area.
- 1.19 **“Lot”** shall mean any numbered building lot shown on the Plat.
- 1.20 **“Manager”** shall mean any entity or Person engaged by the Board of Directors to manage the Project.
- 1.21 **“Occupant”** shall mean a Person or Persons, other than an Owner, in possession of, using, entering into, or living in a Dwelling on the Project, including, without limitation, family members, tenants, guests, and invitees of an Owner or an Occupant.
- 1.22 **“Owner”** shall mean the Person or Persons who are vested with record title to a Lot, and whose interest in the Lot is held (in whole or in part) in fee simple, according to the records of the County Recorder of Salt Lake County, Utah; however, Owner shall not include a trustee for a deed of trust.
- 1.23 **“Person”** shall mean a natural individual, corporation, estate, limited liability company, partnership, trustee, association, government, governmental subdivision or agency, or any other legal entity with the legal capacity to hold title to real property.
- 1.24 **“Plat”** shall mean, and refer collectively to, the record of survey map or maps of the Villas of Country Lane Subdivision recorded in the records of the Salt Lake County Recorder and all amendments and supplements thereto.
- 1.25 **“Project”** shall mean the Property and all structures and improvements thereon, including the Lots and Common Areas.
- 1.26 **“Property”** shall mean the property legally described and identified in Exhibit A and all easements and rights appurtenant thereto.
- 1.27 **“Rules”** shall mean and refer to the rules and regulations adopted by the Board.
- 1.28 **“Terms and Conditions”** shall mean any one or all of the terms, covenants, rights, obligations, and restrictions set forth in the Governing Documents.

ARTICLE 2: THE PROJECT

- 2.1 **Submission to the Act.** The Association hereby confirms and restates that the Project is a planned unit development as defined in the Act.
- 2.2 **Binding Effect of Governing Documents.** The Association hereby confirms that the Property is part of the Project and declares and agrees that the Project and all of the Lots shall be held, transferred, mortgaged, encumbered, occupied, used, and improved subject to

the Terms and Conditions, which Terms and Conditions shall, to the extent they are included in recorded documents, constitute equitable servitudes and covenants and conditions running with the land and shall be binding upon and inure to the benefit of the Association, and each Owner, including the Owner's heirs, executors, administrators, personal representatives, successors, and assigns. By acquiring any interest in a Lot, such Owner consents to, and agrees to be bound by, each and every Term and Condition in the Governing Documents.

- 2.3 **Nature of the Project.** The Project is an individual single-family residential subdivision consisting of twenty-five (25) residential Lots, a pool, and Common Area property. The Plat identifies twenty-seven (27) lots; however, as the Project developed, portions of lots were consolidated which reduced the number of buildable Lots to twenty-five (25). Each Lot may contain a separate home. The Project is a planned unit development and is not a cooperative and is not a condominium.
- 2.4 **Project Name.** The Project is named "The Villas of Country Lane" and is located entirely in Salt Lake County, Utah. The name used by the Association for the Project may be different than the name identified in this Amended Declaration and on the Plat.
- 2.5 **Identification of Lots.** All of the Lots are referenced specifically and identified by location on the Plat. As the Project developed, portions of lots were consolidated, which reduced the number of buildable Lots to twenty-five (25). The consolidated Lots are identified on Exhibit A.
- 2.6 **Registered Agent.** The registered agent of the Association shall be as provided for in entity filings of the Association.

ARTICLE 3: LOTS, COMMON AREA, & ALLOCATED INTERESTS

- 3.1 **The Lots.** Each Lot is identified on the Plat by a distinct Lot number.
- (a) Subject to further specification herein, each Lot generally consists of any and all improvements on or within the boundary of the Lot and all structures and related equipment or installation on or within the boundary of the Lot, including, but not limited to:
- (1) the Dwelling constructed on a Lot and components thereof;
 - (2) all garages, sheds, or other approved structures attached to or located adjacent to a Dwelling;
 - (3) all pipes, wires, conduits, public utility, water or sewer lines, or any other similar fixtures lying inside the designated vertical boundaries of a Lot or servicing only the Lot; and
 - (4) the driveway, any interior fence, and any yard area on the Lot, as identified on the Plat.
- 3.2 **Limited Common Area.** The Limited Common Area shall consist of areas identified in this Amended Declaration as Limited Common Area. This shall generally include land areas spatially associated with and lying adjacent to particular Lots.
- (a) The Owner of the Lot shall have the exclusive use of the Limited Common Area appurtenant to the Owner's Lot.

- (b) The Common Area identified on the Plat located between Lots 20B and 21A shall constitute Limited Common Area and the Owners of Lots 20B and 21A have the right to use this Limited Common Area to the exclusion of other Owners.
- (c) Any Common Area that has been enclosed by a fence, which fence was approved by the Board, shall constitute Limited Common Area pertaining to the Lot that the fence surrounds so long as the fence remains installed.
- (d) Any prior approved awnings, patios, decks, fences, or other apparatus intended to serve a single Lot, but located outside the boundaries of the Lot and within that Lot's fenced enclosure, shall constitute a Limited Common Area pertaining to that Lot exclusively.
- (e) The portion of the shared driveway serving Lots 19A, 20B, and 21A, which is located in Common Area, shall be Limited Common Area for the exclusive use of Lots 19A, 20B, and 21A. Each of these Lots shall share equally in the maintenance, repair, and replacement of this Limited Common Area driveway.
- (f) The portion of the driveway serving Lot 27A which is located in Common Area shall be Limited Common Area for the exclusive use of Lot 27A. The owner of Lot 27A shall be responsible for the maintenance, repair, and replacement of this Limited Common Area driveway.
- (g) Should it be unclear from the Plat or this Amended Declaration if a particular area is Common Area or Limited Common Area, the Board of Directors shall have absolute authority in determining the proper designation of that area.

3.3 **Common Area.** Common Area shall, unless otherwise more specifically provided in this Amended Declaration, mean the real property for the common use and enjoyment of the Owners and shall specifically include, but not be limited to, the following:

- (a) all Common Areas designated as such on the Plat and identified in this Amended Declaration, including any area designated as a Common Area or open space;
- (b) all utility installations and all equipment connected with or in any way related to the furnishing of utilities for the common use of all Lot Owners or for the Common Area;
- (c) the pool and pool related structures and facilities;
- (d) the perimeter fences, sidewalks, streetlights, entry features, landscaping, sprinkler system, and other amenities not dedicated to the county;
- (e) any roads, streets, lanes, and cul-de-sacs within the Project not dedicated to a municipality; and
- (f) all other parts of the Project necessary or convenient to its existence, maintenance, safety, or normally in common use.

3.4 **No Severance of Common Area.** The right to and interest in the Common Area shall be appurtenant to each respective Lot and may not be severed from the ownership of the Lot.

3.5 **Allocated Interest of Each Lot in the Votes of the Association.** Each of the twenty-five (25) Lots, as constructed, is entitled to a vote equal to its Allocated Interest for all matters related to the Association that Owners are permitted or required to vote or approve, and such

votes shall be cast in accordance with the Bylaws. Each of the twenty-five (25) Lots, as constructed, shall have an equal Allocated Interest.

- 3.6 **Plat.** The Plat and all dimensions, descriptions, and identification of boundaries therein, are hereby incorporated into and made a part of this Amended Declaration. If any conflict exists between the Plat and this Amended Declaration, this Amended Declaration shall control.

ARTICLE 4: MAINTENANCE & MODIFICATION

4.1. Owner Responsibility for Maintenance of Lots.

- (a) Unless otherwise set forth in Section 4.2, each Owner shall furnish and be responsible for, at the Owner's own expense, all of the maintenance, repair, and replacement of the Owner's Lot, including, but not limited to, all of the Dwelling, structures, interior fences (which include all fences adjacent to the Lot except for the fence on the perimeter of the Villas of Country Lane Subdivision), plants, and landscaping (including trees, shrubs, flowers, grass, etc.) within the Lots, driveways, sidewalks, and any and all improvements thereof. Owners of the Lots sharing an interior fence shall equally pay for the maintenance, repair, and replacement of such fence. The Owner's landscaping maintenance includes the flower beds adjacent to the Dwelling and the fenced in backyard areas. The Owner is further responsible for the removal of snow from the driveways and sidewalks within or appurtenant to the Owner's Lot. The Board may adopt standards of maintenance for any areas which are the responsibility of the Owner, including landscape maintenance, and shall set forth such standards in the Rules.
- (b) The Owner shall be responsible for keeping the Lot, and all porches, patios, driveways, landscaping, Limited Common Areas, and any exterior areas of a Lot, in a clean and sanitary condition, free of pests and rodents, and in good condition. The Board may set forth in the Rules any limits, restrictions, or guidelines on what may or may not be left, stored, installed, or placed on the exterior of any Lot, which may include a prohibition on leaving, installing, or storing any items or animals in such places.

4.2. Maintenance of Common Area.

- (a) Except as maintenance obligations are otherwise assigned to the Owners in this Amended Declaration, the Association shall repair, maintain, replace, clean, and pay all expenses associated with the Common Area as that area is defined in this Amended Declaration and identified on the Plat. This shall include the right to modify, remove fixtures from, add fixtures and structures to, place signs upon, and otherwise modify the Common Area. The Association shall do all such other and further acts that the Board deems necessary to preserve and protect the Common Area, in accordance with the general purposes specified in this Amended Declaration. The Association retains the absolute right to remove and replace any structure, item, or condition in the Common Area.
- (b) The Association shall furnish and be responsible for, at the Association's expense, the maintenance, repair, and replacement of the Common Areas, including the following:
- (1) the lawn (including lawn mowing), trees, shrubs, and other plants within the Common Areas;

- (2) the sidewalks, perimeter fences, pool and related facilities, and any future structures or amenities that may be constructed within the Common Areas;
- (3) any streetlights or private utility lines or facilities located within the Common Area;
- (4) the sprinkler system throughout the Project;
- (5) the culinary water main and water system to each Dwelling or Structure; and
- (6) the private roads.

Notwithstanding the foregoing and anything to the contrary in this Amended Declaration, the Association shall not be obligated to maintain any utility or utility system or component which is maintained by any municipality.

- (c) **Snow Removal.** The Association shall take reasonable efforts to remove snow from Common Area roads as necessary to allow vehicle and pedestrian access.
- (d) **Standard of Maintenance.** The Board may determine, in its sole discretion, the appropriate maintenance standard for the Common Area, so long as those areas are maintained in the best interests of the Owners.
- (e) **Assessment of Maintenance Expenses to Specific Owner.** If the need for maintenance or repair is caused by an Owner or an Occupant, the Association shall assess to the Owner the actual cost of such maintenance or repair to the extent the repair costs are not paid for by any applicable insurance.
- (f) **Right to Sell or Transfer Common Area.** The Board may sell or transfer Common Area only with approval of sixty-seven percent (67%) of the Allocated Interests and if the transfer complies with the provisions of the Municipal Land Use, Development, and Management Act (“MLUDMA”), Utah Code Ann. § 10-9a-101 *et seq.*, and the Act.

4.3 **Default in Maintenance.** If an Owner or Occupant fails to: (1) maintain a Lot according to the maintenance standard set forth by the Association and as required in the Governing Documents, or (2) make repairs otherwise required of the Owner in such a manner as may be deemed reasonably necessary in the judgment of the Board to preserve and protect the structural integrity, attractive appearance, good condition, and value of the Lots in the Project, then the Association may take any action allowed for a failure to comply with the Governing Documents and must give written notice to such Owner or Occupant stating with particularity the nature of the default and the corrective action that the Board determines to be required and requesting that the same be carried out within a period of at least sixty (60) days or a greater length of time if determined by the Board. If the Owner or Occupant fails to carry out such action within the period specified by the notice, then the Association may take any action allowed for a default of the Governing Documents. In addition, the Association may cause corrective action to be taken (which may include completing any landscape maintenance, snow removal, repairs, or replacements) and may assess the Owner for all costs associated therewith as a Special Assessment as set forth in Article 7 herein.

4.4 **Modifications to Lots and Architectural Review.** Without the prior approval of the Association, an Owner may not (1) install or build any new structure, fence, or Dwelling; (2) make alterations, upgrades, or modifications to any part of the exterior of any structure or Dwelling; or (3) install or alter any new or existing exterior feature such as a driveway, walkway, front yard landscaping or anything else that alters the exterior appearance of the

Lot. This provision is intended to be read as broadly as possible to require approval before any exterior work to a Lot, including changes to front yard landscaping.

- (a) No Dwelling shall be erected, altered, placed, or permitted to remain on any Lot other than a detached single-family home not to exceed two (2) stories in height with a private garage.
- (b) Architectural Review Committee.
 - (1) An Architectural Review Committee (“ARC” or “Committee”) may be appointed by the Board. Such committee shall consist of at least one (1) member, but may include more members at the discretion of the Board. The ARC shall be a Sub-Committee as defined in the Bylaws, and shall act in accordance with the requirements of Sub-Committees. The ARC shall have the Board’s right of entry to verify compliance with this section. At least one (1) Committee member must be a Board Member. Members of the ARC shall serve for a term of two (2) years, and may serve for consecutive terms of service as appointed by the Board. Any vacancy on the Committee may be filled by the Board to serve the remainder of the term of the originally appointed member(s). The ARC may act even though a vacancy has not been filled. Any member of the Committee may be removed at any time by the Board with or without cause.
 - (2) The Board need not appoint an Architectural Review Committee. If no such Committee is appointed, the Board shall have all powers of the Committee and may act in all ways and have all powers otherwise given to the Committee.
 - (3) The Architectural Review Committee shall serve as an architectural review board and shall regulate the external design, appearance, and location of any structure on any Lot so as to enforce the architectural provisions of this Amended Declaration or Architectural Design Guidelines as may be adopted by the Board.
- (d) Submission of Plans to Architectural Review Committee for Approval.
 - (1) New Structures. No structure of any kind whatsoever shall be erected, placed, moved onto, or commenced without the prior written approval of the Committee. The Board may adopt Rules relating to obtaining of such prior written approval. Unless and until the Board adopts such Rules, the following provisions will apply.

An Owner must submit such plans and specifications as the Committee may reasonably require, but shall in all cases include the following:

 - (i) a complete set of plans and specifications;
 - (ii) a site plan showing the location of all proposed and existing structures on the Lot;
 - (iii) exterior elevations for the proposed structures;
 - (iv) specifications of materials, color scheme, and other details affecting the exterior appearance of the proposed structures; and
 - (v) description of the plans and provisions for landscaping and grading.

- (2) Exterior Modifications. No exterior remodels, additions, or major modifications to the Lot or exterior of the Dwelling whatsoever shall be commenced, erected, maintained, made, or done without the prior written approval of the ARC. By way of illustration, but not of limitation, the following are considered remodels, additions, or major modifications: painting the exterior of the Dwelling or any structure a new color; excavation; addition of new rooms to a structure; solar collectors or panels; changing the exterior material of a structure; installing a fence; or any other work that significantly alters the appearance of the Lot or Dwelling. The ARC may designate the design, style, model, and manufacturer of any materials to be used for an exterior improvement or alteration that is acceptable to the ARC. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values. The Board may adopt Rules relating to obtaining such prior written approval. Unless and until the Board adopts such Rules, the following provisions shall apply:
- (i) Owners must submit such plans and specifications as the Committee reasonably may require, including any of the specific documents included in Section 4.4(d)(1)(i)-(v) that may be requested by the Committee.
- (3) Interior Modifications. No approval is required for interior modifications that do not affect the exterior of the building, although the Board may still adopt Rules relating to the use of Common Area or roadways within the project for staging and other construction needs.
- (4) Rear Yard Landscaping. No approval is required for modifications to the landscaping of the portion of the Lot behind a Dwelling, so long as such landscaping is not visible from the street.
- (e) Failure of Architectural Review Committee to Act. If the Architectural Review Committee, or Board if no ARC has been established, shall fail to act upon any written request submitted to it within thirty (30) days after a complete submission of documents in a form acceptable to the ARC, such request shall be deemed to have been approved as submitted, and no further action shall be required.
- (f) Architectural Design Guidelines. The ARC shall enforce the Architectural Design Guidelines, if any, adopted by the Board as Association Rules. Such Architectural Design Guidelines may include but are not limited to restrictions on: minimum and maximum square footage, building height, exterior siding and roofing materials, exterior siding and roofing colors, landscaping, and all other items set forth in current ARC rules.
- The ARC shall only approve new structures, exterior modifications, or landscaping changes that are in harmony with the surrounding structures and topography of the Project as determined by the ARC in its sole discretion.
- (g) Expenses of Architectural Review Committee. The Architectural Review Committee may charge reasonable fees actually incurred for the processing of any request, plans, or specifications, including consultation with a professional. The Association shall assess the requesting owner for any ordinary or reasonable architectural review expense incurred by Committee members in the performance of their duties herein.

(h) **Variations.** The Architectural Review Committee may authorize variances from compliance with any of the architectural provisions of this Amended Declaration or any supplement thereto, including restrictions on height, size, floor area, placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be in writing and must be signed by all members of the ARC. If a variance is granted, no violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any Terms and Conditions of the Association's Governing Documents, other than those specifically identified in the variance, nor shall it affect an Owner's obligation to comply with all governmental laws and regulations.

4.5 **Utilities.** The culinary water system for the Project is shared by all Owners and paid for collectively by the Association. The Association may adopt Rules for assessing the costs of the water system to Owners. Unless or until the Association adopts a procedure otherwise, or installs water meters to each Lot, each Lot shall be assessed an equal amount for water service. All other utilities are metered separately to each Lot and such separate utility charges shall be the individual responsibility of each Lot Owner.

ARTICLE 5: ORGANIZATION & GOVERNANCE OF ASSOCIATION

5.1 **Organization of Association.** The Association shall serve as the organizational body for all Owners.

5.2 **Modifying or Changing the Name of the Project.** The name of the Project may be modified or changed pursuant to a lawful amendment to this Amended Declaration.

5.3 **Legal Organization.** The Association may be organized as a non-profit corporation. In the organization, reorganization, or amendment of any documents related to the legal organization of the Association, the terms in all such documents shall, to the extent possible under the applicable law, be consistent with the terms in this Amended Declaration and the Bylaws attached hereto or any lawful amendment thereto. If the legal entity should ever expire or be dissolved for any reason as required or permitted by law, in any reorganization or reinstatement of the entity, the Association shall, to the extent possible and subject to any then-existing legal requirements, adopt documents consistent with the terms of this Amended Declaration and the Bylaws.

5.4 **Membership.** Membership in the Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of the Association so long as such Owner has an ownership interest in a Lot and such membership shall automatically terminate when the Owner ceases to have an ownership interest in a Lot. Upon the transfer of an ownership interest in a Lot, the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. If titled ownership to a Lot is held by more than one (1) Person, the membership appurtenant to that Lot shall be shared by all such Persons in the same proportional interest and by the same type of tenancy in which title to the Lot is held.

5.5 **Availability of Documents.** The Association shall make available to the Owners, Lenders, and insurers of any Lender, current copies of the Governing Documents and other minutes, books, records, and financial statements related to the operations of the Association. The term "available" as used in this section shall mean available for inspection and copying

within thirty (30) days, unless a shorter time period is required by law, after receiving a proper written request, during normal business hours and under other reasonable conditions. The Association shall have the right to refuse to disclose information that the Board determines, in good faith, would reveal sensitive personal or financial information of another Owner or of an employee or agent of the Association, such as bank account numbers, birth dates, or social security numbers. The Association may require that the Owner comply with any statutory provision or other legal requirement applicable to providing this information before providing it. Subject to any legal requirements to the contrary, the Association may charge a fee for the reasonable cost of producing documents or information.

5.6 **Board of Directors or Board.** The governing body of the Association shall be the Board of Directors elected or appointed pursuant to the Bylaws. The Board of Directors shall consist of three (3) members. Except as otherwise provided in this Amended Declaration, the Bylaws, or the Articles of Incorporation, the Board of Directors shall act, in all instances, on behalf of the Association. Any reference to an act, right, or obligation of the Association in the Governing Documents may only be exerted or complied with through an action of the Board of Directors. Except as may be specifically provided in this Amended Declaration, the Bylaws, the Articles of Incorporation, or by applicable law, no Owner or group of Owners other than the Board of Directors may direct the actions of the Association. The Board may retain professionals, including, without limitation, attorneys, accountants, and bookkeepers to assist in any Board function.

5.7 **Board Members.**

(a) **Qualifications.**

- (1) Unless otherwise set forth in the Bylaws, to be on the Board of Directors, a Person must be an Owner or the spouse of an Owner and over the age of eighteen (18) years old, and must reside in the Project as its primary residence. If an Owner is a corporation, estate, limited liability company, partnership, trust, or other legal entity, an officer, principle, shareholder, partner, member, manager, trustee, or beneficiary of such Owner may be a member of the Board of Directors.
- (2) Only one (1) Board Member may serve per Lot.
- (3) The Bylaws shall provide for procedures to ensure this requirement is maintained and may include, but are not limited to, the removal of Board Members.

(b) **Reasonable Ongoing Requirements for Board Members.** The Bylaws may place reasonable obligations and requirements on existing Board Members to retain their membership on the Board, such as a requirement that a Board Member attend a specified number of meetings. The Bylaws may further provide for a procedure for removal of any Board Member who fails to comply with the reasonable requirements.

5.8 **Limitation on Authority of Owners, Board Members, Officers, and the Board.**

(a) Except as provided herein or in the Bylaws, the Board, any individual Owner, and any individual Board Member or officer shall have no authority to and may not act on behalf of the Association or the Board of Directors to:

- (1) amend or terminate any Governing Document;
- (2) elect or remove Board Members from the Board of Directors;
- (3) establish or change the qualifications, powers and duties, requirements, or terms of Board Members or of the Board of Directors; or
- (4) authorize or agree to any deviation or exception from the Terms and Conditions, except as provided in this Amended Declaration.

- 5.9 **No Estoppel or Reliance on Actions or Authorizations Contrary to Governing Documents.** No one may rely upon any authorization (from the Board of Directors or anyone else) contrary to the terms of the Governing Documents regardless of the circumstances under which it is given, and no claim or defense of estoppel, waiver, or similar equitable or legal claim or defense may be raised by anyone related to any alleged reliance. It is the responsibility of anyone interacting with, visiting, occupying, or purchasing a Lot in the Project to verify that anything that the Association does, does not do, or authorizes related to the Project or the Association is in compliance with the terms of the Governing Documents.
- 5.10 **Registration with the State.** In compliance with Utah Code § 57-8a-105, the Association shall be registered with the Utah Department of Commerce and shall update its registration to keep any required information current as required by law.

ARTICLE 6: GENERAL RIGHTS & RESPONSIBILITIES OF THE ASSOCIATION

- 6.1 **Rights and Responsibilities of the Association.** The Association shall have the following rights and responsibilities in addition to any others set forth in the Governing Documents or provided by law.
- 6.2 **Maintenance.** The Association shall make provisions for completing all maintenance, repair, and replacement requirements of the Association. This shall include the right to modify, remove fixtures from, add fixtures and structures to, place signs upon, and otherwise modify the Common Area and Facilities. The Association shall do all such other and further acts that the Board of Directors deems necessary to preserve and protect the Common Area and the Project, in accordance with the general purposes specified in this Amended Declaration.
- 6.3 **Capital Improvements.** Capital improvements shall be governed by and subject to the following conditions, limitations, and restrictions:
- (a) Any capital improvement to the Project that does not exceed seven and one-half percent (7.5%) of the total approved fiscal year budget may be authorized by the Board of Directors alone. Capital improvements in excess of seven and one-half percent (7.5%) of the total approved fiscal year budget require the approval of a majority of Owners in attendance at a duly called member meeting pursuant to the provisions of the Bylaws.
 - (b) Any capital improvement which would materially alter the nature of the Project, regardless of its cost and prior to being constructed or accomplished, must be authorized by the consent of Owners holding at least sixty-seven percent (67%) of the voting interests and must be approved of by the Board of Directors.
- 6.4 **Paying Expenses.** The Association shall provide for the payment of Common Expenses and any other obligations incurred by the Association.

- 6.5 **Setting and Collecting Assessments.** The Association shall establish, collect, and account for Assessments as necessary to operate the Project consistent with the requirements of the Governing Documents.
- 6.6 **Adopting and Enforcing Rules.** The Association may adopt Rules for the regulation and operation of the Project. If they are adopted, they shall be consistently and uniformly enforced. The Rules may address any issues, including those addressed in any other Governing Document. The Rules may supplement, clarify, and add detail to issues addressed in other Governing Documents so long as they do not contradict the same. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive, subject to a judicial determination if any is timely sought. The standard for adoption of Rules is one of reasonableness. A Rule must be reasonable in light of the circumstances pertaining to the situation or issue addressed by the Rule.
- 6.7 **Entering Lots.** After having given the appropriate notice as required in Article 17, the Association shall have the right at all times and upon reasonable notice (and at any time in case of an emergency) to enter into any Lot to abate any infractions, to make repairs, to correct any violation of any of the Terms and Conditions, or to abate any condition that threatens the health or property of any Owner or Occupant.
- 6.8 **Hiring Managers and Delegating Responsibilities.** The Association may hire a Manager to assist the Board in the management and operation of the Project and may delegate its powers and obligations in the Governing Documents to the Manager, employees, or other agents as it deems appropriate; provided, however, that only the Board shall have the right to approve Association budgets, fines to Owners, and regular and special Assessments. Any powers and duties delegated to any Manager or other Person may be revoked by the Board at any time, with or without cause. **THE BOARD OF DIRECTORS HAS NO AUTHORITY TO ENTER INTO ANY MANAGEMENT AGREEMENT OR CONTRACT INCONSISTENT WITH THE TERMS AND CONDITIONS OF THESE GOVERNING DOCUMENTS OR THAT PROVIDES FOR ANY TERMINATION FEE OR REQUIREMENT FOR TERMINATION FOR CAUSE.**
- 6.9 **Other Necessary Rights.** The Association shall have any other right that is reasonably necessary to carry out the terms of the Governing Documents.
- 6.10 **Enforcement Rights.** In addition to any other remedies allowed or provided in the Governing Documents for any violation of the Governing Documents, the Association may:
- (a) impose fines;
 - (b) collect rents directly from tenants if Owners fail to pay Assessments; and
 - (c) take any other action or seek any other remedy allowed by the Act or other applicable Utah law.
- 6.11 **Discretion in Enforcement.**
- (a) Subject to the discretion afforded in this section, the Board shall uniformly and consistently enforce and implement the Terms and Conditions in the Governing Documents.
 - (b) The Board shall use its reasonable judgment to determine whether to exercise the Association's powers to impose sanctions or pursue legal action for a violation of the Governing Documents, and may include in this analysis:

- (1) whether to compromise a claim made by or against the Board or the Association; and
- (2) whether to pursue a claim for an unpaid Assessment.
- (c) The Association may not be required to take enforcement action if the Board determines, after fair review and acting in good faith and without conflict of interest, that under the particular circumstances:
 - (1) the Association's legal position does not justify taking any or further enforcement action;
 - (2) the covenant, restriction, or rule in the Governing Documents is likely to be construed as inconsistent with current law;
 - (3) a technical violation has or may have occurred and the violation is not material as to a reasonable Person or does not justify expending the Association's resources; or
 - (4) it is not in the Association's best interests to pursue an enforcement action, based upon hardship, expense, or other reasonable criteria.
- (d) Subject to Subsection 6.11(e), if the Board decides under Subsection 6.11(c) above to forego enforcement, the Association is not prevented from later taking enforcement action.
- (e) The Board shall not be arbitrary, capricious, or act against public policy in taking or not taking enforcement action.

6.12 **Reserve Fund.** The Association shall maintain a reserve fund and shall obtain and update a reserve analysis as required in this Amended Declaration and the Act.

6.13 **Conflicts with Service Providers and Vendors.** The Association shall not permit any paid services or materials obtained by the Association to be performed or provided by:

- (a) any Board Member;
- (b) any relative of any Board Member, Manager, or of any officer, employee, or owner of the Manager;
- (c) any business or entity in which any Board Member, Manager, or employee, officer, or owner of any Manager or any relative of the same is employed or has more than a one percent (1%) ownership or beneficial interest; or
- (d) any business, entity, or Person with any familial or financial relationship with any Board Member, Manager, or of any officer, employee, or owner of the Manager, or any relative of the same.

A relative is any natural individual known to be related by blood or marriage. The provision of services and materials for purpose of this provision shall include Managers, insurance brokers, investment or financial advisors, accountants, landscapers, contractors, and all other companies and Persons providing services to the Association.

6.14 **Establishing Hearing Procedures.** The Board of Directors shall have the authority to create a reasonable hearing process applicable in case the Association shall take adverse action related to any particular Owner or group of Owners or in case a hearing process is required by law. The Board shall not be under any obligation to offer a hearing process, except as required by law or by the Governing Documents, and in any such process shall have the

authority to designate the procedure related to any such hearing and to make any and all final determinations of issues subject to the hearing process. The Board may establish the hearing process on an as-needed basis for particular matters as they arise or may set forth a process in the Rules applicable generally to such matters that it designates. Any such hearing process shall provide for, at a minimum: (1) at least two (2) weeks' notice of the hearing to the Owners, and (2) a reasonable time period under the circumstances for the Owner(s) to present their own testimony, the testimony of others, argument, authority, evidence, and other information the Owner deems relevant to the disputed issue. The Board may rely on any reasonable information and evidence in determining whether or not a violation of the Rules has occurred both initially and after a hearing.

- 6.15 **Bulk Services Agreements.** The Association shall have the right to enter into agreements, as the Board deems appropriate, for the provision of trash collection, snow removal, lawn care, landscaping services, pest control, tree and shrub spraying, or other similar services for all of the Lots. Such services shall be assessed to the Owners pursuant to the provisions of this Amended Declaration and in any Assessment, may be broken out as a separate line item on invoices, statements, or notices of Assessment.
- 6.16 **Annual Meeting.** The Association shall arrange for and conduct an annual meeting each year as provided for in the Bylaws and shall arrange for and conduct such other meetings of the Association as shall be properly requested pursuant to the Governing Documents or the law.
- 6.17 **Project Air Space, Drones, and Unmanned Aircraft.** The Association shall have the right in the Rules to regulate, ban any use, and impose reasonable requirements on the use of the airspace (all airspace up to public airspace) by anyone over the Property and any structures on the Property. To the extent allowed by law, the Association shall also have the right to regulate, ban, and impose restrictions or requirements on the flying of any device, including unmanned aircraft or drones (any remotely controlled or autonomous flying device): (1) within all airspace over the Property and (2) in any airspace within one thousand (1000) feet of the Property if the device is caused to be flown by an Owner, Occupant, or Person within the Project. Any Rules adopted by the Association that do not prohibit or allow the flying of devices in the Project's airspace shall not subject the Association to liability for damages to persons or property relating to the operation of such a device. Any Owner or tenant causing a flying device to be flown within the airspace over the Property or in violation of any Rule adopted by the Association shall: (1) be responsible for any damage caused by the device and (2) indemnify and defend the Association, its Manager, and all officers and directors (past or present), from any claims related to the device.

The Association shall have the power to establish Rules implementing this section and such Rules may include, and are not limited to, the following:

- (a) requiring Owners to provide information about and/or photographs of the device to the Association;
- (b) requiring flying devices to be marked with the Owner's name or other identifying information;
- (c) establishing certain areas, hours, minimum or maximum height limitations, or banning flying of devices completely;
- (d) banning altogether or designating required commercial drone delivery landing sites; and

(e) any other reasonable Rules related to the flying of devices.

6.18 **Reinvestment Fee Covenant upon Sale or Transfer of Lot.** The Board may require the transferor/seller or transferee/buyer to pay a fee related to the transfer of a Lot (a “Reinvestment Fee”) as provided for in Utah Code Ann. § 57-1-46, in an amount up to one-half of one percent (.5%) of the value of the Lot, including the Dwelling and all improvements on the Lot, at the time of the transfer. A transfer is any change in the ownership of the Lot as reflected in the office of the County recorder, regardless of whether it is pursuant to the sale of the Lot or not. If a fee is required, the amount shall be set forth by the Board of Directors in the Rules. The value of the Lot for purposes of this section shall be the higher of: (1) the value of the Lot, including the Dwelling and all improvements on the Lot, as determined by the property tax assessor on the date of the transfer of title, (2) the purchase price paid for the Lot, including the Dwelling and all improvements on the Lot, related to the transfer, or (3) the value of the Lot, including the Dwelling and all improvements on the Lot, on the date of the transfer of title as determined in an appraisal that may be obtained (in the discretion of the Board of Directors) and paid for by the Association using an appraiser selected by the transferee of the property from a list of three (3) appraisers selected by the Association. The Reinvestment Fee shall be due within thirty (30) days after the effective date of the deed or similar instrument transferring title. The Reinvestment Fee shall constitute an Assessment against the Lot in accordance with Article 6 of this Amended Declaration.

(a) Purpose of the Reinvestment Fee. Once collected, the Reinvestment Fee may only be used by the Association to pay costs directly related to the transfer of the burdened property as well as:

- (1) common planning, facilities, and infrastructure;
- (2) obligations arising from an environmental covenant;
- (3) community programming;
- (4) resort facilities;
- (5) open space;
- (6) recreation amenities;
- (7) charitable purposes; or
- (8) association expenses.

(b) Limitation on Reinvestment Fee. The Reinvestment Fee is not due and may not be enforced against:

- (1) an involuntary transfer;
- (2) a transfer that results from Court order;
- (3) a bona fide transfer to a family member of the seller within three (3) degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity;
- (4) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution; or
- (5) the transfer of burdened property by a financial institution, except to the extent that the Reinvestment Fee covenant requires the payment of the

Association's costs directly related to the transfer of the burdened property, not to exceed two hundred fifty dollars (\$250.00).

- (c) Additional Actions.
 - (1) The Association shall have the authority to record any notice required by law to effectuate this provision.
 - (2) The Association shall have the authority to enact Rules that may include:
 - (i) requirements for Owners to provide sales and transfer documents;
 - (ii) requirements for the timing of responses to requests such as the selection of the appraiser;
 - (iii) default provisions if no selection is made such as allowing the Association to select the appraiser; and
 - (iv) other procedural requirements and rules as the Board of Directors deems appropriate to effectuate the terms of this provision in a prompt and reasonable manner.
 - (3) If the law changes allowing higher transfer fees, the Board of Directors may increase the amounts in this section to the maximum amount allowed by law.

ARTICLE 7: BUDGETS & ASSESSMENTS

7.1 **Purpose of Assessments.** Money collected by the Association shall be used for the purposes of promoting the health, safety, and welfare of the Owners; the management, maintenance, care, preservation, operation, and protection of the Project; enhancing the quality of life of the Owners in the Project; enhancing and preserving the value of the Project; and in the furtherance of carrying out or satisfying any other duty or power of the Association.

7.2 **Budget and Regular Assessment.**

- (a) The Board of Directors shall prepare a proposed budget for the upcoming fiscal year and distribute the proposed budget to the Owners prior to the annual meeting. The proposed budget shall be approved by the Owners at the annual meeting. If the proposed budget is not approved at the annual meeting, the prior year's budget shall remain in effect until such time as a new budget is approved at a meeting of the Owners.
- (b) The budget shall estimate the total Common Expenses to be incurred for the next fiscal year (or that fiscal year for a revised budget), which shall be broken down into reasonably detailed expense categories. The budget shall include a line item that identifies the amount to be placed into the reserve fund. The budget may include contingencies and estimates as the Board deems appropriate.
- (c) The Board shall make a copy of the budget available to all Owners no later than ten (10) days after the adoption of the proposed budget or any revised budget.
- (d) The Board shall determine the amount of the regular Assessments to be paid by the Owners of each Lot by multiplying the total budgeted amount by the Allocated Interest for each Lot.
- (e) Notwithstanding Subsection 7.2(d), upon approval of the Owners at the Annual Meeting, the Board may also elect to determine the regular Assessment amount

independent of the budget. However, if this process is chosen, then the total amount to be collected from regular Assessments must be at least equal to or above the budget amount for the upcoming fiscal year.

- 7.3 **Payment of Regular Assessments.** Unless otherwise established by the Board and communicated to each Owner, each Owner shall pay to the Association the Owner's regular Assessment in equal monthly installments. Owners may make pre-payments to the Association at any time.
- 7.4 **Adjustments to Regular Assessments.** In the event the Board determines that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it may prepare a revised budget and call an Owner's meeting to vote on the approval of the revised budget. Upon approval of any revised budget, each Owner shall thereafter pay to the Association the Owner's adjusted regular Assessment which shall be calculated by multiplying the total revised budget amount by the Allocated Interest for each Lot.
- 7.5 **Personal Obligation for Assessment.** Each Owner of any Lot, by acceptance of a deed or other instrument creating in such Owner the interest required to be an Owner, whether or not it shall be so expressed in any such deed or other instrument and regardless of any lien rights or lack thereof, hereby personally covenants and agrees with each other Owner and with the Association to pay to the Association any Assessments as provided for in the Governing Documents, including any Assessments assessed and unpaid prior to the date the Owner became an Owner. Each such Assessment, together with such interest, collection charges, costs, and attorney fees, shall also be the personal obligation of the Owner of such Lot at the time the Assessment becomes due.
- 7.6 **Capital Improvements.** Expenses for capital improvements may be included in the budget, paid for through Special Assessments, or paid for in any other manner as determined by the Board.
- 7.7 **Allocation of Assessments.** Except as otherwise provided herein, all Assessments (other than special Assessments to individual Lots) shall be allocated to all Owners based on the Allocated Interest of each Lot. As stated in Section 1.2, each Lot shall have an equal Allocated Interest.
- 7.8 **Rules Regarding Billing and Collection Procedures.** The Board shall have the right and responsibility to adopt Rules setting forth procedures applicable to Assessments provided for in this Amended Declaration and for the billing and collection of all Assessments, provided that such procedures are not inconsistent with the provisions herein. Such procedures and policies may include, but are not limited to, the date when Assessment payments are due and late, establishing late fees and collection charges, and establishing interest (per annum or compounded) that may be charged on unpaid balances. The failure of the Association to send a statement to an Owner or an error in any such statement (other than a certificate of payment) shall not relieve any Owner of liability for any Assessment or charge under the Governing Documents.
- 7.9 **Statement of Unpaid Assessment.** An Owner may request a statement from the Association showing an accounting of all unpaid assessments and charges to the Owner's account. For any valid request, and upon payment of a fee of not more than twenty-five dollars (\$25.00) or the maximum amount allowed pursuant to Utah Code § 57-8a-311, the Association shall provide a written statement of account within a reasonable time. A written statement from

the Association is conclusive in favor of a Person who relies on the written statement in good faith.

- 7.10 **Account Payoff Information.** The Association may charge a fee for providing payoff information related to amounts owed by an Owner to the Association. The fee for providing the payoff information shall be fifty dollars (\$50.00). The Rules may establish a different fee amount, but such fee shall not exceed the maximum amount allowed pursuant to Utah Code § 57-8a-106.
- 7.11 **Special Assessments.** Subject to any limitations in this Amended Declaration for the particular type of expense, the Association is expressly authorized to set and collect special Assessments payable as may be determined by the Association (in lump sums or over a period of time) to pay for any Common Expenses. Notwithstanding the wording or terms of any notice of special Assessment, a special Assessment shall be deemed assessed, for all purposes, on the date that the payment for the Assessment is due.
- 7.12 **Special Assessments to Individual Lots.** Special Assessments may be levied by the Association against a particular Lot and its Owner for:
- (a) costs incurred in bringing an Owner or the Owner's Lot or Dwelling into compliance with the provisions of the Governing Documents;
 - (b) fines, late fees, collection charges, and interest;
 - (c) any other charge designated as pertaining to an individual Lot in the Governing Documents; and
 - (d) attorney fees, costs, and other expenses relating to any of the above.
- 7.13 **Acceptance of Materials or Services.** In the event the Association undertakes to provide materials or services that are not otherwise required in the maintenance of the Project, which benefit individual Lots, and which can be accepted or not by individual Owners, such Owners, if accepting such materials or services, agree that the costs thereof may be a special Assessment pertaining to that Lot, at the discretion of the Board of Directors.
- 7.14 **Application of Excess Assessments.** In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments, or apply the excess to the following year's Common Expense budget, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.
- 7.15 **No Offsets.** All Assessments shall be payable at the time and in the amount specified by the Association, and no offsets against such amounts by Owners shall be permitted for any reason, including, without limitation, a claim that the Board is not properly exercising its duties and powers, a claim in the nature of offset or that the Association owes the Owner money, or that the Association is not complying with its obligations as provided for in the Governing Documents.
- 7.16 **How Payments Are Applied.** Unless otherwise provided for in the Rules, all payments for Assessments shall be applied to the earliest (or oldest) charges first. Owners shall have no right to direct the application of their payments on Assessments or to require application of payments in any specific order, to specific charges, or in specific amounts.

- 7.17 **Loans.** Upon approval of Owners holding more than sixty-seven percent (67%) of the Allocated Interests by vote at a meeting called for that purpose, the Association may borrow money and may provide such security as necessary for the loan, including, but not limited to, securitizing, pledging, or assigning the Association's right to assess Owners. Notwithstanding anything to the contrary, no Lot shall be security for any loan to the Association without that Owners' consent.

ARTICLE 8: NONPAYMENT OF ASSESSMENTS & JOINT AND SEVERAL LIABILITY

- 8.1 **Delinquency.** Assessments not paid within the time required shall be delinquent. Whenever an Assessment is delinquent, the Board of Directors may, at its option, invoke any or all of the remedies granted in this Article 8.
- 8.2 **Collection Charges and Interest.** The Board may adopt Rules governing the collection of Assessments. If the Board does not otherwise adopt or establish billing and collection procedures, the following shall apply:
- (a) Assessments shall be due and payable on the first day of each month and will be considered past due ten (10) days after the due date.
 - (b) If no payment is received by ten (10) days from the due date of the Assessment, the Association may charge a late fee of fifteen dollars (\$15.00) for each month that the Assessment is late. Late fees shall be cumulative. For example, if a monthly Assessment is late, then a late fee of fifteen dollars (\$15.00) may be assessed the first month, and if the next month's Assessment is also late with no payments being made then the late fee in the second month will be fifteen dollars (\$15.00) for the prior month's past due Assessment and fifteen dollars (\$15.00) for the current month's Assessment that is late for a total of thirty dollars (\$30.00) in late fees for the second month.
 - (c) In addition to late fees, interest may accrue on all unpaid balances, including unpaid prior attorney fees and costs, interest (resulting in compounding of interest), late fees, and Assessments, at one and one-half percent (1.5%) per month, compounded monthly.
 - (d) The Association may also assess to the Owner a collection charge, additional late fees, and any other reasonable charges by a Manager related to collections.
- 8.3 **Joint and Several Liability of Owners and Future Owners.** The Owner and any future Owners of a Lot are jointly and severally liable for all Assessments accruing related to that Lot prior to and during the time that an Owner is an Owner. An Owner is not liable for any Assessments accruing after he/she has lawfully transferred the Lot to another Owner. The recording of a deed to a Person that has not agreed to take ownership of the Lot shall not be considered a legal conveyance of title. The obligation in this paragraph is separate and distinct from any lien rights associated with the Lot.
- 8.4 **Lien.** The Association has a lien on each Lot for all Assessments, which includes but is not limited to interest, collection charges, late fees, attorney fees, court costs, and other costs of collection (which shall include all costs and not be limited by those costs that may be awarded under the Utah Rules of Civil Procedure). This lien shall arise and be perfected as of the date of the recording of this Amended Declaration and shall have priority over all encumbrances recorded after this Amended Declaration is recorded, except as otherwise required by law. If an Assessment is payable in installments, the lien is for the full amount

of the Assessment from the time the first installment is due, unless the Association provides otherwise in the notice of Assessment. The Association also has a lien on each Lot for all fines imposed against an Owner by the Association. This lien for fines shall arise when (1) the time for appeal described in Utah Code § 57-8a-208(5) has expired and the Owner did not file an appeal; or (2) the Owner timely filed an appeal under Utah Code § 57-8a-208(5) and the district court issued a final order upholding the fine. The Association's lien shall have priority over every other lien and encumbrance on a Lot except only:

- (a) a lien or encumbrance recorded before this Amended Declaration is recorded;
- (b) a first or second security interest on the Lot secured by a mortgage or trust deed that is recorded before a recorded notice of lien by or on behalf of the Association; and
- (c) a lien for real estate taxes or governmental assessments or charges against the Lot.

The Association may, but need not, record a notice of lien on a Lot.

- 8.5 **Action at Law.** The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay the same or by foreclosure of the Assessment lien. In addition, the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise any other remedy. Any attorney fees and costs incurred in this effort shall be assessed against the delinquent Owner and the Owner's Lot, and reasonable attorney fees and costs will thereafter be added to the amount in delinquency (plus interest and collection charges, if appropriate). Each Owner vests in the Association, or its assigns, the right and power to bring actions at law or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.
- 8.6 **Homestead Waiver.** Pursuant to Utah Code § 57-8a-301, and to the extent any liens are created pursuant to this Amended Declaration, whether such liens are now in existence or are created at any time in the future, each Owner waives the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.
- 8.7 **Termination of Delinquent Owner's Rights.** The Association shall have all rights provided for in the Act to terminate a delinquent Owner's:
- (a) rights to vote;
 - (b) access to the amenities and Common Area in the Project; and
 - (c) rights to receive a utility or other service paid for as a common expense.
- 8.8 **Requiring Tenant to Pay Rent to Association.** Pursuant to and as provided for in the Act, the Association shall have a right to demand and collect rent from any Occupant in a Dwelling for any delinquent Assessment balance more than sixty (60) days late. Each Occupant, by moving into the Project, agrees to be personally liable and responsible to the Association for all rent payments after the Association gives proper notice that rent payments shall be paid to the Association.
- 8.9 **Attorney Fees Incurred as a Result of a Default.** In addition to any attorney fees and costs provided for herein, the Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner's failure to timely pay Assessments, including, but not limited to, attorney fees and costs incurred to:
- (a) obtain advice about a default;
 - (b) collect unpaid Assessments;

- (c) file lawsuits or other legal proceedings related to a default in an effort to collect unpaid Assessments;
- (d) file pleadings, notices, objections, and proofs of claim in any bankruptcy proceeding;
- (e) examine the debtor or others related to collections;
- (f) monitor any bankruptcy proceedings, including, but not limited to, regular monitoring of an Owner's progress in a chapter 13 or chapter 11 plan for the duration of the plan;
- (g) file any motions, objections, or other adversary proceedings in a bankruptcy matter and all related activities, including seeking and responding to discovery; taking depositions or examinations; introducing evidence, hiring and paying expert witnesses; filing motions, pleadings, and other papers; attending trials, hearings, or other court proceedings, including as reasonably necessarily related, to assert any non-dischargeability of debts, to assert claims against the estate or co-debtors, to challenge exemptions, to pursue any appropriate adversary proceeding, or for any other reason related to the ultimate attempt to collect unpaid Assessments; and
- (h) foreclose a lien, secure lien rights, or prepare any notice of lien.

This provision is to be construed broadly to permit the Association to recover any reasonable fees and costs in any way related to an Owner's default in the payment of Assessments and the ultimate collection of those Assessments.

- 8.10 **Association Responsibility after Foreclosure.** If the Association takes title to a Lot pursuant to a foreclosure, it shall not be bound by any of the provisions related to the Lot that are otherwise applicable to any other Owner, including, but not limited to, obligations to pay assessments, taxes, or insurance, or to maintain the Lot. By taking a security interest in any Lot governed by this Amended Declaration, Lenders cannot make any claim against the Association for nonpayment of taxes, Assessments, or other costs and fees associated with any Lot if the Association takes title to a Lot related to any failure to pay Assessments.

ARTICLE 9: PROPERTY RIGHTS IN LOTS & COMMON AREA

9.1 General Easements to Common Area and Lots.

- (a) Subject to all other terms of the Governing Documents, each Owner shall have the right and a nonexclusive license for use and enjoyment of the Common Area and facilities, subject to any other restrictions related to such use and subject to another Owner's exclusive right to use Limited Common Area. Such right and nonexclusive license shall be appurtenant to and shall pass with title to each Lot and in no event shall such appurtenant rights be separated therefrom. Occupants shall have the same access and use rights to the Common Area and facilities as an Owner. All such rights shall be subject to any Rules established by the Board of Directors.
- (b) The Association shall have nonexclusive easements with the right of access over and across each Lot, to make inspections, to prevent or mitigate damage to Common Area and to maintain, repair, replace, or effectuate the restoration of the Common Area and facilities that the Association is responsible for maintaining which are accessible from such Lot. Such rights shall be exercised only after proper notice is given as required in this Amended Declaration. The Association shall have a nonexclusive right to grant permits, licenses, and easements upon, across, over,

under, and through the Common Area and facilities for purposes necessary for the proper operation of the Project.

- 9.2 **Public Utilities.** Easements and rights-of-way over the Project for the installation and maintenance of electricity lines, telephone lines, cable television lines, fiber optics, water lines, gas lines, sanitary sewer lines, drainage facilities, telecommunication fixtures and equipment, utility fixtures and equipment, and such lines, fixtures, or equipment needed or determined by the Board of Directors to be helpful in serving the Project, Lots, or Lot Owners are hereby established and dedicated; provided, however, use of said easements and rights-of-way shall not unreasonably interfere with the use of the Common Area and facilities and the Lots by the Owners or Occupants. The Association shall have the power to grant and convey, in the name of the Association or all of the Owners as their attorney-in-fact, to any Person, easements and rights-of-way in, on, over, or under the Common Area and facilities for the purpose of constructing, erecting, operating, or maintaining lines, cables, wires, wireless transmission or reception equipment, conduits, or other devices for electricity, cable television, power, telecommunications, internet, telephone, public sewers, storm water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes and any other public, quasi-public, or private improvements or facilities. Each Owner, in accepting the deed to a Lot, expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.
- 9.3 **Easements for Encroachments.** If any portion of the Common Area or any subdivision improvement encroaches upon any Lot, or if any Lot encroaches upon any other Lot or Common Area as a result of the manner in which the subdivision improvements are constructed or due to settling, shifting, alteration, replacement, repair, or restoration by the Association, a valid easement for encroachment, and maintenance of such encroachment, shall exist for the life of the improvement or structure.
- (a) In accordance with the foregoing, there shall be an easement for air conditioner units that encroach on the Common Area for the remaining life of the air conditioner. This easement shall expire when the air conditioner is replaced unless the Owner of the air conditioner receives approval from the Board to continue utilizing the Common Area for such purpose
- (b) This Amended Declaration creates no easements, express or implied, that permit one (1) Lot Owner to maintain facilities or improvements on an adjacent Owner's Lot.
- 9.4 **Limitation on Easement.** An Owner's rights and license for the use and enjoyment of the Common Area shall be subject to any other limitation in the Governing Documents and the right of any governmental or quasi-governmental body having jurisdiction over the Project to access and to have rights of ingress and egress over and across any roadway, parking area, or open areas contained within the Project for purposes of providing police and fire protection, transporting school children, and providing other governmental or municipal services.
- 9.5 **Views.** Views from a Lot and the Project are not assured or guaranteed in any way. There is no warranty concerning the preservation of any view or view plane from the Project and each Owner and Occupant in such Owner's Lot acknowledges and agrees that there are no view easements or view rights appurtenant to the Lot or the Project.

ARTICLE 10: USE LIMITATIONS & CONDITIONS

- 10.1 **Rules.** The Association shall have authority to promulgate and enforce such reasonable Rules and procedures as may aid the Association in carrying out any of its functions and to ensure that the Project is maintained and used in a manner consistent with the interest of the Owners. Pursuant to Utah Code § 57-8a-218(15), the requirements of § 57-8a-218, Subsections (1) through (13), except Subsection (1)(b)(ii), are hereby modified not to apply to the Association.
- 10.2 **Signs.** The Association may regulate and restrict signs in the Project, to the extent permitted by law, in the Rules and Regulations. Unless the Association adopts additional rules regulating signs in the Project, no signs or any other device with the apparent purpose of communicating any message to someone outside of a Lot shall be hung or displayed on a Dwelling or Lot except as permitted herein or by the Board in writing. “Signs” shall include any type of object (including, but not limited to, flags, billboards, banners, plaques, a-frames, easel signs, poly-bag signs, corrugated plastic signs, lawn signs, window signs) used to convey a message, symbol, idea, identification, or for any other purpose that signs are typically used, that is placed in, on, or outside of a Lot with the apparent purpose, in whole or in part, of making it visible to people outside of the Lot. Notwithstanding the foregoing, the following signs shall be permitted:
- (a) Occupants may display one (1) reasonably sized American flag on the exterior of a Dwelling consistent with the Freedom to Display the American Flag Act of 2005, the Utah Display of Flag Act, and Utah Code § 57-8a-219. Flags, if displayed, must be displayed in accordance with United States Code Title 4, Chapter 1.
 - (b) Occupants may display one (1) “For Sale” sign in front of a Dwelling or Lot. Occupants may place one (1) additional “For Sale” sign at the complex entrance.
- 10.3 **Nuisance.** No noxious or offensive activity shall be carried on within the Project, nor shall any activity that might be or become an annoyance or nuisance to the Owners or Occupants be permitted to interfere with their rights of quiet enjoyment or increase the rate of any insurance or decrease the value of the Lots. No Owner or Occupant shall engage in activity within the Project in violation of any law, ordinance, statute, rule, or regulation of any local, city, county, state, or federal body. The Board may adopt rules that further describe the activities that are deemed to be nuisances within the Project.
- 10.4 **Temporary Structures.** No structure or building of a temporary character, including a tent, trailer, or shack, shall be placed upon the Project or used therein unless it is approved by the Board of Directors and the ARC.
- 10.5 **Parking.** Unless otherwise permitted by the Association in the Rules, the following parking restrictions shall apply. No equipment, material, or vehicles of any nature shall be stored on any street located within the Project. Licensed, regularly used passenger vehicles may be parked in the street of the Project in designated areas for brief periods of time (i.e. less than twenty-four (24) hours). Overnight parking of vehicles is restricted to the driveway of the Dwelling being visited and any street parking shall be prohibited during winter months to accommodate snow removal. Recreational vehicles (including, without limitation, motorcycles, trailers, campers, vans, snowmobiles, OHVs, or boats) are prohibited from being stored at the front of the Dwelling and shall only be permitted to park at the front of the Dwelling for temporary periods required for loading and unloading. No cars on blocks or non-running vehicles are permitted. The Association shall post “no parking” signage as necessary to enforce parking restrictions.

The Association may adopt additional Rules relating to the parking of vehicles within the Project by Owners, Occupants, and their respective family members, tenants, guests, and invitees, including, without limitation:

- (a) the right to remove or cause to be removed any vehicles that are improperly parked;
- (b) restrictions on the type of vehicles allowed to be parked;
- (c) restrictions on the time period and duration of temporary parking; and
- (d) the assessment of fines to Owners who violate the Rules or their Occupants and guests who violate such Rules.

Through the Rules, the Association may restrict or limit parking on the private roadways by Owners, Occupants, and their respective family members, tenants, guests, invitees and by other people associated with the use of the Lots.

- 10.6 **Outside Speakers and Amplifiers.** Owners shall be permitted to maintain reasonable radio, stereo, and speaker equipment for the projection of sound or music on or directed to the outside of any Dwelling, but any such equipment shall be subject to the regulations and limitations in the Association's Architectural Design Guidelines and Rules, including any noise and nuisance requirements. Unreasonable noise originating from a Lot or Dwelling between the hours of 10:00 p.m. and 8:00 a.m. shall be deemed a nuisance.
- 10.7 **Repairs.** No repairs of any detached machinery, equipment, or fixtures, including, without limitation, motor vehicles, shall be made in the Project except within an enclosed garage or as may be permitted by the Board of Directors in the Rules.
- 10.8 **Holiday Decorations.** Holiday decorations may be displayed on the outside of Dwellings within a reasonable amount of time before and after the related holiday. The Association may adopt additional Rules to regulate holiday decorations in the Project, to the extent permitted by law. Holiday decorations shall include any type of object (including, but not limited to, lights, wreaths, plants, trees, displays, inflatable items, religious iconography or symbols) relating to any national or religious holiday or used to convey a religious message, symbol, idea, identification, or for any other purpose that holiday decorations are typically understood and which are placed in, on, or outside of a Dwelling with the apparent purpose, in whole or in part, of making it visible to people outside of the Dwelling.
- 10.9 **Unightly Items.** The Board may adopt Rules regulating the removal, accumulation, and placement of any rubbish, debris, or unsightly material, conditions, or items. Unless and until the Board has adopted Rules, the following shall apply:
 - (a) no vehicle, boat, or equipment shall be constructed, reconstructed, repaired, or abandoned within the Project, except for work done entirely within a completely enclosed garage or for work of a minor nature completed in a driveway in less than twenty-four (24) hours;
 - (b) all rubbish, debris, unsightly materials, or similar objects of any kind shall be regularly removed from Lots and shall not be allowed to accumulate therein or thereon;
 - (c) refuse containers and machinery and equipment not a part of the Lot shall be prohibited on the Lot unless obscured from view of neighboring Lots, or unless otherwise approved by the Board;

- (d) all regularly used trash containers shall be stored within a garage or behind the fence of the Dwelling, except within twenty-four (24) hours of collection;
- (e) clotheslines shall be permitted in backyards so long as they are not visible from the streets within the Project; and
- (f) plantings and landscaping placed on the property shall be properly nurtured and maintained.

10.10 **Animals.** Owners may only keep animals in accordance with city, county, and state laws and ordinances. Domestic animals generally kept in households such as dogs, cats, birds, fish, and hamsters may be kept in the Project subject to the rules and requirements of this Amended Declaration. Unless otherwise permitted by the Association in the Rules, no more than a combination of any two (2) domestic animals allowed under this section shall be kept in a Lot or Dwelling and no livestock, poultry, or reptiles may be kept in any Lot.

Notwithstanding the foregoing, no animal may be kept within a Lot which: (1) is raised, bred, kept, or maintained for any commercial purposes; (2) causes a nuisance; or (3) in the good faith judgment of the Board of Directors, results in a threat of injury to other Owners or Occupants within the Project. The Board of Directors may exercise its judgment for specific animals even though others of the same breed or type are permitted to remain. All fecal matter shall immediately be cleaned up in the Project. The Board may adopt Rules adding further Terms and Conditions related to animals in the Association not inconsistent with this Amended Declaration, including, but not limited to, requirements for registration, specific fees or deposits for Owners of Lots that have animals, the use of leashes, and noise and barking limitations. An Owner who keeps a pet or animal of any kind is liable for any and all damage caused by such pet or animal and shall indemnify and hold harmless the Association and any other Owner from any loss, claim, or liability of any kind arising from or related to such pet or animal.

10.11 **Residential Occupancy.** No trade or business may be conducted in or from any Dwelling unless:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell, from any other Dwelling or Lot;
- (b) the business activity conforms to all zoning and legal requirements for the Project and the business activity;
- (c) the business activity does not involve more than three (3) individuals per day coming onto the Project who do not reside in the Project;
- (d) the business activity does not involve the solicitation of Occupants or Owners of the Project;
- (e) the business activity is consistent with the residential character of the Project and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other Owners and Occupants of the Project;
- (f) the business activity is disclosed to the Board before business is commenced along with a description of the business activity, a statement of the amount of space required in the Dwelling or Lot for such activity, and a description of any impact on the Project;

- (g) the business activity will not result in the increase of the cost of any of the Association's insurance;
 - (h) the Owner of the Lot resides in the Dwelling in which the business activity is proposed for the entire time any business activity is conducted; and
 - (i) the Board's ongoing requests for information related to the business as necessary to determine compliance with this paragraph are responded to fully and completely.
- 10.12 **No Subdivision, Timeshare, or Recording by Owners of Terms & Conditions.** No Lot or Dwelling shall be split, subdivided, separated, or timeshared into two (2) or more Lots or Dwellings or property interests (whether temporally or spatially), and no Owner of a Lot shall sell or lease any portion less than the whole part thereof. No subdivision Plat or covenants, conditions, or restrictions shall be recorded by any Owner or other Person with respect to any one (1) Lot. No subdivision Plat or covenants, conditions, or restrictions related to any Lot, any Dwelling, or the Project shall be recorded on the Project unless the Board and/or Owners (as required in this Amended Declaration) have first approved the Plat or the proposed covenants, conditions, or restrictions. Any Plat or covenants, conditions, or restrictions recorded in violation of this section shall be null, void, and of no legal effect.
- 10.13 **Landscape Maintenance.** Owners shall be responsible for maintaining their yards and fences as set forth in Section 4.1. The Association may adopt Rules further regulating the landscape maintenance for the Lots, including standards for repairs, weed control, etc.
- 10.14 **Lighting.** The Board may adopt rules setting forth exterior lighting standards and regulation. If such rules are adopted, then exterior lighting fixtures and walkway and landscaping lights shall be allowed only to the extent approved by the Board.
- 10.15 **Energy Conservation Equipment.** No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot or Dwelling unless such installation is an integral and harmonious part of the architectural design of the Lot or Dwelling and is consistent with solar panel and other design restrictions set forth in the Architectural Design Guidelines. The ARC shall have the sole discretion to determine compliance with the Architectural Design Guidelines. Solar panels shall not be installed so as to be visible from any Lot or street in the Project without prior approval from the ARC.
- 10.16 **Variances.** The Board may, at its option and in extenuating circumstances, grant variances from the Terms and Conditions set forth in this Article if the Board determines in its discretion (by unanimous vote): (1) either that the Term and Condition would create an unreasonable hardship or burden on an Owner or Occupant, or that a change of circumstances since the recordation of this Amended Declaration has rendered such Term and Condition obsolete and unreasonable to enforce; and (2) that the activity permitted under the variance will not have any financial affect or any other substantial adverse effect on the Owners or Occupants of the Project and is consistent with the high quality of life intended for residents of the Project. Any such variance shall be unenforceable and without any effect whatsoever unless reduced to writing and signed by every member of the then-existing Board. No variance may be granted that is inconsistent with the Act. No variance may be granted that relates to the payment of Assessments unless it clearly appears after reasonable investigation under the circumstances that the Owner is incapable of paying the Assessment and the Lot is being or has been transferred to a new Owner either voluntarily or involuntarily through foreclosure.

10.17 **Hazardous Substances.**

- (a) The Owners shall comply with applicable Environmental Laws (as defined below), and shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined below), on or within the Project, that are not properly controlled, safeguarded, and disposed of. The Owners shall not do, nor allow anyone else to do, anything affecting the Project that is in violation of any Environmental Law. The preceding two (2) sentences shall not apply to the presence, use, or storage on the Project of small quantities of Hazardous Substances that are generally recognized to be appropriate to the maintenance of a Lot or the Project.
- (b) No one shall permit anything to be done or kept on a Lot or Dwelling which will result in the cancellation of insurance or which would be in violation of any public law, ordinance, or regulation.
- (c) Each Owner shall indemnify, defend, and hold the Association and each and every other Owner harmless from and against any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury, property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Substances located under or upon or migrating into, under, from, or through the Project, which the Association or the other Owners may incur due to the actions or omissions of an indemnifying Owner. The foregoing indemnity shall apply: (1) when the release of the Hazardous Substance(s) was caused by an indemnifying Owner or an Occupant and (2) whether or not the alleged liability is attributable to the handling, storage, generation, transportation, or disposal of Hazardous Substance(s) on the Project. The obligations of each Owner under this section shall survive any subsequent sale by an indemnifying Owner.
- (d) As used in this section, "Hazardous Substances" are those substances defined as a toxic or hazardous substance by Environmental Law, including, but not limited to, the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. "Environmental Law" means federal laws and laws of the jurisdiction where the Project is located that relate to health, safety, or environmental protection.

ARTICLE 11: INSURANCE

- 11.1 **Insurance Requirement.** The Association shall obtain insurance as required in this Amended Declaration and as required by applicable law. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Amended Declaration. Different policies may be obtained from different insurance carriers and stand-alone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.
- 11.2 **Annual Insurance Report.** The Board of Directors may obtain a written report by an independent and experienced insurance broker, agent, or consultant (who may be the insurance provider/agent/broker used by the Association), with specific knowledge and experience in the community association insurance industry, setting forth: (1) a summary description of the insurance coverage obtained by the Association, including the dollar amounts of any such coverage, and any material exceptions, exclusions, and limitations on

such coverage; (2) whether, in the opinion of such broker or consultant, the insurance coverage in effect for the Association complies with the requirements of this Amended Declaration and the law; and (3) a description of any earthquake insurance and material exclusions and limitations for that coverage. The report may also set forth any recommendations or suggestions from the insurance professional regarding current policy provisions, deductibles, exceptions, exclusions, and for additional insurance suggested or recommended for the protection of the Owners in light of the insurance then available and the best practices with respect to other similar projects. If obtained, the most recent annual insurance report shall be provided to any Owner upon request.

- 11.3 **Property Insurance.** The Association shall maintain a policy of property insurance covering the Common Area, including all buildings and improvements, building service equipment, and fixtures thereon to the extent that any structure that is normally insured under a property insurance policy is installed or erected on the Common Area and is the Association's obligation to maintain.
- (a) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to or otherwise permanently part of or affixed to Common Areas, including, but not limited to, floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, and windows.
 - (b) At a minimum, the blanket policy shall afford protection against loss or damage by:
 - (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and
 - (2) all perils normally covered by "special form" property coverage.
 - (c) The blanket policy shall be in an amount not less than one hundred percent (100%) of the current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.
 - (d) The Association shall set aside an amount equal to the amount of the Association's property insurance policy deductible or, if the policy deductible exceeds ten thousand dollars (\$10,000.00), an amount not less than ten thousand dollars (\$10,000.00).
- 11.4 **Comprehensive General Liability (CGL) Insurance.** For so long as the Association has any obligation to maintain Common Area, the Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, repair, replacement, maintenance, or ownership of the Common Area and the Owners' membership in the Association. The coverage limits under such policy shall not be less than one million dollars (\$1,000,000.00) covering all claims for death of or injury to any one individual or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.
- 11.5 **Directors' and Officers' Insurance.** The Association shall obtain Directors' and Officers' liability insurance protecting the Board Members, the officers, and the Association against

claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). This policy shall:

- (a) include coverage for volunteers and employees;
- (b) include coverage for monetary and non-monetary claims;
- (c) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) provide coverage for defamation.

In the discretion of the Board of Directors, the policy may also include coverage for any Manager and any employees of the Manager and may provide that such coverage is secondary to any other policy that covers the Manager or any employees of the Manager.

11.6 **Workers' Compensation Insurance.** If the Association has any employees, the Board shall purchase and maintain in effect workers' compensation insurance for all employees, if any, of the Association to the extent that such insurance is required by law and may purchase workers compensation insurance even if the Association has no employees, as the Board deems appropriate.

11.7 **Association's Right to Negotiate All Claims & Losses & Receive Proceeds.** Insurance proceeds for a loss under the Association's property insurance policy: (1) are payable to an Insurance Trustee (defined in Section 11.8 below) if one is designated, or to the Association; and (2) shall not be payable to a holder of a security interest. An Insurance Trustee, if one is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Amended Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any remaining proceeds after such action as is necessary and is related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Lots. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of negotiating all losses related thereto, including:

- (a) the collection, receipt of, and appropriate disposition of all insurance proceeds;
- (b) the execution of releases of liability;
- (c) the execution of all documents; and
- (d) the performance of all other acts necessary to administer such insurance and any claim.

This power of attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors, or assigns of an Owner.

11.8 **Insurance Trustee.** In the discretion of the Board or upon written request executed by Owners holding fifty-one percent (51%) or more of the Allocated Interests, the Board may hire and appoint an insurance trustee ("Insurance Trustee") with whom the Association may enter into an insurance trust agreement, for the purpose of exercising such rights under this paragraph as the Owners or Board (as the case may be) shall require related to a loss and receipt or potential receipt of insurance proceeds.

- 11.9 **Certificates.** Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association and, upon written request, to any Owner or Lender.
- 11.10 **Named Insured.** The named insured under any policy of insurance shall be the Association.
- 11.11 **Owner Act Cannot Void Coverage Under Any Policy.** Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association to terminate an insurance policy, an Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.
- 11.12 **Waiver of Subrogation Against Owners and the Association.** All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association, the Owners, any person residing with a Lot Owner if an Owner resides in the Lot, and the Association's agents and employees.
- 11.13 **Right of Action.** Nothing in this Amended Declaration shall prevent an Owner suffering a loss as a result of damage to property from asserting a claim, either directly or through subrogation, for the loss against any Person or entity at fault for the loss.
- 11.14 **Applicable Law.** This Amended Declaration is specifically subjecting the Association to the insurance requirements and provisions in Part 4 of the Act, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that any future changes to the insurance law applicable to community associations shall apply to this Association.

ARTICLE 12: DESTRUCTION OF IMPROVEMENTS

- 12.1 **Reconstruction.** In the event of partial or total destruction of a Common Area structure, or any portion of the Common Area within the Project, the Board of Directors shall promptly take the following actions:
- (a) The Board shall ascertain the cost of reconstruction by obtaining fixed price bids from at least two (2) reputable contractors with active contractor licenses.
 - (b) The Board, or any Insurance Trustee, if one is appointed, shall determine and liquidate the amount of insurance proceeds, if any.
 - (1) **Damage to a Portion of Project—Insurance Proceeds.**
 - (i) If a portion of the Project for which insurance is required under this part is damaged or destroyed, the Association shall repair or replace the portion within a reasonable amount of time unless: (1) repair or replacement would be illegal under a state statute or local ordinance governing health or safety; or (2) Owners holding at least seventy-five percent (75%) of the Allocated Interests in the Association vote not to rebuild.
 - (ii) The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.
 - (c) If the Board, in good faith, determines that none of the bids submitted under this section reasonably reflect the anticipated reconstruction costs, the Board shall continue to attempt to obtain additional bids that it determines reasonably reflect such costs. Such determination shall be made by the Board as soon as possible.

- (d) The Board may engage the services of a reputable, licensed architect to advise and consult with the Board on all actions and decisions under this section.
 - (e) The Board may contract with a licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the Common Area in conformance with the original plans and specifications, or if the Board determines that adherence to such original plans and specifications is impracticable or is not in conformance with applicable laws, ordinances, building codes, or other governmental rules or regulations then in effect, then such repairs or rebuilding shall be of a kind and quality substantially equivalent to the original construction of such improvements.
- 12.2 **Negotiations with Insurer.** The Association shall have full authority to negotiate in good faith with representatives of the insurer regarding any totally or partially destroyed Building or any other portion of the Common Area, and to make settlements with the insurer for less than full insurance coverage on the damage to such Building or any other portion of the Common Area. Any settlement made by the Association in good faith shall be binding upon all Owners and Lenders.
- 12.3 **Repair of Lots.** The repair of any damage to a Lot or Dwelling shall be made by and at the individual expense of the Owner(s) of that Lot.
- 12.4 **Priority.** Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering the Owner's Lot as to any portion of insurance proceeds allocated to such Lot.

ARTICLE 13: EMINENT DOMAIN

- 13.1 **Taking of Common Area.** If a portion of the Common Area and Facilities is taken by eminent domain, or sold under threat thereof, and is not comprised of and does not include any Lot, the Board of Directors shall, as soon as practicable, cause the award to be utilized for the purpose of repairing or restoring that area in the Project adjacent to the taking, and the portion of the award not used for restoration shall be added to the general funds of the Association.
- 13.2 **Taking of Entire Project.** In the event the Project, in its entirety, is taken by eminent domain, or sold under threat thereof, the Project is terminated and the provisions related thereto in this Amended Declaration shall apply.
- 13.3 **Total Taking of a Lot.** If a Lot is taken by eminent domain, or sold under threat thereof, leaving the Owner with a remnant that may not be practically or lawfully used for any purpose permitted by this Amended Declaration, the award must compensate the Owner for the Owner's Lot and Allocated Interest regardless of whether any Common Area is taken. Upon such a taking, unless the decree otherwise provides, that Lot's Allocated Interest automatically shall be reallocated to the remaining Lots in proportion to their respective interests immediately before the taking. Upon such a taking, the Association shall prepare, execute, and record an amendment to this Amended Declaration and Plat that accomplishes the adjustment required for this section.
- 13.4 **Partial Taking of a Lot.** Except as provided in Section 13.3, if part of a Lot is taken by eminent domain, or sold under threat thereof, so that such Lot may still be practically and lawfully used under this Amended Declaration, the award must compensate the Owner for the reduction in the value of the Owner's Lot. Upon such a taking, that Lot's Allocated Interest in the Common Area shall remain the same.

- 13.5 **Priority and Power of Attorney.** Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering the Owner's Lot as to any portion of any condemnation award allocated to such Lot. Each Owner hereby appoints the Association as attorney-in-fact for the purpose of negotiations and settlement with the condemning authority for the acquisition of the Common Area or any part thereof.

ARTICLE 14: TERMINATION

- 14.1 **Required Vote.** Except as otherwise provided in Article 12 or Article 13, the Project may be terminated only by the approval of Owners holding at least sixty-seven percent (67%) of the Allocated Interests.
- 14.2 **Termination Agreement.** An agreement to terminate shall be evidenced by the execution or ratification of a termination agreement, in the same manner as a deed, by the requisite number of Owners. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement, including all ratifications of such termination agreement, shall be recorded in the records of the Salt Lake County Recorder and is effective only on recordation.

ARTICLE 15: AMENDMENTS

- 15.1 **General Amendment Requirements.** Except as otherwise provided herein, this Amended Declaration may be amended only by an instrument in writing. Owners holding Allocated Interests totaling not less than sixty-seven percent (67%) of the total Allocated Interest must vote in favor of approving the amendment in a meeting of the Owners held for that purpose in accordance with the Bylaws. No meeting shall be required for an amendment if the required vote for approval is obtained by written consent or ballot.
- 15.2 **Scope of Amendments.** This Amended Declaration may be amended to add new rights, restrictions, and obligations, or to remove or modify existing rights, restrictions, and obligations. The right to amend shall be broadly construed to permit any change to the rights, restrictions, obligations, and other terms in this Amended Declaration. This Amended Declaration may be amended to make a particular section of the Act applicable to the Association, including a section that would not otherwise be applicable to the Association or if the application is unclear, without incorporating other provisions of the Act that are not otherwise applicable to the Association.
- 15.3 **Execution and Effective Date of Amendments.** An amendment that has been adopted as provided herein shall be executed by the Board of Directors, through its agent, who shall certify that the amendment has been approved and adopted and that the procedures and requirements necessary to amend this Amended Declaration have been complied with. The amendment shall be effective when it is recorded in the Salt Lake County Recorder's Office.
- 15.4 **Changes to Plat or Boundaries of the Association.** Unless otherwise required by Subsection 4.2(f) of this Declaration, the Association may adopt an amended Plat, supplemental Plat, correction to the Plat, or boundary agreement related to any boundary in or around the Project, including any boundary to any Lot or Lots upon the approval by vote of sixty-seven percent (67%) of Owners in the same manner as required to amend this Amended Declaration. Any such Plat may make material changes to the existing or prior Plat, including deleting, adding, or modifying Common Area, or other changes in the layout of the Project. If any such amendment affects any boundary of a Lot, that Owner of the

modified Lot must consent in writing. If the approval required herein is obtained, each and every Owner:

- (a) shall sign, consent to, and execute any further documents required for the finalization, recording, and/or governmental approval of any such document regardless of whether they approved of or consented to the change in the Plat;
- (b) grants the Association power of attorney to sign necessary documents on each Owner's behalf as necessary for the agreement, amendment, or correction; and
- (c) consents that the president of the Association, on behalf of the Association and its Board, has the authority to execute any such amended Plat, supplemental Plat, or correction to the Plat on behalf of the Association and all Lot Owners in the Project.

15.5 **Amendment to Conform to Law.** The Board may, without the approval of the Owners, amend this Amended Declaration to conform it to any applicable legal requirements otherwise applicable to the Association, but only to the extent necessary to eliminate any conflict with the law, to add provisions required by law, or to add provisions that embody rights or obligations otherwise binding on the applicable parties as a matter of law. This procedure may also be used to change this Amended Declaration to add or conform to any requirements necessary for Owners to obtain government insured or guaranteed financing such as through VA, FHA, FNMA, or similar programs or to comply with any directive of any federal, state, or local government agency. The following procedures and requirements must be complied with for any such amendment:

- (a) The Association must obtain from an attorney who has a significant experience with and a regular practice in area of community association law, a written opinion explaining in detail and opining that the proposed amendment may be sought pursuant to this section.
- (b) The Board must unanimously agree to the amendment at the time it is recorded.
- (c) The Board must provide to the Owners:
 - (1) the proposed amendment instrument;
 - (2) the language of this section of this Amended Declaration;
 - (3) the law that conflicts with the existing Declaration language or the provisions that must be complied with to permit owners to obtain financing;
 - (4) the attorney opinion letter required for the amendment; and
 - (5) a notice in which the Association:
 - (i) notifies the Owners that it intends to amend this Amended Declaration pursuant to this section;
 - (ii) provides notice to the Owners of their the right to object to the amendment within thirty (30) days; and
 - (iii) provides instructions on how, when, and where to properly return the objection.

The Board may include further explanation, information, and recommendations regarding the proposed amendment in the information provided to the Owners.

- (d) Within forty-five (45) days of providing the information to the Owners required by this section, no more than thirty percent (30%) of the Owners have objected to the amendment.
- (e) Having otherwise complied with all of the requirements of this section, the Board Members shall each sign the amendment instrument verifying that this section has been complied with to the best of their knowledge and that no more than thirty percent (30%) of the Owners objected after having received proper notice. The amendment shall be effective upon the recording of the instrument in the office of the Salt Lake County Recorder.

ARTICLE 16: INTERPRETATION, CONSTRUCTION, & APPLICATION OF DECLARATION

- 16.1 **No Waiver.** Failure by the Association or by any Owner to enforce any Term and Condition in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to that breach and any such future breach of the same or any other Term and Condition.
- 16.2 **Conflicting Provisions.** In the case of any conflict between the Governing Documents, the order of priority from the highest to the lowest shall be this Amended Declaration, the Plat, the Articles, the Bylaws, and then the Rules.
- 16.3 **Interpretation of Declaration and Applicability of the Act.** The Project shall be governed by the Act, except where (in compliance with the Act) the Association has included specific provisions in this Amended Declaration that legally vary, supersede, or supplement the Act, in which event such specific provisions of this Amended Declaration that are contrary to the Act shall govern the Project to the extent legally allowed by the Act. In the case of any conflict between this Amended Declaration and the Act, to the extent the Act does not legally allow this Amended Declaration to contain provisions contrary to the Act, the Act shall control and this Amended Declaration shall be deemed modified accordingly, but only to the extent necessary to come into compliance with the Act.
- 16.4 **Cumulative Remedies.** All rights, options, and remedies of the Association and the Owners in the Governing Documents are cumulative, and none shall be exclusive of any other, and the Association and the Owners shall have the right to pursue any one or all of such rights, options, and remedies or any other remedy or relief that may be provided by law simultaneously, consecutively, or alternatively.
- 16.5 **Severability.** Invalidation of any one or a portion of the Terms and Conditions by judgment or court order shall in no way affect any other Term and Condition, all of which shall remain in full force and effect.
- 16.6 **Construction.** The provisions of this Amended Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community and for the maintenance of the Project. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. References in this Amended Declaration to article and section numbers, unless otherwise expressly provided, are to the article and section in this Amended Declaration. To the extent permitted by law, the provisions of the Governing Documents shall not be interpreted for or against or strictly for or against the Association, any Owner, or any other Person subject to their terms.

- 16.7 **Applicable Law.** This Association is specifically made subject to the Act and the law as it is constituted and exists at the time this Amended Declaration is recorded. Amendments to the Act after the date of recording of this Amended Declaration shall not be applicable to the Association or the Project unless they are applicable as a matter of law or unless the Association makes those amendments applicable by amendment to this Amended Declaration.
- 16.8 **Gender and Number.** Whenever the context of the Governing Documents requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.
- 16.9 **Effect of Declaration.** This Amended Declaration is made for the purposes set forth in the recitals in this Amended Declaration, and the Association makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Amended Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations, and the like applicable thereto. The Association shall have no liability whatsoever if any Term and Condition is determined to be unenforceable in whole or in part for any reason.

ARTICLE 17: NOTICE

- 17.1 **Notices.** Any notice to be given to an Owner, a Lender, or the Association under the provisions of the Governing Documents shall be in writing and shall be delivered as follows:
- (a) Notice to an Owner from the Association.
- (1) Notice to an Owner shall be effective upon the satisfaction of any of the following delivery methods:
- (i) By a written notice delivered personally to the Owner, which shall be effective upon delivery.
- (ii) By a written notice placed in the first-class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Unless otherwise provided by law, such as provided in Utah Code § 16-6a-103(4), any notice so deposited in the mail shall be deemed effective when received or five (5) days after such deposit, whichever occurs first.
- (iii) By electronic transmission to an Owner which includes:
- (A) By email that is sent to an email address provided by the Owner for the purpose of Association communications; or an email sent to an email address from which the Owner has communicated related to Association matters, and so long as no indication is received that the email may not have been delivered. Unless otherwise provided by law, any notice sent by email shall be deemed effective when received or five (5) days after it is sent, whichever occurs first.
- (B) By facsimile (whether to a machine or to an electronic receiving unit) to an Owner that is sent to a facsimile number

provided by the Owner for the purpose of Association communications and so long as no indication is received that the facsimile may not have been delivered. Unless otherwise provided by law, any notice sent by facsimile shall be deemed effective when received or five (5) days after it is sent, whichever occurs first.

- (C) By text message to a phone number provided by the Owner for the purpose of Association communications; or a phone number from which the Owner has communicated related to Association matters, and so long as no indication is received that the text message may not have been delivered. Unless otherwise provided by law, any notice sent by text message shall be deemed effective when received or five (5) days after it is sent, whichever occurs first.
 - (iv) By any other method that is fair and reasonable as provided for in the Act or otherwise provided for by law.
 - (2) Notwithstanding Subsection (1) of this section, the Association shall send all notices by U.S. Mail if an Owner, by written demand, demands that the Association send all notices by mail.
 - (3) In the case of co-Owners, notice to one of the co-Owners is effective as notice to all such co-Owners. The Association shall not be required to give more than one (1) notice per Lot, whether electronic or not. In case any two (2) co-Owners receive conflicting notice demands, notice shall be proper if mailed by first-class mail to the Lot address.
 - (4) In posting of a notice on the Lot, such posting is effective when posted on the front or primary access door to the primary Dwelling and any such posting may be removed by the Association the sooner of either (1) two (2) days after the event or action for which notice was given or (2) ten (10) days after the posting.
- (b) Special Notice Prior to Association Entry.
- (1) Emergency. The Association shall not have the right to enter the interior of a Dwelling for an emergency, and may only enter a Dwelling as provided in Section (2) below or with the permission of an Owner.
- In case of an emergency or condition requiring immediate entry onto the area of a Lot that is not part of the interior of a Dwelling, as determined by the sole discretion of the Board or its authorized agent, before entry the Association shall:
- (i) knock on the door of the Dwelling and attempt to obtain permission to enter the Lot from an Occupant or Owner;
 - (ii) if no one answers the knocking, loudly identify who is knocking and state that the Person identified is going to enter the Lot on behalf of the Association, then wait one (1) minute; and
 - (iii) where practicable under the circumstances, attempt to call the Owner or any Occupant prior to entering the Lot to inform them of the entry.

- (2) The Association may only enter a Lot or Dwelling for the purposes permitted in this Amended Declaration. If the Association determines that it needs to enter a Lot or Dwelling, then before entering, the Association shall:
- (i) Give notice to the Owner that an entry is required at least two (2) weeks in advance with such notice stating:
 - (A) that the Association or its authorized Persons will enter;
 - (B) the date and time of the entry;
 - (C) the purpose of entering;
 - (D) a statement that the Owner or Occupant can be present during the time the Association is on the Lot or inside the Dwelling;
 - (E) the full names of any Person who will be entering, and the phone numbers and addresses of the Persons entering or of the company for whom the Persons entering are employed for the purpose of entering; and
 - (F) any other information the Association deems appropriate to include; and
 - (ii) Post the written notice described above on the front door or primary access door of the Dwelling on the Lot at least seven (7) days prior to entry.
- (c) Notice to a Lender. Notice to a Lender shall be delivered by first-class U.S. Mail, postage prepaid, to the most recent address furnished by such Lender in writing to the Association for the purpose of notice or, if no such address shall have been furnished, to any office of the Lender. Any address for a Lender that is found on a document recorded on the title of a Lot shall be deemed an office of the Lender. Any notice so deposited in the mail shall be deemed effective when received, or five (5) days after such deposit, whichever occurs first.
- (d) Notice to Association from an Owner. An Owner's notice to the Association shall be effective upon the satisfaction of any of the following delivery methods:
- (1) By a written notice delivered personally to a Board Member, which shall be effective upon delivery;
 - (2) By a written notice placed in the first-class U.S. Mail, postage prepaid, to the current registered business address of the Association. Any notice so deposited in the mail shall be deemed effective when received, or five (5) days after such deposit, whichever occurs first;
 - (3) By written email correspondence to the Association: (1) that is sent to an email address provided by the Association in the prior twelve (12) months for the purpose of Association communications or (2) that is emailed to an email address from which the President of the Association has communicated related to Association matters, and so long as no indication is received that the email may not have been delivered or received. Any notice sent by email shall be deemed effective when received, or five (5) days after it is sent, whichever occurs first;

- (4) By facsimile (whether to a machine or by other means) to the Association that is sent to a facsimile number provided by the Association for the purpose of Association communications and so long as no indication is received that the facsimile may not have been delivered or received. Any notice sent by facsimile shall be deemed effective when received, or five (5) days after it is sent, whichever occurs first; or
- (5) By text message to a phone number provided by the Association for the purpose of Association communications, and so long as no indication is received that the text message may not have been delivered. Unless otherwise provided by law, any notice sent by text message shall be deemed effective when received or five (5) days after it is sent, whichever occurs first.

ARTICLE 18: ATTORNEY FEES AND COSTS

18.1 Legal Costs Associated with Disputes with Owners.

- (a) **Owner Liable for Fees Incurred in Dispute.** If the Association utilizes legal counsel to enforce any Term and Condition after notice to the Owner that the Association intends to enforce the Term and Condition or after the Owner communicates or demonstrates an intent not to comply with the Term and Condition, the Association may assess all reasonable attorney fees and costs associated with such enforcement to the Owner, regardless of whether a lawsuit is initiated or not.
- (b) **Costs.** The term “costs” as used in this section shall include all costs, including, but not limited to, copying costs, deposition costs, expert witness fees, investigative costs, service costs, and filing fees paid to courts. “Costs” is specifically defined in this Amended Declaration to be broader and to include costs that are not included in costs as the term is used in the Utah Rules of Civil Procedure.
- (c) **Exception to Owner’s Liability for Fees and Costs.** If, related to (1) any dispute with an Owner, (2) any challenge by an Owner to a position of the Association on a Term and Condition, or (3) a request of an Owner for direction on the application of a Term and Condition, the Association incurs legal fees or costs related to the interpretation and application of a Term and Condition that: (1) the Association could not establish an initial position on without having incurred the fees and costs, or (2) results in a substantial modification to a prior position taken by the Association, then those fees or costs shall not be assessed to any Owner and shall be paid by the Association. This exception shall not apply if a lawsuit is currently pending with regard to the Owner and the issues arise as part of the lawsuit.

ARTICLE 19: RESERVES

19.1 Requirement for Reserves. The Association shall obtain a reserve analysis and shall maintain a reserve fund for the maintenance, repair, and replacement of the Common Area, pursuant to the following provisions:

- (a) **Collection.** Reserve funds may be collected as part of regular or special Assessments, as determined by the Board.
- (b) **Amount.** In formulating the Association’s yearly budget, the Association shall include a reserve fund line item in an amount the Board of Directors determines, based on the reserve analysis, to be prudent. A reserve fund line item means the line

item in the Association's annual budget that identifies the amount to be placed into the reserve fund.

- (c) **Owner Veto.** Within forty-five (45) days after the day on which the Association adopts the annual budget, the Owners may veto the reserve fund line item by a fifty-one percent (51%) vote of the allocated voting interests in the Association at a special meeting called by the Owners for the purpose of voting whether to veto a reserve fund line item. If the Owners veto a reserve fund line item and a reserve fund line item exists in a previously approved annual budget of the Association that was not vetoed, the Association shall fund the reserve account in accordance with that prior reserve fund line item.
- (d) **Surplus Monies Applied to Reserves.** The Association may retain surplus Association money as additional reserves.
- (e) **Segregation of Reserves.** In accordance with Utah Code § 57-8a-211, the Association shall segregate money held for reserves from regular operating and other accounts.
- (f) **Reserve Analysis.** In accordance with Utah Code § 57-8a-211, the Board shall cause a reserve analysis with an onsite evaluation to be conducted no less frequently than every six (6) years. The Board shall review and, if necessary, update a previously conducted reserve analysis no less frequently than every three (3) years. The reserve analysis shall include, at a minimum:
 - (1) a list of the components identified in the reserve analysis that will reasonably require reserve funds;
 - (2) a statement of the probable remaining useful life, as of the date of the reserve analysis, of each component identified in the reserve analysis;
 - (3) an estimate of the cost to repair, replace, or restore each component identified in the reserve analysis;
 - (4) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the reserve analysis during the component's useful life and at the end of the component's useful life; and
 - (5) a reserve funding plan that recommends how the association may fund the annual contribution set forth in the reserve analysis. The reserve analysis and updates shall project a minimum of thirty (30) years into the future.
- (i) **Qualifications for Person Preparing Reserve Analysis.** The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis. The Person preparing the reserve study may have: (1) experience in current building technologies, (2) a solid working knowledge of building-cost estimating and life-cycle costing for facilities, and (3) the tools and knowledge to prepare a report. Preferable qualifications include the Reserve Specialist (RS) designation available through the Community Association Institute (CAI), the Professional Reserve Analyst (PRA) designation offered through the Association of Professional Reserve Analysts (APRA), or other designations by similar associations establishing that the Person has some formal training related to preparing a reserve analysis.

- (ii) Summary and Copies of Reserve Analysis. In accordance with Utah Code § 57-8a-211, the Association shall annually provide Owners a summary of the most recent reserve analysis or update. The Association shall provide a copy of the complete reserve analysis or update to any Owner requesting a copy.

ARTICLE 20: LEASING AND NON-OWNER OCCUPANCY

- 20.1 **Declaration and Rules Govern Non-Owner Occupancy.** Notwithstanding anything to the contrary in this Amended Declaration or in the Bylaws, any leasing and non-Owner occupancy of a Lot shall be governed by this section, the Rules, and procedures adopted as allowed in this section.
- 20.2 **Definitions.** For the purpose of this section:
 - (a) “Non-Owner Occupied Dwelling” means:
 - (1) For a Lot owned in whole or in part by a natural individual or individuals, the Dwelling is occupied by someone when no individual Owner occupies the Dwelling as the individual Owner’s primary residence; or
 - (2) For a Dwelling owned entirely by one (1) or more entities or trusts, the Dwelling is occupied by anyone.
 - (b) “Family Member” means:
 - (1) the spouse, parent, sibling, or child of an Owner, or
 - (2) in the case of a Dwelling owned by a trust or other entity created for estate planning purposes, a Person occupying the Lot if the trust or other estate planning entity that owns the Lot was created for the estate of
 - (i) a current Occupant of the Lot; or
 - (ii) the spouse, parent, child, or sibling of the current Occupant of the Lot.
- 20.3 **No Non-Owner Occupancy.** Except as provided in Subsection 20.4, no Dwelling may be leased or Non-Owner Occupied.
- 20.4 **Permissible Non-Owner Occupied Dwelling.** The following Dwellings, or Lots on which the Dwellings are located, may be Non-Owner Occupied:
 - (a) A Dwelling being rented at the time this Amended Declaration is recorded in the Salt Lake County Recorder’s office shall be grandfathered and permitted to rent, lease, or allow a Non-Owner Occupant to reside in the Dwelling until: (1) the Lot Owner occupies the Dwelling; or (2) the ownership of the Lot, as evidenced by the records at the county recorder, changes in any way. Upon a change of ownership or occupation by an Owner, the Lot’s, or Dwelling’s, qualification for this exception irrevocably terminates.
 - (b) A Dwelling located on a Lot owned by a Person in the military for the period of the Owner’s deployment.
 - (c) A Dwelling occupied by a Lot Owner’s spouse, parent, child, or sibling.
 - (d) A Dwelling located on a Lot whose Owner is relocated by the Owner’s employer for a period of no less than two (2) years.

- (e) A Dwelling located on a Lot that is owned by an entity and is occupied by a natural Person and that Person has: (1) voting rights under the entity's organizing documents, and (2) a twenty-five percent (25%) or greater share of ownership, control, and right to profits and losses of the entity.
- (f) A Dwelling located on a Lot owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for:
 - (1) the estate of a current resident of the Dwelling; or
 - (2) the parent, child, or sibling of the current resident of the Dwelling.

20.5 Rules and Resolutions Regarding Non-Owner Occupancy.

- (a) Required Rules or resolutions. The Board of Directors shall create, by Rule or resolution, procedures to:
 - (1) Determine and track the number of Lots subject to Section 20.4; and
 - (2) To ensure consistent administration and enforcement of this Article 20.
- (b) Permitted Rules. The Board of Directors may adopt Rules requiring:
 - (1) Reporting and procedural requirements related to Non-Owner Occupied Dwellings and the Occupants of those Dwellings other than those found in this Article 20, including requiring informational forms to be filled out by Owners and/or residents identifying non-Owner Occupants, vehicles, phone numbers, etc.;
 - (2) Reasonable fees related to the administration of leased and Non-Owner Occupied Lots, to the extent otherwise allowed by law; and
 - (3) Other reasonable administrative provisions consistent with and as it deems appropriate to enforce the requirements of this Declaration

20.6 Requirements for Leasing and Non-Owner Occupancy. The Owners of all Dwellings must comply with the following provisions:

- (a) Any lease or agreement for otherwise allowable non-Owner occupancy must be in writing, must be for an initial term of at least one (1) year, and shall provide as a term of the agreement that the resident shall comply with this Amended Declaration, the Bylaws, and the Rules, and that any failure to comply shall be a default under the lease or agreement. If a lease or agreement for non-Owner occupancy (whether in writing or not) does not include these provisions, they shall nonetheless be deemed to be part of the lease or agreement and binding on the Owner and the resident.
- (b) A copy of any lease or other agreement for non-Owners occupancy and contact information for the non-Owner Occupants shall be delivered to the Association within thirty (30) days of the execution of the lease or agreement.
- (c) A non-Owner Occupant may not occupy any Dwelling for transient, short-term (less than one year), hotel, resort, Airbnb, vacation, or seasonal use (whether for pay or not).
- (d) No Owner may lease less than the entire Dwelling.
- (e) Except as a guest of an Owner, daily and weekly occupancy by non-Owner Occupants is prohibited (whether for pay or not).

- 20.7 **Exceptions for Family Members.** If only Family Members occupy a Lot, or Dwelling, then notwithstanding anything contrary herein, the following applies:
- (a) Subsections 20.6(a), 20.6(c), and 20.6(d) shall not apply to that occupancy;
 - (b) No written agreement regarding occupancy needs to be created between the Occupant and the Owner; and
 - (c) Any written agreement regarding occupancy, to the extent it exists, may not be requested by the Board until an Occupant has violated a provision of the Governing Documents and if requested, may only be requested related to remedying or taking action as a result of such a violation.
- 20.8 **Joint and Several Liability of Owner and Non-Owner Occupants.** The Owner of a Dwelling shall be responsible for the Occupant's or any guest's compliance with this Amended Declaration, Bylaws, and Rules. In addition to any other remedy for non-compliance with this Amended Declaration, after reasonable notice, the Association shall have the right to initiate an action and obtain a forcible entry and unlawful detainer order from the court, or similar action, with the purpose of removing the offending non-Owner Occupant. The Association, the Board, and any Manager shall not have any liability for any action taken pursuant to this subparagraph and the Owner shall indemnify and pay the defense costs of the Association, the Board, and any Manager arising from any claim related to any action taken in good faith by any of them pursuant to this subparagraph.

ARTICLE 21: GENERAL PROVISIONS

- 21.1 **Enforcement.** The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all Terms and Conditions, including the right to prevent the violation of any such Terms and Conditions and the right to recover damages and other sums for such violation.
- 21.2 **No Liability of Officials.** To the fullest extent permitted by applicable law, neither the Board of Directors nor any officer of the Association shall be liable to any Owner or the Association for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act, omission, error, or negligence.
- 21.3 **Use of Funds Collected by the Association.** All funds collected by the Association, including Assessments and contributions to the Association paid by the Owners, if any, shall be held by the Association in a fiduciary capacity to be expended in their entirety for nonprofit purposes of the Association in managing, maintaining, caring for, and preserving the Common Area and for other permitted purposes as set forth in this Amended Declaration. No part of said funds shall inure to the benefit of any Owner (other than as a result of the Association managing, maintaining, caring for, and preserving the Common Area and other than as a result of expenditures made for other permitted purposes as set forth in this Amended Declaration).
- 21.4 **Owner Liability and Indemnification.** Each Owner shall be liable to the remaining Owners and to the Association for any damage to the Common Area and Facilities that may be sustained by reason of the negligent or intentional act that Owner or any intentional or negligent act of any Occupant of that Owner's Dwelling or their invited guests, to the extent such losses and damages are either under the deductible of the Association or not covered by the Association's insurance. Each Owner, by acceptance of a deed to a Lot, agrees personally to indemnify each and every other Owner and Occupant in such other Owner's

Lot and to hold such other Persons harmless from, and to defend such Persons against, any claim of any Person for personal injury or property damage occurring within the Lot of that particular Owner, except to the extent that: (1) such injury, damage, or claim is covered and defended by the Association's or such other Owner's liability insurance carrier; or (2) the injury or damage occurred by reason of the intentional act of the Association.

- 21.5 **Consent, Power of Attorney, and Waiver.** By acceptance of a deed, lease, or other conveyance of an interest in a Lot, each Owner or Occupant consents to the rights reserved to the Association in this Amended Declaration, including, but not limited to, the right to prepare, execute, file, process, and record necessary and appropriate documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Amended Declaration, the Plat, and the Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on such Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Association's reserved rights as set forth in this Amended Declaration and shall not be affected by the disability of any such Owner or Occupant.
- 21.6 **Security.** The Association shall in no way be considered an insurer, guarantor, or provider of security from criminal conduct within or relating to the Project, including any Common Area and Facilities that the Association may have an obligation to maintain. The Association shall not be held liable for any loss or damage by reason of criminal conduct arising for any reason, including any failure to provide security or any ineffectiveness of security measures undertaken. Each Owner or Person entering the Project acknowledges that the Association has no duty to any Owner or Occupant related to security or criminal conduct and expressly acknowledges that no duty is owed to anyone such as that of a landlord or retail business. By purchasing a Lot in this Association and/or residing in this Association, Owners and Occupants agree that the Association and the Board are not insurers of the safety or well-being of Owners or Occupants or of their personal property as it relates to criminal conduct, and that each Owner or Occupant specifically waives any such claim and assumes all risks for loss or damage to Persons or property resulting from criminal conduct, to the extent any such damages are not covered by insurance.
- 21.7 **Reasonable Accommodations.** Notwithstanding anything to the contrary in this Amended Declaration, the Association, upon receipt of a written opinion from its counsel that such action is required, may make or permit reasonable accommodations or modifications to the Project that are otherwise prohibited by the Governing Documents, as required under Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) as amended, to accommodate a Person with a disability (as defined by Federal law at the time the accommodation is requested). Reasonable accommodations or modifications may include modifications to a Lot, the Common Area and Facilities, or the buildings, or deviations from provisions of the Governing Documents. Any such modification and accommodation made under this section shall not act as a waiver of the provisions of the Governing Documents with regard to anyone else.
- 21.8 **No Representations and Warranties.** EACH OWNER AND OCCUPANT UNDERSTANDS, AGREES, AND ACKNOWLEDGES THROUGH TAKING TITLE OR RESIDING IN THE PROJECT THAT THE ASSOCIATION AND THE BOARD OF DIRECTORS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF

EXHIBIT A

LEGAL DESCRIPTION

The real property located in the Villas of Country Lane Subdivision Plat recorded in the Salt Lake County Recorder's office, more particularly described as follows:

BOUNDARY DESCRIPTION		
COURSE	DIST.	REMARKS
		COMMENCING 1039.47' FEET SOUTH 89° 54' 45" EAST AND 33.00
		FEET SOUTH 0° 05' 15" WEST FROM A COUNTY SURVEY MONUMENT
		AT THE CENTER LINE INTERSECTION OF 4500 SOUTH STREET
		AND 900 EAST STREET, SAID POINT OF BEGINNING ALSO
		DESCRIBED IN SOME OLD DEEDS AS BEING 275.34 FEET SOUTH
		AND 259.38' FEET EAST OF THE CENTER OF SECTION 5,
		TOWNSHIP 2 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND
		MERIDIAN, AND RUNNING THENCE
89° 54' 45" E	255.05	FEET; THENCE
0° 05' 15" W	140.00	FEET; THENCE
EAST	103.34	FEET; THENCE
50° 44' 39" W	205.37	FEET; THENCE
WEST	303.30	FEET; THENCE
N 1° 07' 30" E	405.82	FEET TO THE POINT OF BEGINNING.
		CONTAINING 3.0346 ACRES. OR 27 LOTS

Salt Lake County Parcel Numbers

Parcel No.	Lot	Parcel No.	Lot	Parcel No.	Lot
22054060270000	1B	22054060360000	10A	22054060460000	20B
22054060280000	2A	22054060370000	11B	22054060470000	21A
22054060290000	3B	22054060380000	12A	22054060480000	22B
22054060300000	4A	22054060390000	13B	22054060670000	23A & 24B*
22054060310000	5A	22054060400000	14A	22054060580000	25A* & 24B*
22054060320000	6B	22054060680000	15A & 16B*	22054060640000	26B & 25A*
22054060330000	7B	22054060630000	17A* & 16B*	22054060530000	27A
22054060340000	8A	22054060660000	18B & 17A*	22054060260000	Common
22054060350000	9B	22054060450000	19A	22054060550000	Common

* A portion of the Lot is included with the Parcel No.

EXHIBIT B

**BYLAWS
FOR
VILLAS OF COUNTRY LANE
HOMEOWNERS ASSOCIATION, INC.**

TABLE OF CONTENTS

ARTICLE I: DEFINITIONS 1

 1.1 Definitions 1

 1.2 Notice 1

ARTICLE II: OWNERS..... 1

 2.1 Annual Meetings 1

 2.2 Special Meetings 2

 2.3 Place of Meetings 2

 2.4 Notice of Meetings 2

 2.5 Owners of Record 2

 2.6 Quorum 2

 2.7 Proxies 3

 2.8 Votes 3

 2.9 Ballots and Written Consent 3

 2.10 Minutes of Meetings 3

ARTICLE III: BOARD OF TRUSTEES..... 4

 3.1 Number, Tenure, Qualifications, and Election 4

 3.2 Meetings 5

 3.3 Informal Action and Action by Board Members Without a Meeting 7

 3.4 Compensation 9

 3.5 Resignation and Removal 9

 3.6 Vacancies 9

ARTICLE IV: OFFICERS..... 9

 4.1 Officers 9

 4.2 Election, Tenure and Qualifications 9

 4.3 Subordinate Officers 9

 4.4 Resignation and Removal 9

 4.5 Vacancies and Newly Created Offices 9

 4.6 The President 10

 4.7 The Vice President/Treasurer 10

 4.8 The Secretary 10

 4.9 Compensation 10

ARTICLE V: SUB-COMMITTEES..... 11

 5.1 Designation of Sub-Committees 11

 5.2 Proceedings of Sub-Committees 11

 5.3 Quorum and Manner of Acting 11

 5.4 Resignation and Removal 11

 5.5 Vacancies 11

ARTICLE VI: INDEMNIFICATION..... 11

 6.1 Indemnification 11

 6.2 Other Indemnification 12

 6.3 Settlement by Association 12

ARTICLE VII: AMENDMENTS..... 12

 7.1 Amendments 12

 7.2 Execution of Amendments 12

ARTICLE VIII: WAIVER OF IRREGULARITIES..... 12

 8.1 Waiver of Procedural Irregularities 12

 8.2 Requirements for Objections 13

 8.3 Irregularities that Cannot Be Waived 13

**BYLAWS
OF
THE VILLAS OF COUNTRY LANE
HOMEOWNERS ASSOCIATION**

These Bylaws are hereby adopted and established as the Bylaws of the Villas of Country Lane Homeowners Association, Inc. (the "Association"). These Bylaws and any amendments thereto shall apply to the Association upon their recording and shall bind all present and future Owners and Occupants.

ARTICLE I: DEFINITIONS

- 1.1 **Definitions.** Except as otherwise provided herein or as may be required by the context, all terms defined in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Villas of Country Lane (the "Amended Declaration"), as amended, shall have the same defined meanings when used in these Bylaws.
- 1.2 **Notice.** Notice as required in these Bylaws shall be accomplished as provided for in the Amended Declaration.

ARTICLE II: OWNERS

- 2.1 **Annual Meetings.**
- (a) **Requirement.** An annual meeting of the Owners shall be held each calendar year during the month of July.
 - (b) **Date.** The Board of Directors may from time to time change the date and time for the annual meeting of the Owners.
 - (c) **Purpose.** The annual meeting shall be held for any, or all, of the following purposes:
 - (1) Discussing most recent financial report, budget statement, and reserve study;
 - (2) Reviewing and discussing the Rules;
 - (3) Discussing insurance issues and coverage;
 - (4) Voting of Owners on any proposed increase in Assessments; and
 - (5) Transacting such other business as may properly come before the meeting.
 - (d) **Approval of Minutes.** The minutes of the annual meeting, not previously approved at a Board meeting, shall be approved by a majority of the Board Members in attendance at the following annual meeting.
 - (e) **Election of Board Members.** If the election of the Board Members cannot be held on the day designated for the annual meeting of the Owners, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a

special meeting of the Owners, to be convened as soon thereafter as may be convenient.

2.2 Special Meetings.

- (a) **Who May Call.** Special meetings of the Owners may be called by the Board of Directors, the President, or upon the written request of Owners holding no less than thirty percent (30%) of the Allocated Interest of the Association.
- (b) **Requirements for Request of Owners.** Any written request for a special meeting by the Owners shall include the signature of each Owner affirmatively supporting such request along with a statement of the purpose of the meeting. The statement of affirmation and purpose must be on every document containing signatures. Such written request is to state the purpose or purposes of the meeting and shall be delivered to the Manager, or the President, who shall then call, provide notice of, and conduct a special meeting within thirty (30) days of receipt of the request that shall address the purpose identified on the request, but no other issues.

2.3 Place of Meetings. The Board may designate the office of the Manager, any place inside the Project, or any place within five (5) miles of the Project as the place of meeting for any annual or special meeting.

2.4 Notice of Meetings. The Board shall cause written notice of the time and place, and in the case of a special meeting, the purpose, for all meetings of the Owners (whether annual or special) to be delivered, not more than thirty (30) nor fewer than ten (10) days prior to the meeting.

2.5 Owners of Record. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, or any adjournment thereof, the Board may designate a record date, which shall not be more than thirty (30) or fewer than ten (10) days prior to the meeting. If no record date is designated prior to sending notice of the meeting, the first date on which a notice of the meeting is sent shall be deemed to be the record date for determining Owners entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Lots in the Property shall be deemed to be the Owners of record entitled to notice of and to vote at the Owner meeting.

2.6 Quorum. At any meeting of the Owners, the presence of Owners, in person, by ballot, or by holders of proxies entitled to cast, holding at least fifty-one percent (51%) of the Allocated Interest of the Association shall constitute a quorum for the transaction of business. If a quorum is not met, the meeting shall be postponed to a date of not more than thirty (30) days and not less than fifteen (15) days at which time the Owners present, in person, by ballot, or by proxy, shall constitute a quorum. In the case of any such postponement, notice of the meeting shall again be provided to all Owners at least seven (7) days before the postponed meeting which shall include the statement: "The meeting will occur without any requirement for a minimum number of owners present."

The vote of the Owners representing a majority of the Allocated Interest of the Owners in attendance in person or by proxy shall decide any vote or question brought before the meeting. Notwithstanding the foregoing, if the Act, the Articles of Incorporation, the Amended Declaration (as amended), or these Bylaws require a fixed percentage of

Owners' Allocated Interests to approve any specific action (*e.g.*, amending Governing Documents), that percentage shall be required to approve such action.

- 2.7 **Proxies.** At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner or by the Owner's attorney when duly authorized in writing. If a Lot is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Lot or that Owner's attorney when duly authorized in writing. Such instrument authorizing a proxy to act shall set forth the specific matters or issues upon which the proxy is authorized to act, and may allow the proxy to vote on any issue arising at any particular meeting or meetings. Such instrument shall be delivered either prior to or at the meeting (but no later than any point after the start of the meeting and announced as the final time to deliver proxies) to the Secretary of the Association or to such other officer or person who has been authorized by the Association to accept proxies at the meeting.
- 2.8 **Votes.** With respect to each matter submitted to a vote of the Owners, each Owner entitled to vote at the meeting shall have the right to cast, in person or by proxy, one (1) vote for each Lot of such Owner. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting shall be necessary for the adoption of any matter voted on by the Owners, unless a greater proportion is required by these Bylaws, the Amended Declaration, the Act, or the Utah Revised Nonprofit Corporations Act. The election of Board Members shall be by secret ballot. When more than one (1) Owner holds an interest in a Lot, any Owner may exercise the vote for such Lot on behalf of all co-Owners of the Lot. In the event of two (2) conflicting votes by co-Owners of one (1) Lot, no vote shall be counted for that Lot. In no event shall fractional votes be exercised in respect to any Lot.
- 2.9 **Ballots and Written Consent.** The Association (1) may act without calling a meeting of the Owners and without voting in person by utilizing either written consents consistent with Utah Code § 16-6a-707, as may be amended or renumbered; or (2) may take action by written ballots consistent with Utah Code § 16-6a-709, as may be amended or renumbered.
- 2.10 **Minutes of Meetings.** The Secretary shall take minutes of all Owner meetings. The minutes shall include, at a minimum:
- (a) the number of the Persons present at the meeting in person and by proxy;
 - (b) the date of the meeting;
 - (c) the identification of any issue that is voted on or decided in the meeting;
 - (d) the voting results on any issue voted upon; and
 - (e) the exact wording of any resolution passed at the meeting.

The failure to take appropriate minutes or otherwise comply with this section does not invalidate any action taken at a meeting. Draft meeting minutes for each annual meeting of the Owners shall be made available to all Owners within thirty (30) days of the annual meeting.

ARTICLE III: BOARD OF DIRECTORS

3.1 Number, Tenure, Qualifications, and Election.

- (a) Number of Members. The Board of Directors shall be composed of three (3) persons meeting the qualifications stated in the Amended Declaration and these Bylaws.
- (b) Board Member Requirements. A Board Member must be an Owner or the spouse of an Owner, over the age of eighteen (18) years old, and must reside in the Project. If an Owner is a corporation, estate, limited liability company, partnership, trust, or other legal entity, an officer, principle, shareholder, partner, member, manager, trustee, or beneficiary of such Owner may be a Member of the Board, provided the agent resides in the Project. Only one (1) Board Member may serve per Lot. Any candidate whose election or appointment would contravene this requirement shall be ineligible for election or appointment.
- (c) Term. The term of each Board Member shall be two (2) years. The terms of the Board Members shall overlap so that two (2) Board Members are elected the first year and one (1) Board Member is elected the following year and so on.
- (d) Nominations. At or before the annual meeting or any subsequent meeting at which the election is held, any Owner may submit his or her own name or the name of any other willing and otherwise qualified person to serve on the Board of Directors. If the Association gives advance notice of any persons seeking election to the Board of Directors, it shall include the names of every person from whom it has received the written affirmation. If the name of a person is submitted who is not in attendance at the meeting, it shall not be added to the final ballot for election of Board Members unless it is submitted with a written statement signed by the person indicating that the person is willing to serve. Nominations may also be submitted in person from the floor of any meeting in which Board Member elections are held.
- (e) Election. At each annual meeting of the Association an election shall be held to fill any vacancies on the Board. Board Members will be elected by a simple majority of Owners present at the annual meeting. If two (2) candidates have equal votes, then the issue shall be resolved by a coin toss.
- (f) Disqualification. If any Board Member is alleged not to meet the qualification requirements in the Amended Declaration and any Board Member is notified of or discovers this alleged lack of qualification, the Board of Directors shall promptly investigate and verify whether the Board Member is qualified or not, and during this period shall not make any further decisions. If the Board Member is not qualified, the Board Member's membership on the Board of Directors shall terminate automatically retroactive to the date that written notice of an alleged lack of qualification was provided to the Association or, if no notice was provided, to the date that the Board of Directors established that the Board Member was not qualified. If a Board Member becomes unqualified or was not qualified under the Governing Documents, but was nonetheless elected to or permitted to remain on the Board of Directors, the decisions and actions of the

Board of Directors and that Board Member are not subject to challenge on this basis up to the time that the Association is notified in writing as provided for in this section or until the Board Member is disqualified if no such notice is provided.

- (g) **Removal for Failure to Participate.** If any Board Member shall fail to appear at three (3) successive regular Board meetings or fifty percent (50%) or more of the regular Board meetings within any calendar year, after having received proper notice of the meetings and after the Board of Directors has attempted in good faith to schedule meetings consistent with all of the members' schedules, the other Board Members may by majority vote remove that Member.

3.2 **Meetings.**

- (a) **Regular Meetings.** The Board of Directors shall hold regular meetings at least annually, and more often at its discretion.
- (b) **Minutes of Board Meetings.** The Secretary shall take minutes of all Board meetings. The minutes shall include, at a minimum: the names of those Board Members present at the meeting, the date of the meeting, identification of issues voted on at the meeting and results of any such vote, and the names of any Owners that make comments at the meeting.
- (c) **Who is Entitled to Attend.** Consistent with Utah Code § 57-8a-226, Owners may attend meetings and may be present for all discussion, deliberation, and decisions except when the Board of Directors is in Executive Session.
- (d) **Owner Comments at Board Meetings.** At each special or regular meeting of the Board, the Board shall provide each Owner who wishes to speak a reasonable opportunity to offer comments. The Board may select a specific time period during the meeting and limit Owner comments to such a time period. The Board may set a reasonable length of time that each Owner may speak.
- (e) **Special Meetings.** Special meetings of the Board may be called by or at the request of any two (2) Board Members or the President of the Association. Notice of any special meeting shall be given at least forty-eight (48) hours prior thereto to each Board Member. Except as provided by law, no notice of special meetings is required to be provided to Owners, although any Owner may attend a special meeting if the Owner appears in person at the physical location of the meeting.
- (f) **Quorum and Manner of Acting.** A majority of Board Members shall constitute a quorum for the transaction of business at any meeting of the Board. The Board has the authority to approve minutes of an annual meeting. The act of a majority of the Board Members present at any meeting at which a quorum is present and for which proper notice was provided to the Board Members shall be the act of the Board. The Board Members shall act only as a Board, and individual Board Members shall have no powers as such.
- (g) **Place and Notice of Meetings.** The Board may designate any place in Salt Lake County as the place of meeting for any regular meeting called by the Board but shall in good faith attempt to hold meetings in as close a proximity to the Project

as reasonably possible. All Board Members and Owners who have requested notice shall be given at least forty-eight (48) hours' notice of meetings.

- (h) Notice to Owners. Any Owner may request notice of Board meetings by requesting such notice from either a Board Member or the Manager and providing a valid postal, email, or delivery address at which the Board Member will receive notice. Any Owner who has requested notice of Board meetings shall be given notice along with the Board Members.
- (i) Attendance by Telephone or other Electronic Communication. The Board may allow attendance and participation at any meeting of the Board by telephone or any other means that allows for the Board Members to communicate orally in real time, including, but not limited to, means such as web conferencing, video conferencing, or telephone conferencing. If the Board meets by electronic communication, the Board must provide information necessary to allow any Owner who has requested notice of meetings the ability to participate by the available means of electronic communication.
- (j) Executive Session.
 - (1) The Board of Directors or a Sub-Committee may, by motion and a vote, continue deliberations and discussions in executive session and, if they enter executive session, shall discontinue any executive session by motion and a vote. A Board Member who is not a member of a Sub-Committee shall not be entitled to attend executive sessions of the Sub-Committee or inspect attorney-client privileged minutes of the Sub-Committee, without approval of the Board.
 - (2) The minutes of the meeting at which an executive session is held shall include:
 - (i) The purpose(s) of the executive session in sufficient detail. For example, the following are sufficient descriptions: "to discuss the terms of a management contract with XYZ Company," "to discuss the pending litigation with XYZ" or "to discuss a complaint of a Rule violation."
 - (ii) Any decisions made during executive session. Decisions made in executive session that cannot be properly and fully documented without disclosing attorney-client privileged information shall be recorded in the minutes of the meeting as "Decision made regarding attorney-client privileged issue that is recorded in separate and attorney-client privileged minutes of the Executive Session" and separate executive session minutes shall be created that shall fully describe the decision as would normally be required in regular minutes. The separate executive session minutes shall state on their face that they contain attorney-client privileged information and shall be disclosed to non-committee members only as required by law for the disclosure of attorney-client privileged information.

- (3) The discussions in executive session shall be confidential and shall not be disclosed to anyone outside of the meeting except as authorized by the Board or the Sub-Committee. Documents analyzed in executive session may be confidential for other reasons provided for by law or in the Governing Documents, but they are not confidential merely as a result of having been discussed or presented in executive session.
- (4) Executive sessions may be held to discuss and make decisions related to the following matters:
 - (i) pending or prospective legal proceedings and issues related to the Association, its operations, or its governance, including, but not limited to, meetings with the Association's counsel;
 - (ii) contracts and purchases related to the Association, including, but not limited to, the negotiations, potential breaches, reviews of contracts, and the terms of any purchases;
 - (iii) Association employee and personnel issues, including reviews, discipline issues, termination issues, salary issues, and the terms of employment;
 - (iv) Rule violations by owners, including, but not limited to, the discussion of complaints and whether to impose fines or utilize any particular remedy to address particular violations;
 - (v) discussion of delinquent assessments or fines; and
 - (vi) discussion of a matter that involves an individual if the discussion is likely to cause the individual undue embarrassment or violate the individual's reasonable expectation of privacy.
- (5) The Board or the Sub-Committee holding the executive session shall determine who, outside of that committee, shall be allowed to be present in executive session, and no one else is entitled to be present. All Board Members shall be entitled to be present at executive committee meetings of the Board. All members of a Sub-Committee shall be entitled to be present in executive sessions of the Sub-Committee.

3.3 **Informal Action and Action by Board Members Without a Meeting.**

- (a) Any action that is required or permitted to be taken at a Board meeting may be taken without a meeting if each and every Board Member, in writing, either:
 - (1) Votes for the action; or
 - (2) Votes against or abstains from voting, and waives in writing the right to demand that action not be taken without a meeting.
- (b) An action taken pursuant to this section shall not be effective unless the Association receives writings:
 - (1) Describing the action taken;
 - (2) Signed by each Board Member; and

- (3) Not revoked pursuant to Subsection 3.3(d).
- (c) Action is taken under this section is effective only if the affirmative vote for the action equals or exceeds the minimum number of votes that would be necessary to take the action at a meeting at which all of the Board Members then in office were present and voted.
- (d) A Board Member may revoke consent to any action given pursuant to this section by communicating that the Board Member has changed his or her vote, in writing, with a description of the action. To be effective, the revocation must be received before receipt of the final consent necessary for the action to be effective.
- (e) An action approved pursuant to this section is effective when the last writing necessary to satisfy this section is received by the Association.
- (f) Action taken pursuant to this section has the same effect as action taken at a meeting of the Board and may be described as an action taken at a meeting of the Board Members in any document.
- (g) For purposes of this section:
- (1) “Signed” or “signature” is any indication on the document (whether paper or electronic) that the document is from and consented to by the person who is purported to have sent it. For example, a typed name at the bottom of an email satisfies the requirement for a signature.
 - (2) “Writing” shall refer to an email, letter, facsimile, or any other physical or electronic document.
 - (3) Communications may be by email, facsimile, hand delivery, mail, or other electronic or physical means.
 - (4) Any response to any electronic communication shall be:
 - (i) to the address of the sender using the same address and means of communication as was used to send the request for consent of an action (such as email, facsimile, or hand delivery); or
 - (ii) to any address in regular use (electronic, telephonic, or physical) by the person sending the request.
 - (5) A communication shall satisfy the requirement to “describe the action taken” if:
 - (i) it is in the form of an email and it includes with the email the content of prior emails in the email chain that describes or includes the proposed action;
 - (ii) it is in the form of a facsimile and it includes either as a separate page or on the page in which a response is given, the request for action or a description of the proposed action; or
 - (iii) the writing from the Board Member sufficiently describes or restates the proposed action.

- 3.4 **Compensation.** No Board Member shall receive compensation for any services that he/she may render to the Association as a Board Member; provided, however, that a Board Member may be reimbursed for expenses incurred in the performance of his duties to the extent such expenses are approved by the Board of Directors.
- 3.5 **Resignation and Removal.** A Board Member may resign at any time by delivering a written resignation to either the President or the Board of Directors. Unless otherwise specified therein, such resignation shall take effect upon delivery. An oral resignation attempt is not effective. Any Board Member may be removed and replaced at any time, with or without cause, by the affirmative vote of at least sixty-five percent (65%) of the Allocated Interest of the Association at a special meeting of the Owners duly called for such purpose.
- 3.6 **Vacancies.** If vacancies shall occur in the Board of Directors by reason of the death, resignation, removal for failure to attend meetings, or disqualification of a Board Member, the Board Members then in office shall continue to act, and shall call a special meeting of the Owners as soon as practical for the purpose of electing a replacement. Any vacancy in the Board of Directors occurring by reason of removal of a Board Member by the Owners may be filled by election by the Owners at the meeting at which such Board Member is removed. Any Board Member elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his/her predecessor.

ARTICLE IV: OFFICERS

- 4.1 **Officers.** The officers of the Association shall be a President, Vice President/Treasurer, and Secretary.
- 4.2 **Election, Tenure and Qualifications.** The officers of the Association shall be chosen by the Board of Directors annually at the first meeting of the Board following the annual meeting. Each such officer shall hold such office until a successor has been elected or until such officer's death, resignation, disqualification, or removal, whichever first occurs. All officers must be Members of the Board during the entire term of their respective offices.
- 4.3 **Subordinate Officers.** The Board may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.
- 4.4 **Resignation and Removal.** Any officer may resign at any time by delivering a written resignation to any Board Member or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced by the Owners at any time, with or without cause.
- 4.5 **Vacancies and Newly Created Offices.** If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Owners at any regular or special meeting. During the time that any office is vacant and no other officer is available to perform the duties of that office as required below, the Board shall ensure that the duties and responsibilities of the office are performed.

- 4.6 **The President.** The President shall preside at meetings of the Board of Directors and at meetings of the Owners. At all meetings, the President shall have all authority typically granted to the person presiding over a meeting, including, but not limited to:
- (a) the right to control the order of the meeting;
 - (b) the right to arrange for the removal of any disruptive persons who may include but not be limited to any person who (1) refuses to abide by rules or requests of the presiding person related to the order of the meeting and when speaking is permitted, or (2) engages in vulgar, threatening, or otherwise inappropriate language or gestures;
 - (c) the right to impose and enforce reasonable rules and procedures related to the meeting such as those found in “Robert’s Rules of Order” or “The Modern Rules of Order”; and
 - (d) the right to designate the Manager or any other person to preside over any meeting at which the President is present.

The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things as required by the Board. The President shall have the general authority to implement decisions of the Board and shall oversee the operations of the Association. The President shall have authority in case of emergency to take action without Board of Directors approval as is necessary and prudent to preserve and protect the Property. The President shall be responsible for the duties of any other office while that office is vacant.

- 4.7 **The Vice President/Treasurer.** The Vice President/Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Directors, and when requested by the President, shall report the state of the finances of the Association at each meeting of the Owners and at any meeting of the Board. The Vice President/Treasurer shall have authority and obligation to generally implement the requirements of the Governing Documents as related to the funds of the Association. The Vice President/Treasurer shall also act in the place and stead of the President in the event of the President’s absence or inability or refusal to act. The Vice President/Treasurer shall perform such other duties as required by the Board of Directors.
- 4.8 **The Secretary.** The Secretary shall keep the minutes of all meetings of the Association and shall maintain such books and records as these Bylaws, the Amended Declaration, the law, or any resolution of the Board may require such person to keep. The Secretary shall execute any necessary communication and notice with the Owners. The Secretary shall also act in the place and stead of the President in the event of the President and Vice President/Treasurer’s absence or inability or refusal to act. The Secretary shall perform such other duties as required by the Board.
- 4.9 **Compensation.** No officer shall receive compensation for any services rendered to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of such duties as an officer to the extent such expenses are approved by the Board of Directors. Any compensation earned by an officer for services to the association extraneous to the officer’s normal duties will be allowed as

long as that arrangement is announced at the annual meeting and is generally acknowledged.

ARTICLE V: SUB-COMMITTEES

- 5.1 **Designation of Sub-Committees.** The Board of Directors may from time to time designate “Sub-Committees” as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. A Sub-Committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board in a written resolution. The Board may terminate any Sub-Committee at any time.
- 5.2 **Proceedings of Sub-Committees.** Each Sub-Committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such Sub-Committee may from time to time determine. Each such Sub-Committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.
- 5.3 **Quorum and Manner of Acting.** At each meeting of any Sub-Committee designated hereunder by the Board, the presence of members constituting at least a majority of the authorized membership of such Sub-Committee (but in no event less than two (2) members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such Sub-Committee. The members of any Sub-Committee designated by the Board hereunder shall act only as a Sub-Committee, and the individual members thereof shall have no powers, as such. A Sub-Committee may exercise the authority granted by the Board.
- 5.4 **Resignation and Removal.** Any member of any Sub-Committee designated hereunder by the Board may resign at any time by delivering a written resignation to the President, the Board, or the presiding officer of such Sub-Committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, with or without cause, remove any member of any Sub-Committee designated by the Board.
- 5.5 **Vacancies.** If any vacancy shall occur in any Sub-Committee designated by the Board due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy by the Board, constitute the then total authorized membership of the Sub-Committee and, provided that two (2) or more members are remaining, may continue to act. Such vacancy may be filled by the Board.

ARTICLE VI: INDEMNIFICATION

- 6.1 **Indemnification.** No Board Member, officer, or member of a Sub-Committee shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct of said Board Member, officer, or Sub-Committee member performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Board Member, officer of the Association, or a member of a duly formed Sub-Committee, as well as such person’s heirs and administrators, from and against any and all claims, judgments, and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a Board Member, officer of the Association,

or member of a Sub-Committee or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such Board Member, officer, or Sub-Committee member, and shall advance and reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that the Association shall have the right, in its sole discretion, to defend such person from all suits or claims; provided further, however, that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's intentional misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted.

- 6.2 **Other Indemnification.** The indemnification herein provided shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be provided under any statute, agreement, vote of disinterested Board Members, or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. The indemnification herein provided shall continue as to any person who has ceased to be a Board Member, officer, Sub-Committee member, or employee, and shall inure to the benefit of the heirs, executors, and administrators of any such person.
- 6.3 **Settlement by Association.** The right of any person to be indemnified shall be subject always to the right of the Association by the Board of Directors, in lieu of such indemnity, to settle any such claim, action, suit, or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE VII: AMENDMENTS

- 7.1 **Amendments.** Except as permitted specifically herein or required by the Act, these Bylaws may be amended by the affirmative vote of Owners of Lots holding at least sixty-one percent (61%) of the Allocated Interest in the Association at a special meeting called for that purpose. Voting may also be conducted in accordance with Section 2.9 herein.
- 7.2 **Execution of Amendments.** After obtaining the required vote, an amendment shall be signed by the President and Secretary of the Association, who shall certify that the amendment has been properly adopted as required by these Bylaws. An amendment complying with the requirements of these Bylaws and the Amended Declaration shall be effective when the amendment has been recorded in the office of the Salt Lake County Recorder.

ARTICLE VIII: WAIVER OF IRREGULARITIES

- 8.1 **Waiver of Procedural Irregularities.** All inaccuracies and irregularities in calls or notices of meetings, in the manner of voting, in the form of proxies, in the method of ascertaining persons present, in the method of making decisions, or in the method of accepting or counting votes shall be deemed waived under the following circumstances:

- (a) If the objecting person was in attendance at the meeting, they are waived if no objection to the particular procedural issue was made at the meeting;
- (b) If the objecting person was not in attendance at the meeting but has proper notice of the meeting, they are waived if no objection to the particular procedural issue is made within ten (10) days of the date the meeting was held;
- (c) If the objecting person was not in attendance at a meeting, did not have proper notice of the meeting, but had actual notice of the meeting before it occurred, they are waived if no objection to the particular procedural issue was made within ten (10) days of the date of the meeting;
- (d) If the objecting person was not in attendance at the meeting and did not have actual and proper notice of the meeting before it occurred, they are waived if no objection to the particular procedural issue is made within thirty (30) days of receiving actual notice of the occurrence of the meeting or of any decision that was made at the meeting; or
- (e) For any action, vote, or decision that occurred without a meeting, they are waived if no objection to the particular procedural issue is made within thirty (30) days of receiving actual notice of the occurrence of the action, vote, or decision.

8.2 **Requirements for Objections.** All objections except those made at a meeting shall be in writing. Whenever made, objections must be specific, shall include identification of the specific provision of the Governing Document or other law that is alleged to have been violated, and shall include a brief statement of the facts supporting the claimed violation.

8.3 **Irregularities that Cannot Be Waived.** The following irregularities cannot be waived under the prior subsections:

- (a) Any failure to comply with the provisions of the Amended Declaration.
- (b) Any failure to obtain the proper number of votes, consents, or approvals required to take a particular action.
- (c) Any failure to obtain a proper quorum.