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**SUNSET PLACE TOWNHOUSES HOMEOWNER'S ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(the "Declaration") made this 27th day of July 2015, by SUNSET DEVELOPMENT, LLC, a
Utah limited liability company (the "Declarant").

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13-309-0001 thru 0076
CA-0077

RECITALS.

A. The Declarant is the owner of certain land in Sunset City, Davis County, Utah, shown on the plat entitled, "Sunset Place Townhouses, PUD" to be recorded among the Recorder's Office of Davis County, Utah, Recorder's Office (the "Recorder's Office"), in Plat Book 6321, Page 332.

B. It is the intention of the Declarant to develop the land as a residential community, and to insure therefore a uniform plan and scheme of development, and unto that end the Declarant has adopted, imposed and subjected the property hereinafter described to certain covenants, conditions, restrictions, easements, charges and liens (collectively, the "Covenants"), as set forth herein for the following purposes:

- 1) To insure uniformity in the development of the Lots (as hereinafter defined) in the Community (as hereinafter defined).
- 2) To facilitate the sale by the Declarant, its successors and assigns, of the land in the Community by reason of its ability to assure such purchasers of uniformity.
- 3) To make certain that the Covenants shall apply uniformly to all Lots for the mutual advantage of the Declarant, the Owners and any Mortgagee (as such capitalized terms are defined herein) and to all those who may in the future claim title through any of the above.
- 4) To provide for the benefit of the Owners, the preservation of the value and amenities in the Community, and the maintenance of certain reserved open spaces and common areas, including but not limited to easements, charges and liens, herein below set forth, and for the creation of an association to be delegated and assigned the powers of maintain and administering the Common Area (as herein defined), and enforcing all applicable covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; which association shall be incorporated under the laws of the State of Utah, as a nonprofit corporation, for the purposes of exercising the functions as aforesaid.

Now, Therefore, know all men by these presents:

That the Declarant does hereby establish and impose upon the Property (as hereinafter defined), the Covenants for the benefit of and to be observed and enforced by the Declarant, its successors and assigns, as well as by all purchasers of Lots, to wit:

ARTICLE I
Definitions

The following words when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1. "Association" shall mean and refer to the Sunset Place Townhouses Homeowner's Association, Inc.
2. "Builder" shall mean any person or entity other than the Declarant, which shall, in the ordinary course of such person's business, construct a dwelling on a Lot and sell or lease it to another person to occupy as such person's residence.
3. "Common Area" shall mean and refer to those areas of land, sometimes designated on the Plat as "Homeowner's Association Open Space," intended to be devoted to the common use and enjoyment of the Owners of the Lots, including but not limited to reserved open spaces, maintenance areas, tot lots, non-tidal wetlands, if any, recreational areas with any improvements located thereon, steep slopes, private streets, parking areas (including, without limitation, covered parking), storm water detention facilities, sewer lift stations and any other real property or other facilities which the Association owns and/or in which the Association acquires the right of use for the benefit of the Association and its members, saving and excepting, however, so much of the land previously conveyed or to be conveyed to a governing body.
4. "Community" shall mean and refer to all of the land hereby made subject to this Declaration by an instrument in writing, duly executed and recorded among the Recorder's Office and Additional Property (as such term is hereinafter defined) that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed and recorded among the Recorder's Office.
5. "Declarant" shall mean and refer to Sunset Development, LLC, and any successor to assign thereof to whom it shall expressly (a) convey or otherwise transfer all of its right, title and interest in the Property as an entirety, without reservation of any kind; or (b) transfer, set over and assign all of its right, title and interest under this Declaration, or any amendment or modification thereof.
6. "Development Period" shall mean the time between the date of recordation of this Declaration among the Recorder's Office and the date on which the Class B membership in the Association converts to a Class A membership as described in Article IV.
7. "Dwelling" shall mean the residential dwelling unit together with any other Structures on the same lot.
8. "Lot" and/or "Lots" shall mean and refer to those portions of the Property that are subdivided parcels of land shown and defined as lots or plots of ground (exclusive of the

Common Area) and designated by numerals on the Plat, on which a dwelling is proposed to be constructed.

9. "Mortgage" means any mortgage or deed of trust or deed of trust encumbering any Lot or any or all of the Common Area, and any other security interest existing by virtue of any other form of security instrument or arrangement.

10. "Mortgagee" means the person secured by a Mortgage.

11. "Plat" shall mean and refer to the plat entitled, "Sunset Place Townhouses, PUD" recorded among the Recorder's Office of Davis County, Utah, and any plats recording among the Recorder's Office of Davis County, Utah, and any plats recorded among the Recorder's Office in substitution therefor or amendment thereof, plus any plats hereafter recorded among the Recorder's Office of any Additional Property that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded among the Recorder's Office.

12. "Property" shall mean and refer to all of the real property described in Exhibit A attached hereto, and any additional land at such time as it is hereafter expressly made subject to this Declaration by an instrument in writing, duly executed and recorded among the Recorder's Office.

13. "Owner" or "Owners" shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple record title to a Lot, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as joint tenants, tenants in common, tenants by the entireties, or tenants in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of the same, as a unit, shall be deemed a single Owner and shall be or become a single member of the Association by virtue of ownership of such Lot. The term "Owner," however, shall not mean, refer to or include any contract purchaser nor shall it include a Mortgagee.

14. "Structure" means any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, clothesline, radio, television or other antenna or "dish," fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, planting signboard or any temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any

change in the grade of the Property (or any part thereof) or more than six inches (6") from that existing at the time of first ownership by an Owner hereunder other than the Declarant.

ARTICLE II

Covenants, Conditions and Restrictions

1. Administration, Architectural Review Committee. The Architectural Review Committee, which shall be appointed by the Declarant during the Development Period and thereafter by the Board of Directors of the Association (the "Architectural Review Committee") shall have all the rights, powers and duties granted to it pursuant to this Declaration. The initial members of the Architectural Review Committee are Joseph M. Cook, Jesse G. Curtis & Cameron Bishop. The Architectural Review Committee shall at all times be comprised of at least three (3) members. At any time, or from time to time, during the Development Period, the initial members of the Architectural Review Committee may be replaced for any reason (including death or resignation) with other individuals selected by the Declarant in its sole discretion. All questions shall be decided by a majority of the members of the Architectural Review Committee, and such majority shall be necessary and sufficient to act in each instance on all matters. Each member of the Architectural Review Committee, now or hereafter appointed shall act without compensation for services performed pursuant to this Declaration. The Declarant hereby grants to the Architectural Review Committee, its successors and assigns, the right to establish architectural design criteria for the community, (the "Design Guidelines") which shall be made available to all members, and to waive such portion or portions of the Covenants numbered 2.3 through 2.23 of this Article II as the Architectural Review Committee, in its sole discretion, may deem advisable and in the best interests of the Community.

2. Architectural Review.

a. No Structure (other than construction or development by, for or under contract with Declarant) shall be constructed on any Lot nor shall any addition (including awnings and screens) change, or alteration therein or thereto (including any retreatment by painting or otherwise of any exterior part thereof unless the original color and material are used) (collectively, "Alterations") be made to the exterior of any Structure and/or contour of any Lot, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any Structure until the plans and specifications, in duplicate, showing the nature, kind, shape, dimensions, material, floor plans, color scheme, location, proposed topographical changes, together with the estimated costs of said Alterations or construction, the proposed topographical changes, together with the estimated costs of said Alterations or construction, the proposed construction schedule, and a designation of the party or parties to perform the work, have been submitted to and approved in writing by the Architectural Review Committee, its successors and assigns, and until all necessary permits and any other governmental or quasi-governmental approvals have been obtained. The approval of the Architectural Review Committee of any Structure or Alterations shall in no way be deemed to relieve the Owner of any Lot from its obligation to obtain any and all permits and approvals necessary from local governmental authorities for such Structure or Alterations.

b. The Architectural Review Committee shall consider applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration,

applicable law and the Design Guidelines, if any, and shall be guided by the extent to which such proposal will insure conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of external design with existing structures; choice of colors; changes in topography, grade elevations and/or drainage; the ability of the party or parties designated by the Owner to complete the Structure or Alterations proposed in accordance with this Declaration, including, without limiting the foregoing, such factors as background, experience, skill quality of workmanship, financial ability; factors of public health and safety; the effect of the proposed Structure or Alterations on the use, enjoyment and value of other neighboring properties, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the proposed Structure or Alterations with the general aesthetic appearance of the surrounding area.

c. The Architectural Review Committee shall have the right to refuse to approve any such plans or specifications, including grading and location plans, which are not suitable or desirable in its opinion, for aesthetic or other considerations. Written requests for approval accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Architectural Review Committee from time to time shall be submitted to the Architectural Review Committee by registered or certified mail or in person. In the event the Architectural Review Committee fails to approve or disapprove any plans within sixty (60) days of the receipt thereof, such plans shall be deemed approved. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Review Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance. The Architectural Review committee shall have the right to charge a processing fee, not in excess of \$50.00, for such requests, which shall be retained by the Association and not the Architectural Review Committee.

d. Construction of Alterations in accordance with plans and specifications approved by the Architectural Review Committee pursuant to the provisions of this Article shall be commenced within three (3) months following the date of approval and completed within six (6) months of commencement of the Alterations, or within such other period as the Architectural Review Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Review Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. After construction, all Structures and Alterations shall be maintained continuously in strict conformity with the plans and specifications so approved and all applicable laws.

e. If any structure is altered, erected, placed or maintained on any Lot other than in accordance with approved plans and specifications therefore and applicable law, such action shall be deemed to be a violation of the provisions of this Declaration and, promptly after the association gives written notice thereof to its Owner, such Structure shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation. If within thirty (30) days after having been given such notice, such Owner has not taken reasonable steps to terminate such violation, any agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner

shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Assessment levied against such Lot, and, upon the failure of the Owner to pay such cost within (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish a lien therefor upon such lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

f. Any member of the Architectural Review Committee, upon the occurrence of a violation of the provisions of this Declaration, and after the Association of the Architectural Review Committee gives written notice thereof to the Owner for the applicable Lot, at any reasonable time, may enter upon and inspect any Lot and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Structure or Alteration are in accordance with the provisions hereof.

3. Land Use. The Lots, except as hereinafter provided, shall be used for private and residential purposes only and no dwelling of any kind whatsoever shall be erected, altered or maintained thereon except a private dwelling house for the sole and exclusive use of the Owner or occupant of the Lot. None of the Lots shall at any time be used for apartments or other types of multiple housing units; it being the intention of the Declarant that each and every one of the Lots be used solely for one (1) single family attached dwelling, and no other purposes, except such purposes as may be specifically reserved in the succeeding section of this Declaration. No industry, business, trade or profession of any kind, whether or not for profit, such shall be conducted, maintained or permitted on any part of the Property, except that any part of any Structure now or hereafter erected on any Lot may be used as an office or studio, provided that (i) the person using such office or studio actually resides in the Structure in which such office or other studio is located, (ii) such office or studio is operated in full compliance with all applicable zoning and other laws, (iii) the operation of such office or studio does not involved the employment of any more than one (1) non-resident employee, (iv) the person owning such Lot has obtained the prior written approval of the Architectural Review Committee, and (v) such office or studio does not occupy more than twenty-five percent (25%) of the total floor area of such Structure.

4. Swimming Pools. No swimming pools, whether "in ground," "above ground" or other type, shall be permitted on any Lot.

5. Temporary Structures. No Structure of a temporary character, trailer, basement, tent shack, garage, or other outbuildings (except those erected by Declarant) shall be used on any Lot at any time as a residence, either temporarily or permanently.

6. Real Estate Sales or Construction Office. Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer and/or model home and related signs, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon, provided such office or trailer, and signs, are used and operate only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of improvements on any Lot now or hereafter laid out or created in the Community. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer, or sign after such initial development, sales and/or construction is complete. Except as

expressly permitted herein above, neither any part of any Lot, nor any improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, nor shall any sign used in conjunction with such uses be erected.

7. Clothes Line. No exterior clothes dryer, clothes pole or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, etc., be hung outside.

8. Traffic View. No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets, nor shall any planting be done on any corner Lots closer than twenty feet (20') from either street line that will exceed three feet (3') in height (except shade trees which shall be trimmed so that a clear view may be maintained to the height of eight feet (8')).

9. Front Lawn. The area within the front of a dwelling shall be kept neat, trimmed and well-manicured at all times.

10. Fences and Walls. Except for fences as may be installed and/or constructed by the Declarant or Builder simultaneously within the initial construction of a dwelling on a Lot by the Declarant and/or Builder, no fence, or wall or other similar enclosure may be built on the front or side or rear yard of any Lot. This restriction shall not apply to retaining walls required by topography, where such enclosures are approved in advance by the Architectural Review Committee and provided they do not extend beyond the minimum building lines to any Lot line and are located to the rear of the front face of the Structure. The foregoing restriction shall not be construed to prohibit the growth of an ornamental hedge fence, or grapes, which shall be kept neatly trimmed, and shall be trimmed to a hedge of not more than three feet (3') in the front yard of any Lot and the side yard of corner Lots.

11. Neat Appearance. Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to, the seeding watering and mowing of all lawns and yards located in the rear portion of such lot if such rear portion is fenced in by such Owner, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Architectural Review Committee, any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to such owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner, as an additional assessment on the Lot.

12. Nuisances. No noxious or offensive trade or activity shall be carried out upon any Lot nor shall anything be done or placed thereon which may become an annoyance or nuisances to the neighborhood or any adjoining property owners. Without limiting the generality of the

foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such properly maintained and operated devices as may be exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other Structure constructed upon any Lot. No snowmobiles, go-carts, motorbikes, trail bikes, or other loud-engine recreational vehicles or skateboard ramps shall be run or operated upon any Lot or upon any roadways serving the Property.

13. Animals. No animals or livestock or farm animal other than mentioned herein below shall be raised, bred or kept on any Lot, except that two (2) small dogs (weighing under fifty (50) pounds each) or one (1) cat or any other house hold pets, may be kept, provided that they are not kept, bred or maintained for any commercial purposes, and provided that they are kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property owners, and do not roam unattended on the Property, and provided that not more than two (2) pets are kept and by any Owner on a Lot. Pets shall be registered, licensed and inoculated as required by the law. Owners shall be responsible for the immediate cleanup and removal of their pets' waste from any other Lot and the Common Area. Any failure to do so will immediately become a fifty-dollar (\$50.00) fine per incident. The Association shall have authority to impose more strict fines for subsequent failures to clean up animal waste. Only Owners shall keep pets, except that a tenant may keep pets if said tenant signs as statement acknowledging the foregoing restrictions, which statement shall be provided to the Board of Directors of the Association.

14. Vehicles.

a. Other than private passenger vehicles, vans, trucks or permitted commercial vehicles in regular operation, no other motor vehicles or inoperable, unlicensed, unregistered, junk or junked cars or other similar machinery or equipment of any kind or nature (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept on the Property or repaired on any portions of the Property except in emergencies. For the purposes hereof a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires and is in such good condition and repair as may be necessary for any person to drive the same on a public highway.

b. Commercial vehicles, owned and/or operated by Owners or Owners' tenants may be parked in designated parking spaces, to include parking overnight, provided that such commercial vehicle is of such size that it may fit in a single parking space. Those commercial vehicles not owned or operated by Owners or Owner's tenants shall not be left parked on any part of the Property, including, without limitation, any street or Lot, longer than is necessary to perform the business function of such vehicle in the area, it being the express intention of this restriction to prevent the parking of commercial vehicles not owned and/or operated by Owners or Owner's tenants upon the Property, including, without limitation, the streets or Lots in the Community, or a time greater than that which is necessary to accomplish the aforesaid business purpose.

c. Trailers, buses, tractors or any type of recreational vehicles shall not be parked stored maintained or repaired on any Lot or parked upon any streets or Common Areas.

d. Notwithstanding the above, during construction of dwellings, the Declarant and any Builder may maintain Commercial Vehicles and trailers on the Property for purposes of construction and for use as a field or sales office until all units are sold.

e. No person shall operate a Vehicle in the Community other than in a safe and quiet manner and with due consideration for the rights of all Owners and occupants, or without holding a valid driver's license.

f. Owner, Owner's tenants, may park no more than two (2) vehicles per Dwelling owned on the Property at any time.

g. Owner's guests may park in the driveways or parking stalls provided on the Property on a first-come first-serve basis.

h. As determined by the Bylaws, the Association shall have authority to fine residents for recurrent or gross violations of the speed limit within the Property. Owner's shall be subject to fines for recurrent or gross violations of the speed limit for their invited guests.

15. Antennae. Not radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on a Lot outside of a dwelling, except on the following terms:

a. An Owner may install, maintain and use on its Lot one (1) (or, if approved, more than one (1)) Small Antenna (as hereinafter defined) in the rear yard of a dwelling on the Lot, at such location, and screened from view from adjacent dwellings in such a manner and using such trees, landscaping or other screening material, as are approved by the Architectural Review Committee, in accordance with Article II. Notwithstanding with the foregoing terms of this subsection, (i) if the requirement that a Small Antenna installed on a Lot be placed in the rear yard of a dwelling would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location on such Lot where such installation, maintenance or use would not be impaired; (ii) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (iii) if the prohibition against installing, maintain and using more than one (1) Small Antenna on a Lot would result in any such impairment, then such Owner shall install on such Lot additional Small Antennae as are needed to prevent would impairment (but such installment shall otherwise be made in accordance with this subsection).

b. In determining whether to grant any approval pursuant to this Section, neither Declarant, the Architectural Review Committee nor the Board of Directors shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment; provided however, that any Small Antenna shall be placed in the rear of each dwelling, notwithstanding any other provision in this Article II, Section 15.

c. As used herein, (i) "impair" has the meaning given it in 47 Code of Federal Regulations Part 1, Section 1.4000, as hereafter amended; and (ii) "Small Antenna" means any antenna (and accompanying mast; if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

16. Subdivision. No lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose; provided, however, this shall not prohibit transfers of parts of Lots between adjoining Lot owners where the transfer is not for the purposes of creating a new building Lot. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any person for any purpose.

17. Signage. Except for entrance signs, directional signs, signs for traffic or safety, community "theme areas" or "For Sale" signs (not larger than two feet by three feet (2'x3')), and except as provided in Article II, Section 8 of this Article II, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Structure. The provisions and limitations of this subsection shall not apply to any institutional first Mortgagee of any Lot who comes into possession of the Lot by reason of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

18. Trash and Other Materials. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except (a) building material during the course of construction of any approved dwelling or other permitted Structure, and (b) firewood, which shall be cut and neatly stored at least six inches (6") off the ground and twelve inches (12") away from any wooden structure. NO burning of trash shall be permitted on any Lot. All Owners shall place trash or other refuse into refuse containers provided by the Association at locations designated for trash deposits. Owners may not place any trash outside of such refuse containers or in any other location or container, except as designated by the Association. The cost of refuse containers shall be included as an expense item in Annual Assessments.

19. Non-Interference with Utilities. No Structure, planting or other materials shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels. No poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

20. Party Walls.

a. Each wall that is built as part of the original construction of the dwellings upon the Lots and placed upon the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law

regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

b. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

c. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the other(s) under any rule of law regarding liability for negligence or willful acts or omissions.

d. Notwithstanding any other provisions of this section, any Owner who by its negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

e. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to each Owner's successors in title.

f. In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each party shall choose one (1) arbitrator, and such arbitrators shall jointly choose one (1) additional arbitrator, and the decision shall be by the majority of the three (3) arbitrators.

g. The rules applicable to party walls shall also apply to any party fences.

21. Lease Agreements. Record Owners who do not reside on their Lot and their Tenants must provide a current physical address, email address and phone number(s) to the Association for billing purposes. No one entity shall own more than ten percent (10%) of the Units in the Association. No more than fifteen percent (15%) of the units shall be held out for lease by their respective owners. In furtherance of this provision, the Association may (a) require that all lease agreements be submitted to the Association, (b) require that all lease agreements shall be subject to this Declaration, and (b) may impose a fine of no more than 10% percent of the Owner's total annual dues for failure to submit the Owner's lease agreement to the Association. Nevertheless and notwithstanding anything contained herein, to prevent the amassing of abandoned or empty Units within the Association and to thwart potential vandals, looters and copper thieves, Members shall be allowed to lease their units (i) until their unit is sold or conveyed to a third party, (ii) or upon a showing of financial hardship such as divorce, loss of job, transfer, family growth, military move, etc.

ARTICLE III

Property Subject to this Declaration and Additions Thereto

1. Property. The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in the Community, and is described on Exhibit "A" attached hereto, all of which real property is referred to herein as the "Property."

2. Additions to Property.

a. The Declarant, its successors and assigns, shall have the right for seven (7) years from the date hereof to bring within the scheme of this Declaration, Additional Property within the Community (the "Additional Property") without the consent of the Class A members of the Association.

b. The additions authorized under this subsection shall be made by filing a supplemental declaration of record with respect to the Additional Property which shall extend the scheme of the Declaration to such Additional Property, and which Additional Property shall thereupon become part of the Property. Upon the filing of any supplemental declaration, Owners of Additional Property shall be subject to the same obligations and entitled to the same privileges as apply to the Owners of the Property. Such supplemental declaration may contain such complimentary additions and modifications to the Declaration as may be necessary to reflect the different character, if any, of the additional Property not inconsistent with the scheme of this Declaration. In no event, however, shall such supplemental declaration revoke, modify or add to the Covenants established by this Declaration for the Property as of the date hereof.

ARTICLE IV

Membership and Voting Rights in the Association

1. Membership. Every Owner of a Lot that is subject to assessment shall become and be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

2. Classes of Membership.

a. Class A. Except for the Declarant and any Builder, which shall initially be the Class B members, the Class A members shall be all Owners holding title to one (1) or more Lots; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

b. Class B. The Class B members shall be the Declarant and any Builder. The Class B members shall be entitled to seven (7) votes per Lot for each Lot owned by them, in all proceedings in which actions shall be taken by members of the Association. Notwithstanding anything contained herein to the contrary, each Builder shall be conclusively deemed during the Development Period:

i. To have given the Declarant an irrevocable and exclusive proxy entitling the Declarant, at each meeting of the Membership held while such Builder holds such title, to cast the votes in the Association's affairs which the Builder holds under the foregoing provisions of this Section on each question which comes before such meeting;

ii. To have agreed with the Declarant that such proxy is given to and relied upon by the Declarant in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property and is coupled with an interest; and

iii. Such proxy shall cease with respect to the votes appurtenant to a Lot when a dwelling has been constructed on such Lot and legal title to such Lot is conveyed to a person who intends to occupy such dwelling as a residence.

iv. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed as a single member of the Association. The vote of any member comprised of two (2) or more persons, firms, corporation, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the articles of Incorporation and/or By-Laws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them.

3. Conversion. The Class B membership in the Association shall cease and be converted to Class A membership in the Association subject to being revived upon Additional Property being annexed to the Property pursuant to this Declaration, upon the earlier to occur of (i) December 31, 2020; or (ii) at such time as the total number of votes entitled to be cast by the Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B members of the Association. If after such conversion additional property is made subject to the Declaration, then the Class B membership shall be reinstated until December 31, 2025, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by Class B members. The Declarant and any Builder shall thereafter remain a Class A member of the Association as to each and every Lot from time to time subject to the terms and provisions of this Declaration in which the Declarant or the Builder then holds the interest otherwise required for Class A membership. Additionally, the Declarant can at any time, in his sole and absolute discretion give up his Class B membership and immediately convert to a Class A member.

ARTICLE V

Declarant's Reserved Rights and Obligations

1. Reserved Rights of Declarant. The Association shall hold the Common Area conveyed to it pursuant to Article VI hereof and each Owner shall own its Lot subject to the following:

a. The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement," "Sewer Easement," "Drainage and Sewer Easement," and "Open Space," or otherwise designated as an easement area over any road or Common Area on the Property, and over those strips of land running along the front, rear, side or other Lot lines of each Lot shown on the Plat, except for the common side lines on the lots, for

the purposes of proper surface water drainage, for ingress and egress, for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alteration of the contour of the land as may be necessary or desirable to effect such purposes. Within the aforesaid easement areas, 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 or change the direction of the flow of drainage channels or obstruct or retard the flow of water through drainage channels. The reserved easement area of each Lot and all improvements therein, except improvements for which a public authority or utility is responsible, shall be maintained continuously by the Owner of the Lot.

b. The reservation to Declarant and its successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Common Area for the purposes of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the project and the provision of utility services, and related services and facilities.

c. The designation of streets, avenues, roads, courts and places upon the Plat is for the purpose of description only and not dedication, and the rights of the Declarant in and to the same are specifically reserved, and the Declarant hereby reserves unto itself, and its successors and assigns, the right to grade, re-grade and improve the streets, avenues, roads, courts and places as the same may be located on the Plat, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures herein. The Declarant further reserves unto itself, and its successors and assigns, the bed, in fee, of all streets, avenues and public highways in the Community, as shown on the Plat.

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

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

slope. Similarly, Declarant reserves the right unto itself, and its successors and assigns, and, without limitation, the Association, to enter on any Lot during normal business hours for the purpose of performing the maintenance obligation of the Association, as more particularly described as Article VI, Section 4; provided, however, that Declarant shall have no obligation to perform such maintenance. No right shall be conferred upon any Owner by the recording of any plat relating to the development of the Property in accordance with such plat, Declarant expressly reserving unto itself the right to make such amendments to any such plat or plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof.

f. Declarant further reserves unto itself, for itself and any Builder and their successors and assigns, the right, notwithstanding any other provision of the Declaration, to sue any and all portions of the Property other than those Lots conveyed to Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community. Specifically, none of the provisions of Article II concerning architectural control or use restrictions shall in any way apply to any aspect of the Declarant's or Builder's activities or construction, and notwithstanding any provision of this Declaration, none of the Declarant's or Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Community shall be deemed noxious, offensive or a nuisance. The Declarant reserves the right for itself and any construction period on the Property without keeping the same in containers. The Declarant will take reasonable steps, and will ensure that any Builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by Owners.

2. **Incorporation by Reference; Further Assurances.** Any and all grants made to the Association with respect to any of the Common Area and all grants made with respect to any Lots shall be conclusively deemed to incorporate the foregoing reservations, wither or not specifically set forth in such instruments. At the request in writing of any party hereto, any other party shall from time to time execute, acknowledge and deliver such further assurances of such reservations as may be necessary.

ARTICLE VI **Common Area**

1. **Grant of Common Area.** The Association shall take title to the Common Area that is part of the Property free and clear of all encumbrances, except non-monetary title exceptions and this Declaration not later than the date the first Lot is conveyed to an Owner (other than the Declarant or a Builder). The Covenants are hereby imposed upon the Common Area for the benefit of the Declarant, the Builder, the Association and the Owners, and their respective personal representatives, successors and assigns, to the end and intent that the Association shall have and hold the said Common Area subject to the reservations set forth in Article V hereof, and to the Covenants herein set forth.

2. **Member's Right of Enjoyment.** Every member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment, in common with others, in

and to the Common Area and such non-exclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions set forth herein. Except as otherwise permitted by the provisions of this Declaration, the Common Area shall be retained in its natural state, and no Structure or improvement of any kind shall be erected, placed or maintained thereon. Structures or improvements designed exclusively for community use, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, drainage and utility and enjoyment of the members of the Association, or the establishment, retention or preservation of the natural growth or topography of the area, or for aesthetic reasons. No portion of the Common Area may be used exclusively by any Owner or Owners for personal storage facilities or other private uses; however, the cultivation of edible crops is encouraged in the flower bed or garden areas.

3. Nuisance. No noxious or offensive activity shall be carried out upon the Common Area nor shall anything be done thereon which will become an annoyance or nuisance to the Community.

4. Maintenance Obligations of the Association. The Association shall improve, develop, supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Common Area (including, without limitation, covered parking, if applicable), and the front and rear yards of Lots for purposes of lawn care and sprinkler systems located thereon (subject, however, to the provisions of Article II, Section 13), area drainage systems, retaining walls, private courts and street lighting located within private courts, and any area dedicated to public or governmental entity if such entity fails to properly maintain such area, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the Common Area, which proportionate share shall be determined based on the ratio which the number of Lots owned by the member bears to the total number of Lots then laid out or established on the Property.

5. Restrictions. The right of each member of the Association to use the Common Area shall be subject to the following:

a. any rule or regulation now or hereafter set forth in this Declaration and, further shall be subject to any rule or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Area;

b. the right of the Association, in accordance with the Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Common Area;

c. the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure;

d. the right of the Association to suspend the voting rights and the rights to use the Common Area after notice and a hearing for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association or of this Declaration;

e. the right of the Association to dedicate or transfer all or any part of the Common Area to any public or municipal agency, authority or utility for the purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of Davis County; provided, however, that no dedication, transfer, mortgage or determination as to the purposes or as to the condition thereof, shall be effective unless two-thirds (2/3) of the Class A members (excluding the Declarant if the Declarant is a Class A member) of the Association consent to such dedication, transfer, purpose and conditions; and

f. the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such license, right-of-way or easement shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the Common Area.

g. All of the foregoing shall inure to the benefit of and be enforceable by the Association and the Declarant, or either of them, their respective successors and assigns, against any member of the Association, or any other person, violating or attempting to violate any of the same, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association and the Declarant shall each have the right to abate summarily and remove any such breach or violation by any member at the cost and expense of such member.

6. Delegation of Right of Use. Any member of the Association may delegate its rights to the use and enjoyment of the Common Area to family members who reside permanently with such member and to its tenants, contract-purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

7. Rules and Regulations. Each Owner shall fully and faithfully comply with the rules, regulations and restrictions applicable to use the Common Area and Community Garden, as such rules, regulations and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness thereof. Further, each Owner shall comply with the Covenants imposed by this Declaration on the use and enjoyment of the Common Area. The Board of Directors shall be vested with authority to make any and all rules necessary for the use, maintenance, planting scheme or use of chicken coops within the community garden.

8. Maintenance of the Sanitary Sewer System. The Association shall be responsible for the maintenance and repair, as necessary, for such portions of the sanitary sewer system located upon the Property.

9. Maintenance of Stormwater System. The Association agrees that it shall maintain the stormwater system in good working order until such time as the Association ceases operations and is dissolved according to the terms hereof. It shall be the duty of the Vice President of the Association to inspect, or if the Association so chooses, to hire professionals to inspect and/or oversee the maintenance of the stormwater system. The Association acknowledges receipt of the construction set of stormwater plans from Declarant and specifically agrees that it shall:

- a. Remove silt and other debris from the stormwater system so as to maintain the elevation of the bottom of the detention ponds shown on the approved plans.
- b. Plant and mow grass and continually maintain a vegetative cover on any slopes surrounding the detention ponds shown on the approved plans.
- c. Maintain in good order and repair any pipes or boxes which serve as outflow devices for the stormwater system.
- d. Inspect the stormwater system upon transfer of control of the Board from Declarant and once every three years following transfer.
- e. The Secretary of the Association shall record in the minutes of the Association the inspection report of the Vice President; which report shall include the following:
 - i. the Date of the inspection;
 - ii. Name of person conducting the inspection; and
 - iii. Condition of vegetation, fences, spillways, embankments, detention ponds, inlet outlet boxes, sediment deposits, gate and valves (if any), and any other item that could affect the proper function of the facility.
 - iv. The Association agrees to perform promptly all needed maintenance specified in the inspection report within 60 days.

ARTICLE VII **Encroachments**

If any Structure or any part thereof, now or at any time hereafter, encroaches upon an adjoining Lot or any Structure encroaches upon any Common Area, whether such encroachment is attributable to construction, settlement or shifting of the Structure or any other reason whatsoever beyond control of the Board of Directors or any Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non-disturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements arising under the provisions of this Article without specific or particular reference to such easement.

ARTICLE VIII **Covenant for Assessment**

1. Covenant for Assessment. The Declarant for each Lot owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (a) in advance, or annual assessment (the "Annual Assessment") equal to the member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, for annual assessments or charges, and (b) special assessments or charges, for capital improvements, such annual and special assessments and charges to be established and collected as hereinafter provided. The annual and special assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of this Article VII and shall be construed as a real covenant running with the land. Such assessments or charges, together with interest at a rate of twelve percent (12%) per annum, and costs and reasonable attorney's fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorney's fees, however, shall not pass to the Owner's successor or successors in the title unless expressly assumed by such successor or successors.

2. Use of Assessments. The assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and in particular for (a) the improvement and maintenance, operation, care, services and facilities related to the use and enjoyment of the Common Area as well as fees paid to any management agent; (b) the payment of taxes on the Common Area (except to the extent that proportionate shares of public charges and assessments on the Common Area may be levied against all Lots laid out on the Property by the tax collecting authority so that the same is payable directly by the Owners thereof, in the same manner as real property taxes are assessed or assessable against the Lots); (c) the payment of insurance premiums on the Common Area; (d) the costs of repair, replacement and additions to the Common Area and improvements thereon; (e) the cost of obtaining, planting and thereafter maintaining the street trees throughout the Community if required by Davis County, whether or not such street trees are located in the Common Area; (f) the costs of utilities and other services which may be provided by the Association for the community as may be approved from time to time by a majority of the members of the Association; (g) the cost of labor, equipment, insurance, materials, management and supervision incurred or expended in performing all of the foregoing; (h) the cost of refuse containers, as described in Article II, Section 22; (i) the cost of semi-annual maintenance for blowouts on the ends of the water lines serving the Community, as referenced in Article VI, Section 4; (j) the cost of maintenance, insurance and replacement of covered parking; (k) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements; (l) the cost of high-speed internet access and television service provided to the Dwellings (as more fully provided by a separate written agreement between the provider and the Association), if any; (m) the scheduled maintenance and on-call service of the sewer lift station, if any; and (n) the maintenance and repair of entry and exit gates, if any.

3. Annual Assessment.

a. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than the Declarant or a Builder, the annual assessment shall be the aggregate of \$834.00 for each Lot, payable at the rate of \$69.50 per month.

b. From and after such date, the annual assessment may be increased every year by not more than fifteen percent (15%) of the annual assessment for the previous year with a majority vote of the membership of the Association.

c. From and after such date the annual assessment may be increased above the fifteen percent (15%) limitation specified in the preceding sentence only by a vote of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purpose.

d. For any Lot upon which Declarant or Builder holds title to a completed Dwelling, which Dwelling shall have had a use and occupancy permit issued six (6) months prior, Declarant or Builder shall pay the assessments or charges described herein with the following allowance in each instance: annual assessments or charges made or levied against any Lot to which the Declarant or Builder hold record title shall equal twenty-five percent (25%) of the annual assessment or charge made or levied against any other Lot laid out on the Property, to the end and intent that the Declarant or Builder shall not pay more, or less, than twenty-five percent (25%) of the per Lot annual assessment established by the Association under this Section. For any Lot upon which no Dwelling has been constructed or no use and occupancy permit has yet aged six (6) months, and for any Lot upon which models are constructed by Declarant or Builder until such model is converted to residential use, no assessment or charge shall be made or levied by the Association.

4. Initial Capital Contribution. To ensure adequate funds to meet the initial operating expenses of the Association, each Owner other than Declarant and Builder shall pay to the Community Association an amount equal to one (1) month of the amount of the then annual Regular Assessment for that Lot as determined by the Board of Directors of the Association. In addition to the foregoing, during the Development Period, Declarant has the right, but not the obligation, to make loans from time to time to the Association if Declarant deems the same to be appropriate, in its sole and absolute discretion, to enable the Community Association to pay all debts and maintain sufficient cash flow. If any such loans are made, repayment will be made to the Declarant, on such terms as Declarant may require, from time to time, to be paid from the Initial Capital Contribution, as determined in the sole discretion of the Board of Directors of the Association. The amounts set forth herein are not to be considered in lieu of annual Regular Assessments or any other Assessments levied by the Association.

5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Area, including fixtures and personal property related thereto, and/or to meet any other deficit of the Association or any emergency or unforeseen expenses of the Association; provided that such assessment

shall first be approved by two-thirds (2/3) of the votes of the members of the Association, voting in person or by proxy at a meeting duly called for such purpose.

6. Notice and Quorum for any Meeting of Members. Written notice of any meetings shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of members entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7. Commencement Date of Annual Assessments.

a. The Annual Assessments as to any Lot shall commence on the earlier of (i) the date the Lot is conveyed to any person or entity other than the Declarant or a Builder, or (ii) the date a Use and Occupancy Permit is issued by the proper authorities of Davis County to the Declarant or a Builder. The annual assessments shall be due and payable on a monthly basis on the first (1st) Calendar day of each month, and shall be a lien for any month after the fifteenth (15th) day of that month.

b. The due date of any special assessment under Article VIII, Section 4 shall be fixed in the resolution authorizing such special assessment.

8. Duties of the Board of Directors.

a. The Board of Directors shall determine the amount of the maintenance assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis herein above provided for. Any member may prepay one or more installments of any maintenance assessment levied by the Association without premium or penalty.

b. The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association, which shall provide, without limitation, for the management, operation and maintenance of the Common Area. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board of Directors. Written notice of the annual maintenance assessments shall thereupon be sent to all members of the Association. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of

this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt itself from liability for maintenance assessments by abandonment of any Lot owned by such member or by the abandonment of such member's right to the use and enjoyment of the Common Area.

c. The Association shall, upon demand at any time, furnish to any Owner liable for assessments a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A charge not to exceed ten dollars (\$10.00) may be levied in advance by the Association for each certificate so delivered.

9. Additional Assessments. Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board of Directors in making any such assessment.

10. Nonpayment of Assessment. Any assessment or portion thereof not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the date of the delinquency at the rate of twelve percent (12%) per annum, and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid, or ten percent (10%) of the assessment, whichever is greater, and the Board of Directors shall have the right to declare the entire balance of the assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Utah for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, late fees and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

11. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage(s) or deed(s) of trust now or hereafter placed upon the Lot subject to assessment; provided, however, that the sale or transfer of any Lot pursuant mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

12. Enforcement of Lien. The Association may establish and enforce the lien for any assessment, annual, special, or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, interest, cost of collection, late charges permitted by law, and

attorney's fees provided for herein or awarded by a court for breach of any of the covenants herein.

13. Reserves for Replacements.

a. The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United State of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

b. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any member of the Association in any such reserves shall be considered an appurtenance of such Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

ARTICLE IX
Insurance and Casualty Losses

1. Types of Insurance Maintained by Association. During the Development Period, the Association may obtain the following type of insurance:

a. Insurance on all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction;

b. A public liability insurance covering the Association, its officers, directors and managing agents, which shall include coverage without limitation, for any employee or other agent of Declarant which serves in such capacity having at least a Five Hundred Thousand Dollar (\$500,000) limit per total claims that arise from the same occurrence, including but not limited to liability insurance for the recreational facilities located in the community, or in an amount not less than the minimum amount required by applicable law, ordinance or regulation;

c. Worker's compensation insurance, if and to the extent required by law;
and

d. Fidelity bond or bonds covering all Directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Board of Directors deems appropriate, which shall include coverage without limitation, for any employee or other agent of Declarant which serves in such capacity and shall be made a party by reason of his or her services.

After the conclusion of the Development Period, the Board of Directors shall have the authority to and shall obtain the insurance describe above.

2. Premiums for Insurance Maintained by Association. Premiums for all insurance and bonds required to be carried under Article IX, Section 1 hereof or otherwise obtained by the Association on the Common Area shall be an expense of the Association, and shall be included in the annual assessments. Premiums on any fidelity bond maintained by a third party manager shall not be an expense of the Association.

3. Damage and Destruction of the Common Area.

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

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

c. If, in accordance with subsection (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the members, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Property, which proceeds may be used and/or distributed as determined by the Board of Directors, in its discretion, or as otherwise provided in the Articles of Incorporation and/or the By-laws of the Association.

4. Repair and Reconstruction of Common Area. If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board of Directors shall, without the necessity of a vote of the members, levy a special assessment against all Owners in order to cover the deficiency in the manner provided in Article VIII hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board of Directors shall determine.

5. Hazard Insurance on Improved Lots. Each Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot.

6. Obligations of Lot Owner to Repair and Restore.

a. In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on an improved Lot, unless retained by a Mortgagee of a Lot shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Declarant or the Architectural Review Committee; unless the Owner desires to construct improvements differing from those so approved, in which event the Owner shall submit plans and specifications for the improvements to the Architectural Review Committee and obtain its approval prior to commencing the repair, restoration or replacement.

b. If any Owner of an improved Lot fails to maintain the insurance required by Article IX, Section 5 of this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Owner is liable for assessments levied against its Lot, and, upon the failure of the Owner to pay such costs within ten (10) days after such Owner's receipt of a written demand therefore from the Association, the Association may establish a lien therefore upon the Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

ARTICLE X
Rights of Mortgagees

1. General.

a. Regardless of whether a Mortgagee in possession of a Lot is its Owner, (i) such Mortgagee in possession shall have all of the rights under the provisions of this Declaration, the Plat, the Articles of Incorporation, the By-Laws and applicable law, which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (ii) the Association and each other Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the Owner thereof.

b. Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the articles of Incorporation, the By-Laws and applicable law) bear all the foregoing provisions thereof which are borne by its Owner; provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Owner to satisfy any of the same.

2. Inspection: Statement and Notice. A Mortgagee shall, upon delivery of a written request to the Association, be entitled to

a. inspect the Association's books and records during normal business hours;

b. receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;

c. be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;

d. be given timely written notice of the occurrence of any substantial damage to or destruction of the Common Area, or if the Common Area is made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and

e. be given timely written notice by the Association of failure to pay assessments by the Owner of such Mortgagee's Lot which is not cured within thirty (30) days after such default commences, but the failure to give such notice shall not affect the validity of the lien for any assessments levied pursuant to this Declaration.

ARTICLE XI **Miscellaneous**

1. **Term.** This Declaration shall run with the land and shall be binding for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each time unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Article XI, Section 9.

2. **Enforcement.**

a. Enforcement of this Declaration shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages, or both. In acquiring title to any Lot in the Community, the purchaser or purchasers violating or attempting to violate any covenants, agree to reimburse the Association and/or any Owners for all costs and expenses for which it or they may be put as a result of said violation or attempted violation, including but not limited to, court costs and attorneys' fees.

b. These Covenants shall inure to the benefit of and be enforceable by the Association or by the Owner(s) of any land including in the Community and their respective legal representatives, successors, and assigns, and all persons claiming by, through or under them.

3. **No Waiver.** The failure of forbearance by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

4. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration, whether or not the deed actually so states.

5. Notices. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

6. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area by any public or municipal agency, authority or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Area.

7. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

8. Captions and Genders. The captions contained in this Declaration are for convenience only and are not part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

9. Amendment.

a. For so long as there is a Class B membership of the Association, this Declaration may be amended by an instrument in writing, signed and acknowledged by the Declarant. Following the lapse of the Class B membership in the Association, as provided in Article IV hereof, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association with the approval, in the manner set forth above, of at least two-thirds (2/3) of the Class A members of the Association at a meeting of the Association duly called for such purpose.


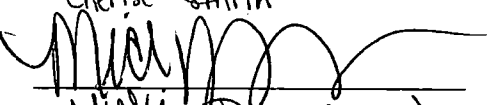
b. An amendment or modification shall be effective when executed by the President or Vice-President and Secretary or Assistant Secretary of the Association who shall certify that the amendment or modification has been approved as herein above provided. The amendment shall be recorded in the Recorder's Office of Davis County. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. For the purpose of recording such instrument, each Owner, other than the Declarant, hereby grants to the president or Vice-President and Secretary or Assistant Secretary of the Association an irrevocable power of attorney to act for and on behalf of each and every owner in certifying, executing and recording said instrument. Notwithstanding anything to the contrary contained herein, in no event may any of the Declarant's rights or privileges under the

Articles of Incorporation or By-Laws of the Association or this Declaration be terminated, altered or amended without Declarant's prior written consent.

[Signatures appear on the following page.]

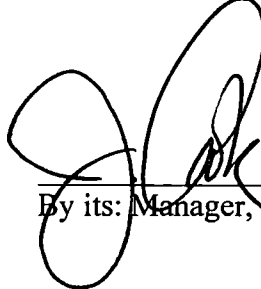
WITNESS the hand and seal of the Declarant on the day herein above first written.

WITNESS/ATTEST:


Cherise Smith

Mick Bradshaw

DECLARANT:

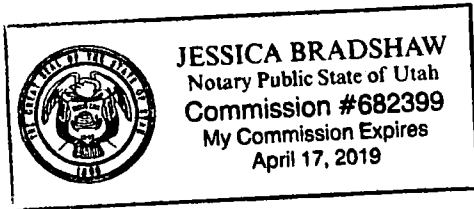
SUNSET DEVELOPMENT, LLC


By its: Manager, Joseph M. Cook

STATE OF UTAH
COUNTY OF DAVIS

I HEREBY CERTIFY that on this 27 day of July, 2015 before, me, the subscriber, a Notary Public of the State of Utah, personally appeared Joseph M. Cook, known to me or suitably proven, who acknowledged himself to be the Manager of Sunset Development, LLC, the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions, and who, being authorized to do so, in my presence, signed and sealed the same and acknowledged the same to be the act and deed of the Declarant.

AS WITNESS MY HAND AND SEAL.





Notary Public
My Commission Expires: April 17, 2019

EXHIBIT "A"

Description of the Property

PARCEL 1:

BEGINNING AT A POINT WHICH IS SOUTH 0°03'32" WEST 635.42 FEET ALONG THE 1/4 SECTION LINE FROM THE CENTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, DAVIS COUNTY, UTAH, AND RUNNING THENCE SOUTH 0°03'32" WEST 545.38 FEET; THENCE SOUTH 73°39'57" WEST 70.96 FEET TO THE WESTERLY RIGHT OF WAY LINE OF SEQUOIA DRIVE (475 WEST STREET), THENCE; SOUTH 16°20'03" EAST 32.01 FEET ALONG SAID WESTERLY RIGHT OF WAY; THENCE SOUTH 74°59'19" WEST 79.82 FEET; THENCE

SOUTH 15°00'41" EAST 57.88 FEET; THENCE SOUTH 74°59'19" WEST 70.50 FEET; THENCE NORTH 15°00'41" WEST 12.59 FEET; THENCE SOUTH 74°29'32" WEST 21.81 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE UTAH TRANSIT AUTHORITY; THENCE CONTINUING ALONG SAID EASTERLY RIGHT OF WAY NORTH 15°56'04" WEST 418.99 FEET; THENCE NORTH 0°05'02" EAST 33.83 FEET; THENCE NORTH 16°34'28" WEST 221.99 FEET; THENCE NORTH 31°29'49" WEST 41.99 FEET TO THE DAVIS COUNTY LINE; THENCE LEAVING SAID EASTERLY RIGHT OF WAY AND RUNNING SOUTH 89°53'54" EAST 414.36 FEET ALONG THE DAVIS COUNTY LINE TO THE POINT OF BEGINNING. CONTAINING 197,848.01 SQUARE FEET OR 4.54 ACRES

ALSO:

PARCEL 2

BEGINNING AT THE SOUTHEAST CORNER OF FORMER LOT 30, ROI-DELL SUBDIVISION NO. 2, SAID POINT BEING

NORTH 0°03'32" EAST 886.61 FEET ALONG THE 1/4 SECTION LINE AND SOUTH 89°53'57" WEST 16.26 FEET FROM THE SOUTH 1/4 CORNER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 89°53'57" WEST 100.70 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE UTAH TRANSIT AUTHORITY; THENCE CONTINUING ALONG SAID EASTERLY RIGHT OF WAY NORTH 9°57'05" WEST 98.82 FEET TO THE SOUTHERLY RIGHT OF WAY OF A STREET; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY NORTH 73°39'57" EAST 85.70 FEET; THENCE SOUTH 16°20'03" EAST 126.36 FEET TO THE POINT OF BEGINNING. CONTAINING 10,316.95 SQUARE FEET OR 0.24 ACRES.