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**RESTATED AND AMENDED
DECLARATION
OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
RIDGEMONT PRUD**

January 2012

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**RESTATED AND AMENDED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
RIDGEMONT PRUD**

(A Planned Unit Development)

THIS RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RIDGEMONT PRUD ("Restated Declaration") is made and executed by and between the Owners of Lots in Ridgemont, a Planned Residential Unit Development, Phases 1, 2, 3, 4, 5 & 6 ("Ridgemont") on the date shown below after being voted on and approved by the Owners of Lots in accordance with the governing documents for each of the various phases of Ridgemont. The Owners of Lots in the six phases of Ridgemont shall collectively be referred to hereinafter as the "Lot Owners".

RECITALS:

- A. Capitalized terms in this Restated Declaration are defined in Article I.
- B. The Lot Owners or the legal entity of which they are members hold legal title to the Units, Lots and Common Area and improvements located in Weber County, Utah, more particularly described in Article II and Exhibit "A" of this Restated Declaration and includes the Common Area that is appurtenant to each Lot as shown on the plat maps for Ridgemont, Phases 1 through 6, as recorded in the office of the County Recorder for Weber County, State of Utah. The various Units and Lots described in this Restated Declaration are owned by the Lot Owners in fee simple.
- C. By this Restated Declaration the Lot Owners intend to continue the common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Property and the interests therein conveyed as a Planned Residential Unit Development consisting of single family residences in accordance with the terms hereof.
- D. Ridgemont, Phase 1, was created by recording the Phase 1 Plat Map and the "Declaration of Covenants, Conditions and Restrictions for Ridgemont, a Planned Residential Unit Development," on May 1, 1979, in Book 1300, Page 18, in the Office of the Weber County Recorder ("Phase 1 Declaration").

E. Ridgemont, Phase 2, was created by recording the Phase 2 Plat Map and the "Notice of Additional Territory and Supplemental Declaration of Restrictions for Ridgemont, A Planned Residential Unit Development, Phase 2," on January 31, 1984, in Book 1440, Page 1231, in the Office of the Weber County Recorder ("Phase 2 Declaration").

F. Ridgemont, Phase 3, was created by recording the Phase 3 Plat Map and the "Declaration by Phase III Owners and Mortgagees of Adoption of Covenants, Conditions and Restrictions and Reservation of Easements, as Amended, for Ridgemont, a Planned Residential Unit Development," on June 9, 1989, in Book 1562, Page 1350, in the Office of the Weber County Recorder ("Phase 3 Declaration").

G. Ridgemont, Phases 4, 5 and 6 were created by recording the Phase 4, 5 & 6 Plat Maps and the "Declaration of Covenants, Conditions and Restrictions for Phases 4, 5 and 6 of Ridgemont, a Planned Residential Unit Development," on August 10, 1988, in Book 1545, Page 402, in the Office of the Weber County Recorder; and additional Lots were added to Phases 4, 5 and 6 by recording the "First Supplement to Declaration of Covenants, Conditions and Restrictions for Phases 4, 5 and 6 of Ridgemont, a Planned Residential Unit Development," on February 8, 1991, in Book 1652, Page 871, and by recording the "Second Supplement to Declaration of Covenants, Conditions and Restrictions for Phases 4, 5 and 6 of Ridgemont, a Planned Residential Unit Development," in Book 1652, Page 875, in the Office of the Weber County Recorder (collectively these declarations and supplements shall be referred to herein as the "Phase 4, 5 & 6 Declaration").

H. The declarations referred to Recitals D, E, F & G above have been amended from time to time as reflected on the Weber County Records.

I. The purpose and intent of this Restated Declaration is to restate, replace and amend the Phase 1 Declaration, the Phase 2 Declaration, the Phase 3 Declaration, the Phase 4, 5 & 6 Declaration, and the various amendments to these documents (which declarations and amendments shall collectively be referred to herein as the "Governing Documents"), and to subject all Lots within Ridgemont to one set of covenants, conditions and restrictions as set forth in this Restated Declaration.

J. Ridgemont Phase 1 was created by recording the Phase 1 Declaration on May 1, 1979. The Ridgemont planned residential unit development was expanded by the addition and creation of the Ridgemont Phase 2 Declaration, on Feb. 4, 1984. Ridgemont Phase 3 was added when an amended Phase 3 Declaration was recorded on June 9, 1989. The first three phases of Ridgemont were governed by a common set of restrictive covenants and by a homeowners association known as Ridgemont Owners Association (hereinafter this homeowners association shall be referred to as "Ridgemont 123"). Due to a seven (7) year limitation on the right of the developer to add additional Lots to Ridgemont 123, the developer created a new homeowner association, known as "Ridgemont 456," to govern the Lots that were being developed in Ridgemont Phases 4, 5 & 6. Ridgemont 456 was a legal entity that was unrelated to

Ridgemont 123, and over time, neither association was registered with the State of Utah (both were originally registered as nonprofit corporations but were dissolved for failure to file their annual report and pay the annual fee). Even though the two homeowner associations were legally connected and were not subject to the same set of restrictive covenants or part of the same owners association, all Lot Owners, Lots and Units in Phases 1 through 6 of the Project have continuously been governed by Ridgemont 123 and all Lot Owners have willingly and freely complied with the requirements of the Governing Documents and paid their assessed share of the Common Expenses due and owing to Ridgemont in connection with the benefits the Lot Owners have received. As the result of the above described actions of the developer, two separate Ridgemont homeowners associations were created and are subject to separate and distinct sets of documents which govern their separate property.

NOW, THEREFORE, to accomplish the Owners' objectives, this Restated Declaration is hereby adopted. The Governing Documents are hereby restated, replaced and amended by this Restated Declaration. It is the intent of the Owners that this Restated Declaration replace all prior Governing Documents and that this Restated Declaration be the sole set of restrictive covenants governing Phases 1 through 6 of the Project. Regardless of any language herein to the contrary, the following are not renounced, rescinded, revoked or amended: the Plat Maps (as defined herein); the submission and dedication of the real property described in Exhibit "A" to the provisions of this Restated Declaration; the ratification, approval and incorporation of Ridgemont Condominium Homeowners Association, Inc., a Utah nonprofit corporation (which name is being changed to "Ridgemont Owners Association"), and the Articles of Incorporation on file with the State of Utah; and, any other provision, paragraph, or section that is required to maintain the legal status of the Project which, if repealed, would nullify the legal status of the Project.

By adopting this Restated Declaration the Lot Owners acknowledge and ratify that all the Lots and Units in the Project have been governed at all times as though they were part of one homeowners association and subject to one set of restrictive covenants, and never at any time has any Lot Owner objected to the governing of their Lot in this manner; and furthermore, the Lot Owners acknowledge and ratify that they continually shared Common Areas and Common Expenses at all times relevant herein as though there was only one homeowners association.

It is hereby declared that the Property shall be held, sold, conveyed, leased, rented, encumbered and used, subject to the following Restated Declaration and its covenants, restrictions, limitations, and conditions, all of which shall constitute covenants which run with the land and shall be binding on and be for the benefit of the Association and all Lot Owners of all or any part of the Property, together with their grantees, successors, heirs, executors, administrators, devisees and assigns, all as set forth herein.

The statements set forth in the above recitals are hereby approved and accepted as being accurate and shall constitute part of this Restated Declaration.

ARTICLE I
DEFINITIONS

When used in this Restated Declaration (including in that portion hereof headed "Recitals") the following terms shall have the meaning indicated.

- 1.1 **"Articles" or "Articles of Incorporation"** shall mean and refer to the Articles of Incorporation of the Ridgemont Condominium Homeowners' Association, a Utah nonprofit corporation, which were filed with the Utah State Department of Commerce, Division of Corporations and Commercial Code on or about March 21, 2006. However, this name is being changed by filing Articles of Amendment to the Articles of Incorporation with the Utah Department of Commerce, and the name of the Association shall hereafter be known as Ridgemont Owners Association.
- 1.2 **"Association"** shall mean and refer to Ridgemont Owners Association, a Utah nonprofit corporation.
- 1.3 **"Board of Directors" or "Board"** shall mean and refer to the governing board of the Association which shall be elected in accordance with the Restated Declaration, the Articles of Incorporation and Bylaws of the Association.
- 1.4 **"Building"** shall mean and refer to the residential structure located on a Lot in the Project.
- 1.5 **"Building Exteriors"** shall mean and refer to those portions of the Units which are open to the elements such as roofs, soffit, facie, exterior walls, footings and foundations but excluding any window glass.
- 1.6 **"Bylaws"** shall mean and refer to the Bylaws of the Association attached hereto as **Exhibit "C"** as amended from time to time. The Bylaws are also being amended in conjunction with the adoption of this Restated Declaration. By adopting this Restated Declaration, the Bylaws, as amended, are also approved and adopted by the Members of the Association
- 1.7 **"Common Areas"** shall mean and refer to that part of the Property which is not included within the Units, including roadways, parks, detention basins within the Project and all improvements now or hereafter constructed or located thereon and subject to the easements herein described.
- 1.8 **"Common Expense Fund"** shall mean and refer to the fund or funds created or to be created pursuant to the provisions of Article V of this Restated Declaration and into which all monies of the Association shall be deposited. Two or more separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for reserve expenses, which together shall constitute the Common Expense Funds.

The Board shall set up those funds as required by the Act and may create such other funds as it deems desirable or necessary, including but not limited to a roofing fund, a disaster fund, an infrastructure fund, and an operating fund.

- 1.9 **“Common Expenses”** shall mean and refer to those costs and expenses arising out of or connected with the maintenance and operation of the Project and Association as described herein and in Article V hereof and which determine the assessments made to Owners.
- 1.10 **“Restated Declaration”** shall mean and refer to this Restated and Amended Declaration of Covenants, Conditions and Restrictions of Ridgemont PRUD, and as the same may hereafter be modified, amended and supplemented.
- 1.11 **“Eligible Mortgagee”** shall mean and refer to a First Mortgagee which has in writing requested notice of certain matters from the Association in accordance with the provisions of this Restated Declaration or the Governing Documents.
- 1.12 **“First Mortgage”** shall mean any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.
- 1.13 **“First Mortgagee”** means any person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such person under a First Mortgage, which First Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.
- 1.14 **“Lot”** shall mean and refer to the separate parcel of residential real property which is identified on the Plat Map created for the construction of a Building. The term “Lot” does not include any Common Area.
- 1.15 **“Manager”** shall mean and refer to the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and Project.
- 1.16 **“Member”** shall mean and refer to every person who holds membership in the Association, and shall include the legal title Owner of each Lot.
- 1.17 **“Mortgage”** shall mean any mortgage, deed of trust, or other document pledging any portion of a Unit or interest therein as security for payment of a debt or obligation.
- 1.18 **“Mortgagee”** shall mean a beneficiary of a Mortgage as well as named Mortgagee.
- 1.19 **“Owner” or “Lot Owner”** shall mean the person or persons owning in fee simple a Lot or Unit in the Project, as such ownership is shown by the records of the County Recorder of Weber County, State of Utah. The term “Owner” shall not refer to any Mortgagee (unless such Mortgagee has obtained title in fee simple to a Unit pursuant to a judicial or non-judicial action, including, without limitation, a foreclosure proceeding or any deed or

other arrangement in lieu of foreclosure) or to any person or persons purchasing a Unit under contract (until such contract is fully performed and legal title conveyed of record).

- 1.20 **"Plat"** or **"Plat Map"** shall mean and refer to the map for the various phases of Ridgemont PRUD as recorded in the office of the County Recorder of Weber County, Utah, and all amendments thereto.
- 1.21 **"Project"** shall mean and refer to the Property as created and governed by this Restated Declaration, the Articles and the Bylaws.
- 1.22 **"Property"** shall mean and refer to the entire tract of real property now or hereafter covered by the Plats for all six (6) phases of Ridgemont. A description of the real property covered by the Plat on the effective date of this Restated Declaration is set forth in Article II of this Restated Declaration and includes all Common Areas.
- 1.23 **"Unit"** shall mean and refer to the real property interest possessed by an Owner and consisting of a Building and Lot as shown on the Plat. Except where the context specifically otherwise requires, reference to a Unit shall include reference to the Building thereon.

ARTICLE II

PROPERTY DESCRIPTION

- 2.1 The Property within the Project which is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions, easements and restrictions of this Restated Declaration and the Plat consists of the following described real property situated in Weber County, State of Utah: See Exhibit "A"

ARTICLE III

THE ASSOCIATION

- 3.1 Winding Up Prior Corporations, Ridgemont Owners Association, a Utah nonprofit corporation, was formed when its Articles of Incorporation were filed in the state of Utah on May 10, 1979 (the "Initial Corporation"). The Initial Corporation was administratively dissolved in 2001 for failure to file its annual report. Ridgemont 456 was formed when its Articles of Incorporation were filed in the state of Utah on May 24, 1988. Ridgemont 456 was administratively dissolved in 1989 for failure to file its annual report. The successor board members of the Initial Corporation and of Ridgemont 456, on becoming aware of the administrative dissolution of these corporations, filed Articles of Incorporation for a nonprofit corporation known as Ridgemont Condominium Homeowners' Association ("Association") with the Utah Department of Commerce on March 21, 2006. The Initial Corporation and Ridgemont 456 deem it appropriate to wind up and liquidate the affairs of these corporations and for the Association to continue to operate in their stead.

- 3.2 **Merger of Corporations.** It is the desire of the members and successors of the Initial Corporation and Ridgemont 456 to, in dissolution, distribute and merge any and all assets, claims, rights and interests of these two corporations into the Association and continue the purposes for which it was formed. The members hereby approve the Association and its corporate purposes, which are identical to those of the Initial Corporation and Ridgemont 456. It is the desire of both the Initial Corporation and Ridgemont 456 that they be treated as one and the same corporation. Thus, to the extent permitted by Utah law, the Initial Corporation and Ridgemont 456 shall be merged into and become a part of the Association. The Association will continue to use the same federal tax identification number. All the members of the Initial Corporation and Ridgemont 456 and their successors who own units at Ridgemont PRUD shall automatically upon the date hereof become the sole members of the Association and be members in the Association. Said members shall have the rights and obligations provided for in the Articles of Incorporation of the Association.
- 3.3 **Assignment of Assets.** In consideration of the above and other good and valuable consideration, the Initial Corporation and Ridgemont 456 hereby assign to the Association all of the Initial Corporation's and Ridgemont 456's property, interests, rights and assets, including but not limited to the ownership of the common areas, properties and facilities of the development known as Ridgemont PRUD, the right to preserve the architecture and appearance of Ridgemont PRUD as provided for in this Restated Declaration, and rights, interests, causes of action in and/or pertaining to the Association.
- 3.4 **Renaming of Corporation.** In consideration of the above assignment, the Association hereby assumes and agrees to be bound by and to perform, observe and comply with all the terms, covenants, conditions, undertakings and other provisions of the Initial Corporation and Ridgemont 456. The Association shall henceforth be known as Ridgemont Owners Association, a Utah nonprofit corporation.
- 3.5 **Membership.** Each Owner shall be entitled and required to be a Member of the Association. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by such Owner. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of such Unit shall automatically constitute a devise, encumbrance, conveyance or other disposition of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association and membership in the Association may not be transferred except in connection with the transfer of a Unit. The Association shall make available to the

Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of this Restated Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. The term "available" as used in this Article 3.1 shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

- 3.6 Votes. Each Member shall be entitled to the number of votes appurtenant to his or her Unit, as set forth on Exhibit "B", which is attached hereto and incorporated herein by this reference. The number of votes appurtenant to each Unit shall be permanent, and shall not change in the event an Owner modifies a Unit to increase or decrease the size of his Unit relative to other Units. In the event that there is more than one Owner of a particular Unit, the votes relating to such Unit shall be exercised as the Owners may determine among themselves. No Unit shall have more than the number of votes shown on Exhibit "B", regardless of the number of person having an ownership interest in the Unit. The votes cast at any Association meeting by any of such Owners, whether in person, by proxy or by written ballot, shall be conclusively presumed to be the votes attributable to the Unit concerned unless an objection is immediately made at the meeting by another Owner of the same Unit. In the event such an objection is made and not promptly resolved, the votes involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.
- 3.7 Maintenance of Common Areas. It is intended that the Buildings and the Common Areas of all Lots and Units shall present a uniform, neat and well-cared-for appearance. To achieve this stated purpose, the Association shall prepare, improve, install and shall maintain all landscaping, trees, shrubs, grass, walks and steps located in the Common Areas.
- 3.8 Professional Management. The Association may carry out, through a Manager, those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the management agreement with the Association, be authorized to perform any of the functions or acts required to permitted to be performed by the Association itself.
- 3.9 Amplification. The provisions of Sections 3.3 and 3.4 may be amplified by the Articles and the Bylaws; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Restated Declaration.
- 3.10 Merging of Associations. The members of Ridgemont 123 and the members of Ridgemont 456 shall all be members of the Association. Any and all rights, claims, interests, personal property, real property, or other assets which belong to Ridgemont 123 or to Ridgemont 456 shall hereafter be the rights, claims, interests, personal property, real property, and assets of the Association. The Association shall have those powers and

duties set forth herein to manage and maintain the Common Areas and to do all things authorized herein or by law and otherwise required or desired for the benefit and protection of the Lot Owners and the Project. The Bylaws of the Association shall be those Bylaws set forth in Exhibit "C" attached hereto.

ARTICLE IV

PROPERTY RIGHTS IN COMMON AREAS AND UNITS

- 4.1 **Description of Buildings and Units.** Each Unit shall be separately metered and wired for electricity and water. Each Unit shall be connected to a public sewage disposal system. A more detailed description of the Units may be found on the Plat.
- 4.2 **Easement of Enjoyment.** Each Member shall have an undivided interest, right and easement of use and enjoyment in and to the Common Areas. Each Owner shall have an unrestricted right of ingress or egress to and from its Unit over and across such Common Areas. Each Owner shall also have the exclusive right to use by such Owner or as may be designated by the Association. Such rights and easements shall be appurtenant to and shall pass with title to each Unit and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any guest, invitee, tenant, lessee, contract purchaser, or other person who occupies or utilizes such Member's Unit.
- 4.3 **Mutual Easement.** The Lot Owners in Ridgemont 123 hereby grant to the Lot Owners in Ridgemont 456, and the Lot Owners in Ridgemont 456 hereby grant to the Lot Owners in Ridgemont 123, a perpetual easement over, through and across the Common Area of all phases within all parts of the Project. The Lot Owners acknowledge that for more than twenty (20) years all Lot Owners have enjoyed and received complete use and access to all the Common Areas within all phases and parts of the Project, which use has been consistent with the intent and design of the Project and that the use of and the function of the Project could not be accomplished with the existence of this perpetual easement.
- 4.4 **Easements for Encroachments.** It is intended that one wall of each Building shall be located at or on the property line as shown on the Plat Map. In the event the construction, reconstruction, repair, shifting, settlement or any other movement of any portion of the improvements causes any part of a Unit built in substantial accord with the boundaries for such Unit as depicted on the Plat to encroach upon the Common Areas, or upon an adjoining Unit, or if any part of the Common Areas encroaches or shall encroach upon a Unit for any such reason, an easement for such encroachment and for the maintenance of the same shall and does hereby exist. There is also hereby created an easement for any encroachment by any footing, foundation, roof overhang or other architectural appurtenances upon an adjoining Unit or any part of the Common Areas.
- 4.5 **Limitation on Easement.** A Member's equal, undivided interest, right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:
- 4.5.1 The right of the Association to suspend a Member's voting right in the

Association upon notice and a chance for hearing for any period during which (i) an assessment on such Member's Unit remains unpaid; (ii) for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Restated Declaration or of any rule or regulation promulgated by the Association; and (iii) for successive 60-day periods of any such infraction is not corrected during any prior 60-day suspension period;

- 4.5.2 The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas.
- 4.5.3 The right of Washington Terrace City, Weber County, the State of Utah or any other governmental or quasi-governmental body having jurisdiction over the Property, to ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection and providing other governmental or municipal service;
- 4.5.4 The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by Members holding sixty-seven (67%) or more of the total votes of the Association agreeing to such dedication or transfer has been recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities, permits, licenses, easements and rights-of-way which are intended to benefit and which do not have any substantial adverse effect on the use or enjoyment of the Common Areas by the Members.
- 4.6 **Form for Conveyancing.** Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Unit may describe the interest or estate involved substantially as follows:

Lot No. _____ of Ridgemont PRUD, a Planned Unit Development, according to the Plat Map filed for record as Entry No. _____ in Book _____ of Plats at Page _____, together with the appurtenant undivided ownership interest in the "Common Areas", all of which are defined and described in the Declaration of Covenants, Conditions and Restrictions of Ridgemont PRUD and the Exhibits attached thereto, filed for record as Entry No. _____ in Book _____ at Pages _____ through _____, of Official Records.

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Restated Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit.

- 4.7 **Transfer of Title.** The Common Areas are owned by the Association. No Owner shall bring any action for partition or division of any part of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation, management, use, and enjoyment of the Common Area.

ARTICLE V**ASSESSMENTS**

- 5.1 **Agreement to Pay Assessments.** Each Owner of any Unit, by the acceptance of instruments of conveyance and transfer thereof, whether or not it is expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Restated Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article V.
- 5.2 **Annual Assessments.** Annual assessment shall be computed and assessed against all Units in the Project as follows:
- 5.2.1 **Common Expense.** Annual assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas and furnishing common utility services and other common item to the Units. A ten percent (10%) cap can be put on the annual assessment increases absent a vote of the owners; to exceed the ten percent (10% cap), it must be approved by fifty-one percent (51%) of the 80 owners. Such estimated expenses may include, the following: expenses of management; real property taxes and special assessments on the Common Areas; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs, maintenance and cleaning of the Common Areas; landscaping of Common Areas; snow removal, wages of Association employees, fees for a Manager; trash removal from Common Areas; utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Restated Declaration. The aggregate of all such items shall constitute the Common Expenses, and all funds received from assessments under this Section 5.2.1 shall be part of the Common Expense Fund. Two or more separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for reserve expenses, which together shall constitute the Common Expense Funds. The Board shall set up those funds as required by the Act and may create such other funds as it deems desirable or necessary, including but not limited to a roofing fund, a disaster fund, an infrastructure fund, and an operating fund.
- 5.2.2 **Apportionment.** Common Expenses shall be apportioned among and assessed to all Units and their Owners, as set forth on Exhibit "B", which is attached hereto and incorporated herein by this reference.

- 5.2.3 **Annual Budget.** Annual assessments shall be determined on the basis of a fiscal year beginning January 1st and ending on the following December 31st. On or before December 1st of each year thereafter, the Board shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.
- 5.2.4 **Notice and Payment.** Except with respect to the first fiscal year, the Board shall notify each Owner as to the amount of the annual assessment against his or her Unit on or before December 15th each year for the fiscal year beginning on the following January 1st. Except as otherwise provided by the Board, each annual assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates. All unpaid installments of any annual assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from fifteen (15) days after the date each such installment became due until paid. The Board shall also have the right to assess a late fee of up to ten percent (10%) of any assessment installment not paid within ten (10) days following the due date thereof. In addition, in the event any installment of the annual assessment is not paid within fifteen (15) days of the date such an installment becomes due, the Association may, at its option, and upon fifteen (15) days prior written notice to the Owner, accelerate the due date for all remaining unpaid installments for that year. Payment of the annual assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board to give timely notice of any annual assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Restated Declaration, or a release of Owner from the obligation to pay such assessment or any other assessment.
- 5.2.5 **Inadequate Funds.** In the event that the Common Expense Funds proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Board may, on behalf of the Association, levy additional assessments in accordance with the procedure set forth in Article 5.3 below, except that the required vote set forth therein shall be by at least fifty-one percent (51%) of the voting power of the 80 owners of the Association present in person or by written ballot at a meeting called for such purpose. Notwithstanding the foregoing, the Association may levy an additional assessment without a vote of the Owners so long as such additional assessment is only to cover the cost of

utility rate increases which take effect after the annual budget is prepared.

- 5.3 **Special Assessments.** In addition to the annual assessments authorized by this Article V, the Board may, on behalf of the Association, levy, at any time and from time to time, upon the affirmative vote of at least fifty-one percent (51%) of all 80 owners of the Association who are present in person or by written ballot at a meeting called for such purpose, a special assessment, payable over such periods as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Restated Declaration (including, without limitation, Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections and Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in accordance with the assessment percentages allocated to each Unit as set forth on Exhibit "B". Notice in writing of the amount of each such special assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund. The provisions of this Section are not intended to preclude the assessment, collection or use of annual assessments for the aforesaid purposes.
- 5.4 **Uniform Rate of Assessment.** The amount of any annual or special assessment against each Unit shall be fixed at a uniform rate based on the number of votes allocated to each Unit, as set forth on Exhibit "B". Annual assessments may be collected on a monthly basis and special assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association approving the special assessment.
- 5.5 **Notice and Quorum for Any Action Authorized Under Section 5.3.** Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.3 of this Article shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting.
- 5.6 **Lien for Assessment.** All sums assessed to Owners of any Unit within the Project pursuant to the provisions of this Articles V, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Unit in favor the Association. To evidence a lien for sums assessed pursuant to this Article V, the Board may cause to be prepared a written notice of lien setting forth the amount of the assessment, the name of the Owner of the Unit and description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer or agent of the Association and may be recorded in the office of the County Recorder of Weber County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions

of law applicable to the exercise of powers of sale or judicial foreclosure of deeds of trust or mortgages or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorney fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessment against the Unit which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Board shall have the right and power in behalf of the Association to bid in any foreclosure sale and to hold, lease, mortgage or convey the subject Unit in the name of the Association.

- 5.7 **Non-judicial Foreclosure.** The Association shall have the power to conduct non-judicial foreclosure in order to collect delinquent Assessments as authorized by Utah Code Section 57-8a-302. Each Owner hereby appoints the Association's attorney, Richard W. Jones, as trustee, or such substitute trustee as is designated pursuant to Utah Code Section 57-1-22. Additionally, such Owner empowers such trustee to enforce a lien and to foreclose the lien by the private power of sale provided in Utah Code Section 57-1-27, or by judicial foreclosure. Each Owner further grants to the trustee the power and authority to sell the Lot of any defaulting Owner to the highest bidder to satisfy such lien as provided for in Civil Code section 57-8-45.
- 5.8 **Personal Obligation of Owner.** The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner of such Unit to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit or by waiving any services or amenities provided in this Restated Declaration. In the event any steps are taken by the Association, including filing of any suit, to recover a money judgment for an unpaid assessment hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorney fees.
- 5.9 **Personal liability of Purchaser.** The personal obligation of an Owner to pay unpaid assessments levied against his Unit as described in Section 5.8 of this Article V shall pass to successors in title and shall jointly remain the personal obligation of the owner, except in cases of foreclosure by a First Mortgagee. In the case of a voluntary conveyance, the buyer and seller shall be jointly and severally liable for all unpaid assessments owing at the time of the conveyance of the Unit. A lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit except for foreclosure by a First Mortgagee, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying the further assessments.
- 5.10 **Reserves and Working Capital.** In addition to its day-to-day operating funds, the Association shall establish the following funds:
- 5.10.1 **Reserve Fund.** The Board shall cause a reserve analysis to be conducted no less

frequently than every five years. The Board's initial reserve analysis must be prepared prior to June 30, 2012. The Board shall thereafter review and, if necessary, update a previously conducted reserve analysis no less frequently than every two years. 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.

5.10.2 The Board may not use money in a reserve fund:

- a. for daily maintenance expenses, unless fifty-one percent (51%) of the 80 Owners vote to approve the use of reserve fund money for that purpose; or
- b. for any purpose other than the purpose for which the reserve fund was established, unless a Majority of the Owners vote to approve the use of reserve fund money for another purpose.

5.10.3 Based on the results of the reserve analysis, the Board shall create a reserve fund into which the Board shall cause to be deposited those common area Assessments collected from Owners for the purpose of funding the reserve fund.

5.10.4 The Board shall annually, either at the annual meeting of owners or at a special meeting of lot owners, (i) present the reserve study to the owners, and (ii) provide an opportunity for lot owners to discuss reserves and to vote on whether to fund the reserve fund and, if so, how to fund it and in what amount. The Board shall keep minutes of each such meeting held under this section 5.10.4 and indicate in the minutes any decision relating to funding the reserve fund.

5.10.5 The Board shall cause an Assessment to be made against all Owners consistent with the vote of the Owners regarding the manner and amount of funds to be placed in the reserve fund, which Assessment shall be collected on the same terms and conditions as other Common Expenses. The Board shall maintain a reserve fund separate from other funds of the Association. This Subsection may not be construed to limit a Board from prudently investing money placed in a reserve fund account.

5.10.6 For purposes of this Article 5.10 only, the quorum requirement for a valid vote on the reserve fund shall be 30% of the Members present in person, by written ballot, or by proxy at a properly noticed meeting of the Association at which notice of a vote on the reserve fund has been given. When a quorum is present the Association's reserve fund fees shall set for the following 12 months at the highest rate at which 51% or more of the Members represented at the meeting vote.

5.10.7 As used herein, "reserve analysis" means an analysis to determine:

- a. the need for a reserve fund to accumulate money to cover the cost of repairing, replacing, and restoring Common Areas and facilities that have a useful life of three years or more, but excluding any cost that can reasonably

be funded from the general budget or other funds of the association of Unit Owners; and

- b. the appropriate amount of any reserve fund.
- c. The reserve fund shall be maintained out of regular assessments for Common Expenses.

5.11 **Working Capital Fund.** The Association shall maintain for the Project, a working capital fund equal to at least two monthly installments of the annual assessment of each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of the closing of sale of that Unit. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet initial operating expenses and unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any regular assessment.

5.12 **Evidence of Payment of Annual and Special Assessments.** Upon receipt of a written request by a Member or any other person, the Association, within a reasonable period of time thereafter, shall issue to such Member or other person a written certificate stating (a) that all annual and special assessments (including interest, costs, attorney fees, and other charges, if any, as provided in this Article 5) have been paid with respect to any specified Unit as of the date of such certificate, or (b) if all annual and special assessments have not been paid, the amount of such annual and special assessments (including interest, costs, attorney fees, and other charges, if any, as provided in this Article 5) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Unit in question.

ARTICLE VI

OPERATION AND MAINTENANCE

6.1 **Maintenance of Units.** Each Unit shall be maintained by the Owner thereof so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any other Unit. Each Owner shall maintain the Owner's Unit as set forth in the Maintenance Chart Attached hereto as Exhibit "E". From the utility to the road, the Association shall be responsible for the repair and replacement of utility lines if not maintained by the utility company. The Association shall have no obligation regarding maintenance or care of the interior of any Unit except as expressly covered by insurance or set forth in Section 6.2 of this Article VI, or elsewhere in this Declaration.

- 6.2 **Operation and Maintenance by Association.** The Association shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive and generally in good condition and repair. The Association shall install and maintain the following: paint, repair, replacement and care of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks, sprinkler systems and other exterior improvements. Such exterior maintenance shall not include glass surfaces, entry doors or garage doors serving vehicles. The Association will be responsible for plowing and shoveling snow from roads, walkways and driveways, but will not be liable for the timeliness of such shoveling, nor for icy or slick walkways, driveways or roads. The Association shall maintain the exterior of the Building as set forth in the Maintenance Chart Attached hereto as Exhibit "E". In the event of conflict between the provisions of this Article VI and the Maintenance Chart, the Maintenance Chart shall control. The expenses incurred by the Association for such purposes shall be paid for as a Common Expense.
- 6.3 **Negligence.** In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.
- 6.4 **Settling.** In the event a Building suffers cracks in the walls, foundation or any portion of the interior or exterior of the Building in which a Unit is located, the cost of repair shall be borne solely by the Unit Owner. Should a crack or failure of a wall or foundation be located in a common wall or party wall serving two or more Units, the Owners of the Units affected shall share the repair costs according to the provisions dealing with Party Walls as set forth in this Restated Declaration.
- 6.5 **Utilities.** The Owner shall pay for all utility services furnished to each Unit including a pro-rata share of all utility services which are not separately billed or metered to individual Units by the utility or other party furnishing such service. The Association shall pay such bills which are not separately metered (either directly or through membership in an association created for the purpose of administering such common utilities for one or more related developments) and charge an appropriate share to each Unit and Owner as part of the Common Expenses.

ARTICLE VII

INSURANCE

- 7.1 **Types of Insurance.** The Association shall obtain and keep in full force and effect at all times the insurance coverage provided herein by companies licensed to do business in the State of Utah.
- 7.2 **Ridgmont Subject to Insurance Provisions of the Community Association Act.** As authorized by U.C.A. 57-8a-402(4)(a) of the Community Association Act ("Act"), the

Lot Owners at Ridgemont hereby subject the Association and the Lots and Units within Ridgemont to the provisions of the Act wherein the Association shall maintain property insurance on the physical structure of all attached dwellings (Buildings), limited common areas appurtenant to a dwelling (Building) on a Lot, and Common Areas in the project, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, as provided in U.C.A. 57-8a-403(1)(a). The Association hereby incorporates the provisions of the Act as set forth in U.C.A. 57-8a-401 through 407. The Association shall determine the amount of the Association's insurance deductible as in the Board's opinion is consistent with good business practice.

- 7.3 **Owner's Personal Insurance.** The Association shall not be responsible for nor purchase insurance coverage on the contents of the Units except as such coverage is provided by the Act. Each Owner is required to obtain insurance (renters or unit owners coverage) for their own protection and benefit and as a requirement of any loan they may have on their Unit, which Owner's insurance is for the purpose of insuring the Owner's personal property, the Owner's share of any Association deductible for which the Owner may be responsible, and for any other insurable event or item not covered under the provisions of the Association's insurance policy as provided in the Act. The Association shall not be required to monitor or verify that Owners have purchased an individual insurance policy to insure against the liabilities described herein.
- 7.4 **Primary Coverage and Deductible.** If a loss occurs that is covered by the Association's property insurance policy and a Lot Owner's property insurance policy, the Association's policy provides primary insurance coverage and the Lot Owner is responsible for the Association's policy deductible, as set forth in U.C.A. 57-8a-405.
- 7.5 **Notice by Association to Lot Owners.** The Association shall provide fair and reasonable notice to each Lot Owner of the Lot Owner's obligation under the preceding subsection for the Association's policy deductible and of any change in the amount of the deductible.
- 7.6 **Public Liability and Property Damage Insurance.** The Association shall obtain a broad form of comprehensive public liability insurance coverage for the Project, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death and property damage. Coverage shall include without limitation, liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project.
- 7.7 **Worker's Compensation Insurance.** The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association, if any, in the amounts and in the forms now or hereafter required by law.
- 7.8 **Fidelity Insurance or Bond.** The Association shall obtain fidelity insurance or a bond in such amounts and in such forms as the Association deems appropriate to cover against dishonesty of employees or the Manager, destruction or disappearance of money or

securities, and forgery.

- 7.9 **Additional Coverage.** The provisions of this Restated Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required or permitted by the Act or by this Restated Declaration in such amounts and in such forms as the Association may from time to time deem appropriate.
- 7.10 **Adjustment and Contribution.** Exclusive authority to adjust losses under the insurance policies hereafter in force on the Project shall be vested in the Association.
- 7.11 **Review of Insurance.** The Association shall review annually the coverage and policy limits of all insurance on the Project and shall adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or such other qualified appraisers as the Association may select.

ARTICLE VIII

DAMAGE OR DESTRUCTION

- 8.1 If a portion of the Project for which insurance is provided is damaged or destroyed, the Association shall repair or replace the damaged or destroyed portion of the Project substantially in accordance with the original construction plans within a reasonable amount of time unless:
- 8.1.1 the Project is terminated;
 - 8.1.2 repair or replacement would be illegal under a state statute or local ordinance governing health or safety; or
 - 8.1.3 at least 75% of the allocated voting interests of the Lot Owners in the Association vote not to rebuild, and each Owner of a dwelling on a Lot that will not be rebuilt votes not to rebuild.
- 8.2 The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.
- 8.3 If the entire Project is damaged or destroyed and not repaired or replaced:
- 8.3.1 the Association shall use the insurance proceeds attributable to the damaged common areas to restore the damaged area to a condition compatible with the remainder of the project;
 - 8.3.2 the Association shall distribute the insurance proceeds attributable to Lots and Common Areas that are not rebuilt to:

- a. the Lot Owners of the Lots that are not rebuilt;
 - b. the Lot Owners of the Lots to which those Common Areas that are not rebuilt were allocated; or
 - c. lien holders; and
- 8.3.3 the Association shall distribute the remainder of the proceeds to all the Lot Owners or lien holders in proportion to the Common Expense liabilities of all the Lots.
- 8.4 If the Lot Owners vote not to rebuild a Lot:
- 8.4.1 the Lot's allocated interests are automatically reallocated upon the Lot Owner's vote as if the Lot had been condemned; and
 - 8.4.2 the Association shall prepare, execute, and submit for recording an amendment to the declaration reflecting the reallocations described in 8.3.1.

ARTICLE IX

TERMINATION

- 9.1 **Required Vote.** Except as otherwise expressly provided in this Restated Declaration, the Project may be terminated only by agreement of all Owners of the Units.
- 9.2 **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 all of the Owners. Such an agreement to terminate must also be approved by the holders of all liens affecting any of the Units. 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 Weber County, Utah and is effective only on recordation.
- 9.3 **Sale of Project.** A termination agreement may provide that the entire Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.
- 9.4 **Association Duties.** The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 9.1 and 9.2. If any real estate in the Project is to be sold following termination, title to that real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may

appear, based on the relative value of each Unit. Unless otherwise specified in the termination agreement, as long as the Association or the Owners hold title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Restated Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all assessments and other obligations imposed on Owners by this Restated Declaration.

- 9.5 **Proceeds of Sale.** Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

ARTICLE X

GENERAL USE RESTRICTIONS

- 10.1 **Rules and Regulations.** The Association shall have authority to promulgate and enforce such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to insure that the Property is maintained and used in a manner consistent with the interest of the Owners.
- 10.2 **Use of Common Areas.** The Common Areas shall be used only in a manner consistent with their nature and with the rules, regulations and use restrictions applicable to Units. No admission fees, charges for use, leases, or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas.
- 10.3 **Use of Units.** The Units within the Project may be used and shall be limited in their uses as following:
- 10.3.1 **Use of Buildings.** No Building shall be occupied and used except for single-family residential purposes by the Owners and social guests. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in the Unit may conduct such business activities within the Unit so long as: a) the existence or operation of the business activity is not apparent or detectable by sight, sound, smell or customer and/or employee traffic from outside the Unit; b) the business activity conforms to all zoning requirements for the Property; c) the business activity is a type with is consistent with the residential character of the Property; and d) the business activity does not increase traffic, constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the property, as may be determined in the sole discretion of the Board.
- 10.3.2 **Nuisances.** No noxious, illegal, or offensive activities shall be carried on in any Building, or in any part of the Property, nor shall anything be done thereon which

may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

- 10.3.3 **Signs.** No promotional signs or signs advertising any business shall be displayed on any portion of the Property. Residential "For Sale" signs advertising Units for sale may be displayed on the property next to the house inside the dirt area, and only to the extent they comply with any and all local ordinances.
- 10.3.4 **Animals.** No animals or birds of any kind shall be raised, bred, or kept in any Building, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs, cats, or birds, may be kept, provided that they are not kept, bred or maintained for any commercial purposes and they are kept under reasonable control at all times. Any such dog shall be kept on a leash at all times when the dog is in the Common Area. Owners shall immediately clean up after the pet. The Board may enact reasonable rules respecting the keeping of animals within the Project, including noise restrictions and may designate certain areas in which animals may not be taken or kept, or they may require that specific animals not be allowed on any part of the property. It is intended that all permitted pets shall be household pets that are kept indoors and not left outdoors overnight and such shall, at no time, become a nuisance to the other Owners within the Project.
- 10.3.5 **Garbage and Refuse Disposal.** All rubbish, trash and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. All garbage or trash receptacles, including recyclable containers, shall be stored in the Garage except on trash collections days. Trash, garbage and other waste shall be kept in sanitary containers and shall be kept in the garage. No equipment, garbage cans or storage piles may be kept outside of the Building.
- 10.3.6 **Roof Antennas.** No ham radio, citizens band or radio antenna or other similar electronic receiving or sending device shall be permitted upon the rooftop or side of any Unit or elsewhere without prior written approval of the Board. Such antennas, if used, must be the type that is installed within the natural building structure. In no case will any such receiving or sending antenna or other device be allowed to interfere with the appearance, peace and quiet enjoyment of any neighboring Unit, Owner's premises or equipment. Provided, however, the Association reserves the right and option to install satellite or cable service lines and antennas as needed throughout the Project. Owners may install on their Building a small satellite dish receiver for television and internet reception.
- 10.3.7 **Clothes Line.** No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

- 10.3.8 **Power Equipment and Car Maintenance.** No power equipment or car maintenance of any nature shall be permitted on the Property except inside the owner's garage. Provided however, car washing or polishing may be done by an Owner, but only in the driveway appurtenant to that Owner's Unit.
- 10.3.9 **Recreational Vehicles.** No boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property shall be parked or stored in or upon any of the Common Areas or the driveways of any Unit. However, motor homes and camp trailers may be parked in the Owner's driveway for not more than forty-eight (48) consecutive hours for the purpose of loading and unloading the vehicles. Any boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property must fit within and be stored and kept within the Owner's garage. Only licensed vehicles will be allowed on public roads, with exception for yard and maintenance crews.
- 10.3.10 **Parking Restriction.** Owners should park their vehicles in their garages. Parking spaces in the common area are for guest parking on short term use of seven (7) days or less. During the winter months, cars must be moved to allow snow plows access. Fines may be levied for violations.
- 10.3.11 **Window Covers.** Curtains and drapes, shutters, or blinds may be installed as window covers. No window shall be covered with aluminum foil or similar material. No window tinting or mullions shall be allowed without the prior written approval of the Board.
- 10.3.12 **Fences.** The original fencing established and installed as part of the original Project design shall be preserved and maintained by the Owners and by the Association, as the case may be according to the location of such fencing. Thereafter, all new and/or additional fencing must be approved by the Board as provided herein.
- 10.3.13 **Patios and Porches.** No observable outdoor storage, hot tubs, etc. of any kind shall be permitted on patios, front yards, porches etc, except for patio furniture and portable barbecue grills in good condition, which may be maintained on backyard patios. The following items may be placed, used or maintained on a front porch: benches, chairs, plants, wind chimes and hanging plants. No banners or streamers shall be displayed on a Building or Lot. Decorative items may not be placed on or along driveways and sidewalks. Small decorative lighting is permitted in the Front Yard Planting Area.
- 10.3.14 **Hazardous Materials.** No Owner shall cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in such Owner's Unit in violation of any Environmental Law. If any Hazardous Substance is used, stored, generated or disposed of on or in any Owner's Unit, or if an Owner's Unit becomes contaminated in any manner by such Owner (or its lessee), such Owner

shall indemnify and hold harmless all other Owners from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses including, without limitation, a decrease in the value of the non-contaminated Units, damages caused by losses or restriction of useable space, or any damages caused by adverse impact on the marketing of the non-contaminated Units, damages caused by loss or restriction of usable space, or any damages caused by adverse impact on the marketing of the non-contaminated Units, and any and all sums paid for settlement of claims, attorney's fees, consultant and expert fees.

As used herein, the term "Hazardous Substance" shall mean any pollutants, contaminants, chemicals, waste and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical or chemical compound or hazardous substance, material or waste, whether solid, liquid or gas, including any quantity of asbestos in any form, urea formaldehyde, PCB's, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or byproducts or derivatives, radio-active substance, waste waters, sludges, slag and any other substance, material or waste that is subject to regulation, control or remediation under any Environmental Laws.

As used herein, "Environmental Laws" shall mean all local, state and federal laws and regulations which regulate or relate to the protection, clean-up and restoration of the environment; the use, treatment, storage, transportation, generation, manufacture, processing, distribution, handling or disposal of, or emission, discharge or other release or threatened release of Hazardous Substance or otherwise dangerous substances, wastes, pollution or materials and shall include the Resource Conservation & Recovery Act, Clean Water Act, Toxic Substances Control Act, Clean Air Act, Oil Pollution Act of 1990, comprehensive Environmental Response Compensation and Liability Act and the Hazardous Materials Transportation Act.

10.3.15 **Decorations.** Christmas decorations and lighting are permitted beyond the porch area and in the Front Yard. All additional holiday decorations and lighting must remain within the porch area. All holiday decorations are to be removed shortly after the end of the holiday, weather permitting.

10.4 **Utility Easements.** Easements for installation and maintenance of utilities are reserved in the Common Areas as described on the Record of Survey Map for each of the Phases within Ridgemont. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. Easements for the installation, repair and maintenance of utilities are also reserved within each Unit. If a telephone line, gas line, water pipe, fire sprinkling systems, electricity or other utilities originates in one Unit and terminates in another Unit, a right of access to all such utilities is reserved to the Association and Owners and to all utility suppliers.

10.5 **No Further Subdividing.** No Building, Unit or Common Areas may be further subdivided, nor may any easement or other interest therein less than the whole be

conveyed by the Owner thereof without the prior written approval of the Association; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Association for the transfer or sale of any Unit to more than one person to be held by them as tenants in common, joint tenants, or otherwise.

- 10.6 **Repair of Buildings.** No improvement upon the Property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof or the Association as applicable.
- 10.7 **Insurance.** If any activity or materials stored or used on the Property result in an increase in the insurance premium for the Property, the Owner responsible for such increase shall pay the increase in the premium, due at the time the premium is due. The cost of such increase shall be assessed against the Owner responsible therefore and such assessment shall be secured by a lien on such Owner's Unit in favor of the Association.
- 10.8 **Improvement and Alterations.** There shall be no excavation, construction or alteration which in any way alters the exterior appearance or structural integrity of any Building, Lot or improvement within the Project, nor removal of any Building, Unit or other improvement within the Property (other than repairs or rebuilding) without the prior written approval of the Board. The authority granted herein to the Board shall include the authority to oversee construction, changes or modifications of Buildings for the purpose of insuring that the architectural style, materials, color, design and visual appearance of any changes or modifications are consistent with and in harmony with the project's overall appearance.
- 10.9 **General Obligations.** Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Restated Declaration.

ARTICLE XI

MORTGAGEE PROTECTION

- 11.1 **Notice of Action.** Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit number or address of the Unit, any such First Mortgagee, insurer or governmental guarantor shall be entitled to a timely written notice of:
- 11.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;
- 11.1.2 Any delinquency in the payment of assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) day's;

- 11.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- 11.1.4 Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 2 below or elsewhere herein.
- 11.2 Matters Requiring Eligible Mortgagee Approval. Except as provided elsewhere in this Restated Declaration, approval of at least sixty-seven percent (67%) of the votes of the Owners of Units in the Association (unless pursuant to a specific provision of this Restated Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:
- 11.2.1 Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.
- 11.2.2 Add or amend any material provision of this Restated Declaration, Articles, Bylaws or Plat, which establishes, provided for, governs or regulates any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or clarification only):
- a. voting rights;
 - b. reallocation of interests in the Common Areas, or rights to their use;
 - c. redefinition of any Unit boundaries;
 - d. convertibility of Units into Common Areas or vice Versa;
 - e. repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Restated Declaration; or
 - f. any provisions that expressly benefit Mortgagees, insurers, or guarantors.
 - g. Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within sixty (60) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.
- 11.3 Availability of Project Documents and Financial Statements. The Association shall maintain and have current copies of the Restated Declaration, Articles, Bylaws, and other

rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Units in the Project. Generally, these documents shall be available during normal business hours.

Each year the Association shall prepare an un-audited financial statement for the preceding fiscal year. The Association shall make available to the holder, insurer, or guarantor of any First Mortgage, the most recent audited financial statement, if any, and any subsequent unaudited financial statements.

- 11.4 **Subordination of Lien.** The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Restated Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage or the exercise of a power of sale available thereunder. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgage a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned.
- 11.5 **Payment of Taxes.** In the event any taxes or other charges which may or have become a lien on the Common Areas are not timely paid, or in the event the required hazard insurance lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or severally, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefore from the Association.
- 11.6 **Priority.** No provision of this Restated Declaration may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Units or the Common Areas.
- 11.7 **Lists of Eligible Mortgagees.** The Board shall maintain up-to-date records showing the name of each person or entity who is an Eligible Mortgagee, and address of such person or entity and the Unit which is encumbered by the Mortgage held by such person or entity.
- 11.8 **Severability.** If any paragraph, term, sentence or provision of this Restated Declaration is determined by a court of law to be an amendment that is in violation of the Mortgagee Protection clauses in the Governing Documents, the violating paragraph, term, sentence or provision shall be deemed ineffective and the remaining provisions herein shall remain

in effect.

ARTICLE XII

RESTRICTION ON RENTALS

WHEREAS, the Owners desire to preserve and enhance the quality of life at Ridgemont and have purchased their Units at Ridgemont for the purpose of using their Unit as an Owner occupied single family residence; and

WHEREAS, the Owners believe the high density planned residential unit development ("PRUD") living concept was developed to create a real property interest wherein individuals could own their own property and enjoy the benefits that accompany ownership of real property, including the stability associated with real property ownership, both individually and as a neighborhood, as well as the security that comes to a community by having residents who have ownership interests in real property and are committed to the long-term welfare and good of the community; and

WHEREAS, because the Owners of Units at Ridgemont own a shared and undivided interest in the Association Common Area, the Common Area should be used and shared in common by those who own an interest in the Common Area and should not be used by those who do not possess an ownership interest in the Common Area; and

WHEREAS, the Owners of Units realize that the value of their Units are directly related to the ability to sell their Units, that the ability to sell their Units is directly related to the ability of prospective borrowers to obtain financing, and that underwriting standards at financial institutions and secondary mortgage markets restrict the percentage of non-owner occupied Units that can exist in a PRUD community; and further, when too high a percentage of non-owner occupied Units exist in a PRUD community, a buyer will not be able to qualify for favorable and competitive market interest rates and financing terms, thus inhibiting Owners ability to sell their Units and depressing the value of all the Units at Ridgemont; and

WHEREAS, the Owners desire to live in a PRUD community that is orderly, peaceful, well maintained and desirable, and that will allow for and protect the comfortable enjoyment of all residents of Ridgemont, and have determined through the years of their collective experience that Owners of Units are more responsive to the needs of the PRUD community, take a greater interest and care of the Common Area, and are generally more respectful of the Association rules;

THEREFORE, to accomplish the Owners' objectives, the following provisions are adopted limiting and restricting the number of Units that may be occupied by Non Unit Owners at Ridgemont:

- 12.1 Leasing Prohibited. The leasing of Units or Lots at Ridgemont is prohibited unless the leasing is consistent with the provisions of this Restated Declaration.
- 12.2 Limited Leasing Permitted. Except as otherwise provided herein, no Unit may be leased

during the first twelve months following the date the Owner records a deed indicating the Owner has received title to a Unit. Thereafter, when a Unit may be leased pursuant to the provisions of this Restated Declaration, no Unit may be leased for a period in excess of three years.

- 12.3 **Ten Percent Cap.** Not more than ten percent (10%) of the Units at Ridgemont may be occupied by non Unit Owners at any one time.
- 12.4 **Board Approval of Leases.** All leases, subleases, assignments of leases, and all renewals of such agreements shall be first submitted to the Ridgemont Board who shall determine compliance with this Restated Declaration.
- 12.5 **Notification of Board.** Any Unit Owner desiring to lease his or her Unit or to have his or her Unit occupied by a non Unit Owner shall notify the Board in writing of their intent to lease their Unit. The Board shall maintain a list of those Unit Owners who have notified the Board of an intent to lease their Unit and shall grant permission to Unit Owners to lease their Unit for not more than a three year period, which permission shall be granted in the same order the Board receives the written notice of intent to lease a Unit from the Unit Owners. Permission shall be granted to lease a Unit only when less than ten percent (10%) of the Ridgemont are occupied by a non Unit Owner.
- 12.6 **Leasing Permitted.** The restrictions contained herein shall not apply if a Unit Owner moves from a Unit and leases the Unit during their absence, and the Owner moves: (a) due to temporary (less than three years) humanitarian, religious or charitable activity or service, and (b) leases the Unit with the intent to return to occupy the Unit when the humanitarian, religious or charitable service has concluded.
- 12.7 **Restrictions Not Applicable.** The restrictions herein shall not apply: (a) if a Unit Owner is a member of the military and is required to move from the Unit during a period of military deployment and desires to lease the Unit during the period of deployment; (b) if a parent, grandparent or child leases their Unit to a family member who is a parent, grandparent, child, grandchild, or sibling of the Owner; (c) to an Owner if an employer relocates an Owner for a period of less than two years; or (d) to a Unit owned by a trust or other entity created for estate planning purposes, if the trust or other estate planning entity was created for the estate of the current resident of the Unit or the parent, grandparent, child, grandchild, or sibling of the current resident of the Unit.
- 12.8 **Grandfather Clause.** Those Units that are occupied by non Unit Owners at the time this Restated Declaration is recorded at the Weber County Records Office may continue to be occupied by non Unit Owners until the Unit Owner transfers the Unit or occupies the Unit; or an officer, Owner, member, trustee, beneficiary, director, or person holding a similar position of Ownership or control of an entity or trust that holds an Ownership interest in the Unit, transfers the Unit or occupies the Unit.
- 12.9 **Transfer of Unit.** For purposes of Subparagraph 12.8, a transfer occurs when one or more of the following occur: (a) the conveyance, sale, or other transfer of a Unit by deed; (b)

the granting of a life estate in the Unit; or (c) if the Unit is owned by a limited liability company, corporation, partnership, or other business entity, the sale or transfer of more than 75% of the business entity's share, stock, membership interests, or partnership interests in a 12-month period.

- 12.10 **Tracking.** The Board shall create, by rule or resolution, procedures to determine and track the number of rentals and Units in Ridgemont subject to the provisions described in paragraphs 12.6, 12.7 and 12.8 above, and shall ensure consistent administration and enforcement of the rental restrictions in this Restated Declaration.
- 12.11 **Rental Unit Defined.** As used herein, "Rentals" or "Rental Unit" means a Unit owned by an Owner that is Occupied by one or more individuals while, at the same time, the Unit Owner does not occupy the Unit as the Owner's primary residence.
- 12.12 **Renting Defined.** As used herein, "Renting" or "Leasing" means a Unit that is owned by an Owner that is Occupied by one or more Non Owners while no Owner occupies the Unit as the Owner's primary residence. The payment of remuneration to an Owner by a Non Owner shall not be required to establish that the Non Owner is Leasing a Unit. Failure of a Non Owner to pay remuneration of any kind to the Owner shall not be considered when determining if a Unit is a Rental Unit.
- 12.13 **Non Owner Defined.** As used herein, "Non Owner" means an individual or entity that is not an Owner.
- 12.14 **Occupied Defined.** As used herein, "Occupied" means to reside in the Unit for ten (10) or more days in any thirty (30) day period. A Unit is deemed to be Occupied by a Non Owner if the Unit is Occupied by someone other than the Unit Owner.
- 12.15 **Single Family Defined.** "Single Family" means 1) a single person living alone or with the person's children, 2) up to three unrelated persons, or 3) a husband/wife relationship with or without children.
- 12.16 **Violation.** Any Unit Owner who violates this Restated Declaration shall be subject to a complaint for damages and/or an injunction and order seeking to terminate the lease in violation of this Restated Declaration. If Ridgemont is required to retain legal counsel to enforce this Restated Declaration, with or without the filing of legal process, the violating Unit Owner shall be liable for all costs and expenses incurred by the Association, including but not limited to attorney fees and court costs incurred by the Board in enforcing this Restated Declaration.
- 12.17 **Temporary Defined.** Nothing herein shall prohibit an Owner from permitting a guest or visitor from temporarily residing in his or her Unit, while the Owner is present. As used in this paragraph, "temporarily" means for a period not exceeding fifteen (15) days in any thirty (30) day period.
- 12.18 **Severability.** The provisions hereof shall be deemed independent and severable, and the

invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

ARTICLE XIII

PARTY WALLS

- 13.1 **General Rules of Law to Apply.** Each wall which is built as a part of the original construction of the Building upon the Property and placed on the dividing line between two or four Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- 13.2 **Repair and Maintenance.** Each Unit may share one or two party wall(s), a common roof, a common exterior back wall, and a common exterior front wall, with an adjacent Unit. The Owners acknowledge that certain repairs or maintenance to the roof or exterior walls of the Units may become necessary, which repairs or maintenance cannot be performed on one Unit only, but may necessarily involve the other attached Unit. Therefore, all repairs to the roof and to the surface of the exterior walls of all Units will be made by the Association out of Association funds.
- 13.3 **Destruction of Party Wall, Common Roof or Exterior.** If a party wall or common improvement is damaged or destroyed by the fault or negligence of one of the Owners, such damage shall be repaired by the Owner (unless the damage is covered by the Association's and Owner's insurance) to a condition equal to or better than immediately prior to the damage, and the negligent Owner or Owner at fault shall pay for any and all costs incurred to cure the damage. Should a party wall be damaged or destroyed by any cause other than by default or by an act of negligence of an Owner of the adjacent Unit, the damage shall be rebuilt or repaired to a condition equal to or better than immediately prior to the damage, at the joint expense of the Owners of the two or four affected Units, provided that any amount received from insurance companies for such damage shall first be applied to the restoration of the affected Units. Should a common roof or any part of the exterior wall(s) be damaged or destroyed by any cause other than by fault or by an act of negligence of an Owner of the adjacent Unit, the damage shall be rebuilt or repaired by the Association to a condition equal to or better than immediately prior to the damage, at the expense of the Association, provided that any amount received from insurance companies for such damage shall first be applied to the restoration of the affected Units.

ARTICLE XIV

DISPUTE RESOLUTION

- 14.1 **Introduction.** It is in the best interest of the Members, the Association, the Board, the officers, and committee members (the "Parties") to encourage the amicable resolution of disputes arising out of the legal rights and obligations described in this Restated Declaration without the emotional and financial costs of litigation. Each Member and the Association agrees that before filing suit in any court it will first submit to the Alternative

Dispute Resolution Procedures set forth below, (the "ADR Procedures"), with respect to any claim, grievance or dispute arising out of or relating to the Governing Documents, (the "Claims"); provided, that a Party may demand arbitration prior to complying with the ADR Procedures if demanding arbitration is required to satisfy the statute of limitations for the Party's Claim. In such an event, the Party demanding arbitration shall simultaneously stay the arbitration until the ADR Procedures have been satisfied.

14.2 Exceptions. Notwithstanding the foregoing, the ADR Procedures shall not be required for the following Claims unless all Parties to the matter agree to submit the matter to the ADR Procedures:

14.2.1 any suit between Members which does not include the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Governing Documents;

14.2.2 any suit in which any indispensable party is not bound by this Article 14;

14.2.3 any collection activity, action or suit brought by the Association against an Owner involving the collection of delinquent Assessments, Special Assessments, Fines or Common Area fees;

14.2.4 actions by the Association to collect Assessments or other amounts due from any Owner; and

14.2.5 actions brought by the Association to obtain a temporary restraining order, preliminary injunctive relief, or other preliminary equitable relief and such ancillary relief as the Association may deem necessary in order to enforce the provisions of this Restated Declaration (an "Enforcement Action").

14.3 Procedure for Disputes Between Members.

14.3.1 Good-Faith Discussion. The aggrieved Party ("Complainant") shall attempt to resolve the Claim with the other Party ("Respondent") through good-faith discussion.

14.3.2 Submission of Complaint. If the Claim is not resolved through good-faith discussion, Complainant shall provide the Board and each Respondent with a written statement of the material facts of the Claim (the "Complaint"). The Complaint shall include the following:

a. the nature of the Claim, including the parties involved and the Respondent's role in the Claim;

b. a brief description of the discussions of the parties and their attempts to resolve the Claim informally;

- c. copies of relevant documents supportive of Complainant's position; and
- d. Complainant's proposed resolution or remedy.

The Complaint must include all Claims that exist between the Parties at that time. Any Claim not included in the Complaint is expressly waived by the Complainant. Respondent shall have fifteen (15) days from receipt of the Complaint to file a response (the "Response") with the Complainant and the Board. The Response must include any Claim that the Respondent has concerning the Complainant at the time that the Response is submitted to the Board. Any Claim that is not included in the Response is expressly waived by the Respondent. The Response shall include any documents, descriptions, explanations or other material supporting the Response.

- 14.4 **Review by Board.** The Board shall undertake a reasonable review of the Complaint and the Response and shall issue a written decision, including an explanation of the reasons for the decision, within thirty (30) days of receipt of the Response. A copy of the decision shall be sent to the Parties promptly via first class mail. The Board's decision shall be the final and binding resolution of the Claims submitted in the Complaint and the Response unless within thirty (30) days from the date that the decision is mailed either Party delivers to the Board and all other Parties a Notice of Objection to the Board's Decision and Intent to Submit to Mediation.

14.5 **Mediation.**

- 14.5.1 Within thirty (30) days of receipt of the Notice of Objection to the Board's Decision and Intent to Submit to Mediation, the Board shall contact the Parties with proposed mediation dates and a list of potential mediators. A neutral third-party or professional mediator that has been agreed to by the Parties shall conduct the mediation.

- 14.5.2 The mediation shall be held in the State of Utah at a location agreed upon by the Parties. Unless otherwise agreed by the Parties, the mediation shall take place no later than three (3) months from the date of the Board's decision. If the Parties do not agree to extend this period and mediation does not occur within this time period, then this requirement is deemed to be satisfied.

- 14.5.3 Unless otherwise agreed by the Parties, all fees and costs of the mediation shall be borne by the Party submitting the Notice of Objection to the Board's Decision and Intent to Submit to Mediation.

14.6 **Arbitration.**

- 14.6.1 All Claims between the Parties not otherwise resolved shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Unless otherwise agreed upon by the Parties in writing, demand for arbitration must be made within thirty (30) days of the

mediation or the expiration of the period for holding the mediation as set forth above. Failure to demand arbitration within 30 days is an express waiver of the Notice of Objection to the Board's Decision and Intent to Submit to Mediation, and upon such waiver the Board's decision becomes the final and binding resolution of the Claims.

- 14.6.2 In no event shall a Party be entitled to demand arbitration of a Claim after the time for taking legal action on the Claim has expired.
- 14.6.3 The arbitration shall be held in the State of Utah at a location agreed upon by the Parties or determined by the arbitrator.
- 14.6.4 The prevailing Party in the arbitration shall be awarded its reasonable attorneys fees and costs associated with the dispute. Punitive damages, however, shall not be awarded in any dispute. Judgment upon the award rendered by the arbitrator may be entered in any court within the State of Utah.
- 14.7 Procedure Subject to Change by Board. The procedures outlined in this Section 14 may be amended from time to time by the Board without the consent of the Owners, as the Board deems necessary, in light of experience, to better accomplish the amicable resolution of disputes arising out of the legal rights and obligations described in the Governing Documents; provided, such modifications shall not take effect until three months after a copy of the new procedures is delivered to the Owners.
- 14.8 Procedure for Disputes Between the Association and Members. Subject to the provisions of Section 14.2, any Member who has a dispute with the Association, the Board, the Architectural Committee, or any officer of member representing one of these groups, and who is not satisfied with the decision of the Association, the Board, or the Architectural Committee, shall follow the procedures outlined in Section 14.3 above.

ARTICLE XV

MISCELLANEOUS

- 15.1 Notices. Any notice required or permitted to be given to any Owner under the provisions of this Restated Declaration shall be deemed to have been properly furnished if mailed postage prepaid to the person who appears as an Owner, at the latest address for such person, appearing on the records of the Association at the time mailing. Such notice shall also be deemed to have been properly furnished if sent via email as long as the association follows the required procedures outlined in the Bylaws regarding notice by email.
- 15.2 Term. This Restated Declaration shall run with the land and bind the owners of Lots and all those who receive an interest therein, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot or land subject to this Restated Declaration, and their legal representatives, heirs, successors and assigns, perpetually so long as there are mortgages against the Lots in the Project. The Owners of a sixty-seven percent (67%) of the Lots may sign and have recorded an instrument in writing agreeing to amend this Restated

declaration as set forth below.

- 15.3 **Amendment.** Except as provided elsewhere in this Restated Declaration, any amendment to this Restated Declaration shall require the affirmative vote, with or without a meeting, of at least sixty-seven percent (67%) of the total votes of the Association. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Weber County Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred.
- 15.4 **Rights of Action.** The Association and any aggrieved Owner shall have a right of action against any Owner(s) who fails to comply with the provisions of this Restated Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association. The prevailing party in any action between the Association and an Owner shall be entitled to recover all fees and costs incurred in pursuing such action, including reasonable attorney fees.
- 15.5 **Interpretation.** The captions which precede the Articles and Sections of this Restated Declaration are for convenience only and in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or enforceability of any portion of this Restated Declaration shall not affect the validity or enforceability of the remainder thereof. This Restated Declaration shall be liberally construed to effect all of its purposes.
- 15.6 **Covenants to Run With Land.** This Restated Declaration and all of the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, all parties who hereafter acquire any interest in a Unit or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units or in the Common Areas shall be subject to, the terms of the Restated Declaration and the provisions of any rules, regulations, agreements, instruments and determinations contemplated by this Restated Declaration. By acquiring any interest in a Unit or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Restated Declaration.
- 15.7 **Registered Agent.** The Registered Agent for service of process for any action involving the subdivision shall be the same as the registered agent for the Association as shown on the records on file with the Utah Department of Commerce.
- 15.8 **Effective Date.** This Restated Declaration and any amendment or supplement hereto shall take effect upon its being filed for record in the office of the County Recorder of Weber County, Utah.

[Signatures on Next Page]

CERTIFICATION

It is hereby certified that Owners holding at least two-thirds (67%) of the total votes of the Association have voted to approve this Restated Declaration.

IN WITNESS WHEREOF, this 25 day of January, 2012.

RIDGEMONT OWNERS ASSOCIATION

By Betty Jo Schreck
President

STATE OF UTAH)
 ss.
COUNTY OF WEBER)

On the 25th day of January, 2012, personally appeared before me Betty Schreck,, who by me being duly sworn, did say that she is the president of Ridgemont Homeowners Association, and that the within and foregoing instrument was signed in behalf of said Association and did duly acknowledged to me that she executed the same.

Debbie Dilbeck
NOTARY PUBLIC

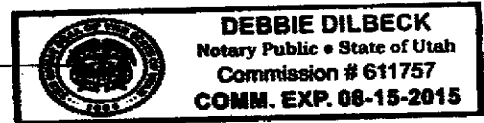


EXHIBIT "A"

LEGAL DESCRIPTION

Ridgemont PRUD Washington Terrace, Weber County, Utah

All of Lots 1 through 18, Ridgemont, P.R.U.D., Phase 1, Washington Terrace, Weber County, Utah [07-244-0001 through 07-244-0018] ✓ NP

All of Lots 19 through 28, Ridgemont, P.R.U.D., Phase 2, Washington Terrace, Weber County, Utah [07-281-0001 through 07-281-0010] ✓ NP

All of Lots 29 through 38, Ridgemont, P.R.U.D., Phase 3, Washington Terrace, Weber County, Utah [07-303-0001 through 07-303-0010] ✓ NP

All of Lots 39 through 52, Ridgemont, P.R.U.D., Phase 4, Washington Terrace, Weber County, Utah [07-350-0001 through 07-350-0014] ✓ NP

All of Lots 53 through 64, Ridgemont, P.R.U.D., Phase 5, Washington Terrace, Weber County, Utah [07-419-0001 through 07-419-0012] ✓ NP

All of Lots 65 through 80, Ridgemont, P.R.U.D., Phase 6, Washington Terrace, Weber County, Utah [07-420-0001 through 07-420-0016] ✓ NP

COMMON AREA IN RIDGEMONT, P.R.U.D., PHASE 1, 2, 3, 4, 5 & 6, WASHINGTON TERRACE CITY, WEBER COUNTY, UTAH

(07-244-0019; 07-281-0011; 07-303-0011; 07-350-0015; 07-419-0013; 07-420-0017)

✓ NP

EXHIBIT "B"

LIST OF UNITS, VOTES AND ASSESSMENT PERCENTAGES

All Units and their Owners have an equal number of votes and are assessed an equal percentage of the Common Area expenses, as follows:

<u>UNITS</u>	<u>VOTES</u>	<u>ASSESSMENT PERCENTAGES</u>
1 -80	1	1.25
Total 80	80	100%

Exhibit "C"

Bylaws

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BYLAWS
OF
RIDGEMONT OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Ridgemont Owners Association ("Association"), a Utah nonprofit corporation. The principal office of the Association shall be located at the office of the Association's registered agent as contained on the website for the State of Utah, Department of Commerce, Division of Corporations and Commercial Code. The meetings of Members and directors may be held at such places in Weber County, State of Utah, as may be designated by the Board of Directors.

ARTICLE II

APPLICATION OF BYLAWS

All present and future owners, mortgagees, lessees and occupants of any Unit or Building and any other persons who may use the facilities or the Project in any manner are subject to these Bylaws, the Restated and Amended Declaration of Covenants, Conditions and Restrictions of Ridgemont PRUD ("Restated Declaration") and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Restated Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with. Certain capitalize terms in these Bylaws shall be defined in accordance with the definition for such terms set forth in the Restated Declaration

ARTICLE III

MEETINGS OF MEMBERS

- 3.1 **Annual Meetings.** The annual meeting of the Members shall be held in August of each year at the Project or some reasonable location in Weber County, Utah, or on such other annual date and time fixed by the Board of Directors.
- 3.2 **Special Meeting.** Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the membership.

- 3.3 **Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by emailing a copy of such notice in compliance with Article XIII of these Bylaws, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.
- 3.4 **Quorum.** The presence at the meeting of Members entitled to cast, or of written ballots or of proxies entitled to cast, fifty-one percent (51%) or more of the votes of the 80 owners' membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Restated Declaration, or these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.
- 3.5 **Voting.** At all meetings of Members, each Member may vote in person or by written ballot or by proxy only as indicated herein.
- 3.6 **Action Taken Without a Meeting or by Written Ballot.** Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting or by written ballot if the following requirements are met:
- 3.6.1 A written ballot is distributed to every Member entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Member to return the ballot to the Association, which reasonable time shall not be less than 15 days from the day on which the notice is mailed, if the notice is mailed by first-class mail or sent by electronic means.
- 3.6.2 The number of votes cast by ballot within the specified time under Subparagraph 3.6.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.
- 3.6.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.
- 3.6.4 The written ballot distributed to Members affords an opportunity for the Member to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Members shall be cast in accordance with the choice specified.
- 3.6.5 All solicitations for votes by written ballot (i) shall indicate the number of responses needed to meet the quorum requirements, (ii) state the percentage of approvals necessary to approve each matter other than election of directors, (iii)

specify the time by which a ballot must be received by the nonprofit corporation in order to be counted, and (iv) be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter.

- 3.6.6 A written ballot may not be revoked once it has been received by the Association's secretary.
- 3.6.7 Action taken under this section has the same effect as action taken at a meeting of Owners and may be described as such in any document.
- 3.6.8 A written ballot delivered to every Owner entitled to vote on the matter or matters therein, as described in this section, may also be used in connection with any annual, regular, or special meeting of Owners, thereby allowing Owners the choice of either voting in person or by written ballot delivered by a Owner to the nonprofit corporation in lieu of attendance at such meeting. Any written ballot shall be counted equally with the votes of Owners in attendance at any meeting for every purpose, including satisfaction of a quorum requirement. A written ballot may be used for voting purposes only by the Member to whom it is sent and may not be transferred or used by any other Member for any purpose.
- 3.7 **Proxies.** At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall not exist as to those matters for which a written ballot has been mailed to all owners as provided in Article 3.6. The instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney there unto duly authorized in writing. If a Unit is jointly held, the instrument authorizing a proxy to act may be executed by any Owner of such Unit or their attorney thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

ARTICLE IV

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

- 4.1 **Number.** The affairs of this Association shall be managed by a Board of five (5) Directors (hereafter collectively referred to as the "Board"), who must be Members of the Association.
- 4.2 **Term of Office.** At annual meetings the Members shall elect Board Members to serve for a term of three (3) years. The elections will stagger, always leaving some experienced Board Members on the Board. Three (3) Board Members shall be elected one year and two (2) Board Members shall be elected another year. There cannot be more than one (1) member on the Board from each household or family.
- 4.3 **Removal.** Any Director may be removed from the Board of Directors, with or without

cause, by majority vote of the Members of the Association. In the event of death, resignation or removal of a Director or of a Director who is serving as the President or Vice President of the Association, his successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his predecessor.

- 4.4 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.
- 4.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

- 5.1 Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may not be made from the floor at the annual meeting nor shall write-in candidates be permitted for election. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board of Directors at least 30 days prior to each annual meeting of the Members, to serve from date of appointment until close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members. Members may also nominate Owners for election to the Board. All nominations by the nominating committee or by Members must be submitted to the Board at least 21 days prior to the date of the meeting at which the election will be held. The Board shall give notice of the annual meeting and of the deadline to submit nominations for a position on the Board at least 30 days prior to each meeting at which an election will be held.
- 5.2 Election. Election to the Board of Directors and to a specific office on the Board shall be by written ballot. Secret ballots shall not be required. At such election the Members may cast a ballot in person or by a written ballot (but not by proxy), in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Restated Declaration.

ARTICLE VI

MEETING OF DIRECTORS

- 6.1 Regular Meetings. The Board of Directors shall hold a regular meeting at least quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting

shall be held at the same time on the next day which is not a legal holiday.

- 6.2 **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.
- 6.3 **Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 7.1 **Powers.** The Board of Directors shall have power to:
- 7.1.1 Adapt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guest thereon, and to establish penalties of the infraction thereof.
 - 7.1.2 Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and an opportunity for hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
 - 7.1.3 Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Restated Declaration;
 - 7.1.4 Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
 - 7.1.5 Employ a Manager, an independent contractor, and such other employees as they deem necessary, and to prescribe their duties.
- 7.2 **Duties.** It shall be the duty of the Board of Directors to:
- 7.2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement there of to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
 - 7.2.2 Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- 7.2.3 As more fully provided in the Restated Declaration, to:
- (a) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;
 - (b) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (c) Foreclose at its discretion the lien against any Unit for which assessments are not timely paid and/or to bring an action at law against the Owner personally obligated to pay the same.
- 7.2.4 Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- 7.2.5 Procure and maintain adequate liability and hazard insurance on property owned by the Association or by the owners as tenants in common, and adequate officers and Directors indemnity insurance, and all other insurance required by the Restated Declaration;
- 7.2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- 7.2.7 Cause the Common Areas to be maintained;
- 7.2.8 Permit First Mortgagees of Units in the Project to pay taxes or other charges which are in default and which may or have become a charge against the Common Areas of the Association, and such First Mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such First Mortgagees, upon making such payments, shall be owed immediate reimbursement therefore from the Association;
- 7.2.9 Assess and collect all assessments referred to or authorized in the Restated Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

- 8.1 Enumeration of Officers. The officers of this Association shall be a President, 1st Vice President and 2nd Vice President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.
- 8.2 Election of Officers. The assignments of the officers of the Board shall take place at the

first meeting of the Board of Directors following each annual meeting of the Members.

- 8.3 **Term.** The Association officers shall be elected by the Board of Directors and each such officer shall hold office for one (1) year or until his or her successor is elected and has qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- 8.4 **Special Appointments.** The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board of Directors may, from time to time, determine.
- 8.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by vote of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 8.6 **Vacancies.** A vacancy in the office of Association Secretary or Treasurer may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces unless sooner terminated by the Board.
- 8.7 **Multiple Offices.** No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant Section 4 of this Article.
- 8.8 **Duties.** The duties of the officers are as follows:
- 8.8.1 **President.** The President shall preside at all meetings for the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, promissory notes, checks, deeds and other written instruments.
- 8.8.2 **1st Vice President.** The 1st Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The 1st Vice President may also sign Association checks. The 1st Vice President shall be over the maintenance of the buildings and shall represent the Board in maintaining the buildings.
- 8.8.3 **2nd Vice President.** The 2nd Vice President shall act in the place and stead of the 1st Vice President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board. The 2nd Vice President may also sign Association checks. The 2nd Vice President shall be over grounds and shall represent the Board in maintaining and directing the grounds people.

- 8.8.4 **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- 8.8.5 **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall with the President or Vice President(s) be authorized to sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, and deliver a copy of each to the Members.

ARTICLE IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall provide any indemnification required or permitted by the laws of Utah and shall indemnify Directors, officers, agents and employees as follows:

- 9.1 **Third Party Litigation.** The Association shall indemnify any Director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was such Director or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, if itself, create a presumption that the person did not act in good faith, and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- 9.2 **Association Litigation.** The Association shall indemnify any Director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was such a Director or officer of an employee or agent of the Association, or is or was serving at the request of the

Association as Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or gross misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

- 9.3 Expenses. To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2 of this Article Nine, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith, without the necessity for the determination as to the standard of conduct as provided in Section 4 of this Article Nine.
- 9.4 Determination of Right to Indemnity. Any indemnification under Section 1 or 2 of this Article nine (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or 2 of this Article Nine. Such determination shall be made (i) by the Board of Directors of the Association by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, and such a quorum of disinterested Directors so directs, by independent legal counsel (who may be regular counsel for the Association) in a written opinion; and any determination so made shall be conclusive.
- 9.5 Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article Nine.
- 9.6 Other Indemnification Rights. Agents and employees of the Association who are not Directors or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Directors of the Association.
- 9.7 Benefitted Parties. Any indemnification pursuant to this Article Nine shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

**ARTICLE X
COMMITTEES**

- 10.1 The Association shall appoint a nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE XI
BOOKS AND RECORDS**

11.1 Accounting.

11.1.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer.

11.1.2 At the close of each fiscal year, the books and records of the Association shall be reviewed by the Association, and financial statements shall be distributed to all Owners.

- 11.2 Inspection of Records. The membership register, books of account and minutes of meetings of the Association, of the Board of Directors and of committees of the Board of Directors and all other records of the Project maintained by the association or Manager shall be made available for inspection and copying by an member of the Association or his duly appointed representative at any reasonable time and for a non-commercial purpose reasonably related to his interest as a member, at the office where the records are maintained. Upon receipt of an authenticated written request from a Member along with the fee prescribed by the board of Directors to defray the costs of reproduction, the Manager or other custodian of records of the Association shall prepare and transmit to the member a copy of any and all records request. The Board of Directors shall establish reasonable rules with respect to:

11.2.1 Notice to be given to the custodian of the records by the Member desiring to make the inspection;

11.2.2 Hours and days of the week when such an inspection may be made; and

11.2.3 Payment of the cost of reproducing copies of documents requested by a Member.

- 11.3 Every member of the Board of Directors, subject to the conditions set forth above, shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association.

- 11.4 Record Retention Policy. The attached Exhibit "D" shall serve as the record retention schedule for the Association. It shall serve as a guideline and is not an exclusive list. Some of the records below may not currently exist, but are listed in the event they exist in

the future. The Board shall use its best judgment in determining the retention period for any record not mentioned below. The records described below shall be kept for as long as indicated. Once their retention period has expired, the Board may destroy the documents.

ARTICLE XII

ASSESSMENTS

- 12.1 All Assessment shall be made in accordance with the general provisions of Article V of the Restated Declaration. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Board of Directors in assessing Common Expenses against the Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

ARTICLE XIII

ELECTRONIC NOTICE OF MEETINGS

- 13.1 Notification by Website and Email. The Association desires to communicate electronically with Members to the fullest extent possible. All Members who desire to receive notification of Association meetings and business shall provide an email address to the Association secretary and shall request, via email to the Association secretary, that the Association send notification of all Association meetings and business to the email address of the requesting Member. The Association secretary shall thereafter send an electronic notice, via email or a comparable electronic means, of all Association meetings and business to those Members who request electronic notification in this manner.
- 13.2 Members to Confirm Receipt of Notice. No electronic notice sent pursuant to the provisions of this Article shall be valid unless the requesting Member acknowledges receipt of the electronic notice by replying to the email sent by the Association secretary and confirms that the electronic notice has been received and accepted.
- 13.3 Waiver. Members who (a) request electronic notice, and (b) confirm they have received electronic notice from the Association of any Association business or meeting, are deemed to have waived any defense to or claim against the Association that the Association's electronic notice was not adequate or proper, and may not thereafter challenge or assert that the notice they received was not adequate, proper, or in compliance with the Declaration, the Association's Bylaws, or Utah law.

ARTICLE XIV

CORPORATE SEAL

- 14.1 The Association may, but shall not be obligated to, have a seal in circular form having within its circumference the words: "Ridgemont Owners Association", or in lieu thereof

the work "SEAL" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE XV

AMENDMENTS

- 15.1 Amendment Procedure. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a Majority of the voting Members of the Association.
- 15.2 Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Restated Declaration and these Bylaws, the Restated Declaration shall control.

Exhibit “D”

Record Retention Schedule

Record Retention Schedule

Description of Record	Retention Period
Articles of Incorporation	Permanent
Declaration of Covenants, Conditions, and Restrictions (and amendments)	Permanent
Corporate or Association Bylaws	Permanent
Deeds, Plats, Maps	Permanent
Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members (U.C.A §16-6a-1601 (5)(c))	Permanent
Minutes of all meetings board of directors	Permanent
Minutes of all annual and special meetings of members	Permanent
Record of all actions taken by the members or board of directors without a meeting	Permanent
A record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the nonprofit corporations	Permanent
Record of all waivers of notices of meetings of members and of the board of directors or any committee of the board of directors	Permanent
Architectural Modifications- Approved and Disapproved	Permanent
Architectural Guidelines (current and past)	Permanent
Association or Community Rules	Current and Past 6 Years
Ownership/Membership Records	Current and Past 6 Years
All written communications to members generally as members	6 years
A list of the names and address of current directors and officers	Current and past 4 Years
A copy of the most recent annual report delivered to the division under Section (U.C.A §16-6a-1607)	Current and Past 4 Years
Financial records and statements, including invoices, tax returns, checks, etc	4 years

Exhibit "E"

Maintenance Chart

MAINTENANCECHART

The following chart shows the division of responsibility for maintenance and repair of property between the Ridgmont Homeowners' Association and the Lot Owners.

	EXTERIOR	HOA	OWNER
1	Maintenance of, repair, paint and replace: roof, siding, stucco and building exterior, excepting exterior brickwork and chimneys	X	
2	Routine maintenance and repair to exterior brickwork and chimneys	X	
3	Major repairs to and replacement of exterior brickwork and chimneys	X	
4	Routine maintenance and repair of front steps and sidewalk located on the Lot	X	
5	Major repairs and replacement of front steps and sidewalks located on the Lot	X	
6	Routine maintenance and repair of concrete foundations and entrances (steps and porches) to the home	X	
7	Major repair and replacement of concrete foundations and entrances (steps and porches) to the home	X	
8	Routine maintenance and repair of originally installed: patio concrete, decks, balconies, driveways, porches & sidewalks	X	
9	Major repair and replacement of: patio concrete, decks, balconies, driveways, porches & sidewalks, and all owner installations or modifications of the same	X	
10	Maintenance, repair and replacement of original patio roof	X	
11	Maintenance, repair and replacement of original fences	X	
12	Maintenance, repair and replacement of owner added or modified fences and handrails		X
13	Maintenance, repair and replacement of rain gutters and down spouts	X	
14	Maintenance, repair and replacement of window wells and window well covers	X	
15	Maintenance, repair and replacement of exterior doors, hinges, frames, thresholds, locks, doorbells and chimes		X
16	Maintenance, repair and replacement of garage floors, doors and door openers		X
17	Maintenance, repair and replacement of windows, sliding glass doors, screens and frames		X
18	Maintenance, repair and replacement of all yard lights that use electricity from the unit	X	
19	Maintenance, repair and replacement of all light fixtures attached to exterior walls	X	
20	Maintenance, repair and replacement of all light bulbs on exterior walls		X
21	Maintenance, repair and replacement of gas lines and electric wiring connections from the meters to the unit, if not covered by the utility company		X

22	Maintenance, repair and replacement of water system from the outside entry through the foundation & throughout the unit. This includes the outside faucets and hose bibs. Any damage caused by this portion of the water system is the liability of unit owner		X
23	Maintenance, repair and replacement of outside culinary water spigots and bibs		X
24	Maintenance, repair and replacement of outside secondary water spigots and bibs	X	
25	Maintenance, repair and replacement of phone lines, TV cables, air conditioning, satellite dishes antennas, heat tape, heat and sump pumps		X
26	Unit owner improvements: skylights, solar panels, windows, awnings, attic vents and similar items		X
27			

	INTERIOR (except as otherwise covered by the owner's or HOA's insurance)	HOA	OWNER
28	All interior painting, decorations and furnishings from the inside of the unfinished walls and ceilings. This includes all appliances such as dishwashers, garbage disposals, ranges, refrigerators, furnaces, exhaust fans, attic vents, air conditioners, water heaters, and intercom, telephone, and computer wiring and networks		X
29	Maintenance, cleaning, repair and replace venting, chimneys and fireplaces		X
30	Maintenance, repair and replacement of the electrical system from the city electric meter to and including the breaker panel and to all outlets including switches and light fixtures		X
31	Maintenance, repair and replacement of plumbing fixtures such as sinks, basins, toilets and all interior pipes and valves		X
32	Repair of cracks or other damage to interior walls, floors or ceilings caused by normal unit settling		X
33	Repairs and damage to a unit resulting from static water, rain or seepage of water from any underground source, except sprinkler system failures.		X
34	Repairs of damage resulting from surface water		X
36	Repairs of damage to interior of a unit resulting from sprinkler system	X	

	GROUNDS (maintain and repair)	HOA	OWNER
37	Lawn, flowers, trees and shrubs in the common areas	X	
38	Flowers, trees and shrubs on the lot or in the common areas as modified by owner		X
39	Secondary water system, filter system, pond & streams	X	
40	Snow removal from roads, parking areas, sidewalks and owners' steps	X	
41	Roadways, parking areas, curbs and gutter	X	