

3579595
BK 8545 PG 70

E 3579595 B 8545 P 70-104
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
07/18/2024 08:47:37 AM
FEE: \$136.00 Pgs: 35
DEP eCASH REC'D FOR: COTTONWOOD TITLE
INSURANCE AGENCY, INC.

WHEN RECORDED MAIL TO:

LHM DEV TRS, LLC
ATTN: Natalie Gordon
9350 S. 150 E., Suite 900
Sandy, Utah 84070

**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
For Trailside West Townhomes**

(A Sub-Association within Trailside West PRUD, a Master Planned Community)

In Reference to Tax ID Number(s):

10-374-0101 through 10-374-0114
10-374-0121 through 10-374-0133
10-374-0138 through 10-374-0168

When recorded, return to:
LHM DEV TRS, LLC
ATTN: Natalie Gordon
9350 S. 150 E., Suite 900
Sandy, Utah 84070

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
For Trailside West Townhomes
(A Sub-association within Trailside West PRUD, a Master Planned Community)

Tax IDs: ~~10-374-0125 through 10-374-0168 and 10-374-0173~~
~~Confirmation Area Parcel # 8-11~~

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR Trailside West Townhomes, a Sub-association within Trailside West PRUD, a Master Planned Community (this "Townhome Declaration") is hereby adopted by the Declarant LHM DEV TRS, LLC, a Utah limited liability company, in accordance with that certain Declaration of Covenants, Conditions & Restrictions of Trailside West PRUD, a Master Planned Community, recorded in Davis County Recorder's Office, as Entry No. 3551692 ("Master Declaration") and made effective as of the date recorded in the Davis County Recorder's Office.

In the event of conflict between this Townhome Declaration and the Master Declaration, the Master Declaration shall control, provided that, this Townhome Declaration may add further detail, specific, and/or additional restrictions applicable to Owners within the Townhome Association. Notwithstanding for any amendment to the Townhome Declaration or required architectural approval, an Owner must receive written approval for Improvements from the Master Board or its established Master Architectural Control Committee.

The Declarant or Master Association has approved the recording of this Townhome Declaration.

RECITALS:

(A) On or about November 30, 2021, a Development Agreement was recorded as Entry No. 3438799, which governs aspects of the development of the Master Community ("Development Agreement").

(B) On or about April 27, 2023, a License Agreement was recorded as Entry No. 3526352, which grants certain easements, rights and responsibilities with respect to Rail Trail ("License Agreement").

(C) On or about November 20, 2023, the Declaration of Covenants, Conditions & Restrictions of Trailside West PRUD, a Master Planned Community, recorded in Davis County Recorder's Office, as Entry No. 3551692 ("Master Declaration").

(D) On November 20, 2023, the Plat Map for Phase 1 of the Master Community, which includes the Townhomes was recorded in the David County Recorder's Office, as Entry No.

355169, which may be added to on a phase-by-phase basis, with all phases of the Townhomes collectively being referred to as the "Townhomes" or "Townhome Neighborhood", which comprise a part of the Master Community, as may be more particular described in the recorded Plats and/or **Exhibit "A"** and subsequently recorded or amended plats for the Master Community that identify Townhome style housing product.

(E) The Townhome Neighborhood is a specific neighborhood within the Master Community and governed by the Townhome Association and Townhome Governing Documents, as well as the Master Association and Master Association Governing Documents.

(F) Declarant desires to subject the Townhomes to the terms of this Townhome Declaration. Declarant intends to develop residential properties at the Townhome. Declarant will develop and convey all of the Lots within the Subdivision subject to a general plan of development, and subject to certain protective covenants, conditions, restrictions, and easements, as set forth in this Townhome Declaration, as amended from time to time, which are deemed to be covenants running with the land mutually burdening and benefitting each of the Lots within the Townhome Neighborhood. Common Areas and Limited Common Areas are those areas that are depicted in the recorded Plat(s), as amended, and as described in this Townhome Declaration. The Townhome Neighborhood does not constitute a cooperative.

(G) Declarant have deemed it desirable, for the efficient preservation of the values and amenities of the Townhomes, to create an entity which possesses the powers to maintain and administer the Common Areas and Limited Common Areas (where applicable) and otherwise administer and enforce the provisions of this Townhome Declaration. For such purposes, Declarant will cause to be registered with the Utah Department of Commerce the Trailside West Townhome Owners Association, Inc. ("Townhome Association"). The Townhome Association is governed by the terms of this Townhome Declaration, the Townhome Articles, and the Bylaws of Trailside West Townhome Owners Association, Inc., which "Townhome Bylaws" are attached hereto as **Exhibit "B"** and shall be recorded in Davis County Recorder's Office contemporaneously with the recording of this Townhome Declaration.

(H) No provision of this Townhome Declaration shall prevent the Declarant from doing any of the following, which shall be deemed to be among Declarant' reserved rights in addition to such rights as may be described elsewhere in this Townhome Declaration: (1) installation and completion of the Subdivision Improvements; (2) use of any Lot owned by the Declarant as a temporary sales office or model; (3) installation and maintenance of signs incidental to sales or construction which are in compliance with applicable City or County ordinances; (4) assignment of Declarant' rights under this Townhome Declaration in whole or part; and (5) retention of Declarant's rights with respect to subsequent phases. A supplemental declaration, with such modifications or supplemental provisions as may be deemed appropriate by Declarant on a phase-by-phase basis, may be recorded to address differences in the circumstances affecting any Lots to be constructed after the initial phase.

(I) These Recitals are made a part of this Townhome Declaration.

COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I - DEFINITIONS

1.0 Unless the context clearly requires the application of a more general meaning, the following terms, when used in the Townhome Declaration, shall have the following meanings:

(A) "Act" means the Community Association Act, Utah Code Ann. Sections 57-8a-101 *et. seq.*

(B) "Architectural Control Committee" or "ACC" shall mean the Master Architectural Control Committee created by the Master Declaration, the Master Bylaws, and/or Master Articles. If no ACC is established, the Master Board shall fulfill the duties of the ACC. The Master Association may adopt policies and procedures governing cooperation between the Master Association and the Townhome Association with regard to architectural review and approval.

(C) "Assessment" shall mean any monetary charge, fine or fee imposed or levied against an Owner by the Master Association, as provided in the Governing Documents, regardless of whether said assessment is identified as a regular assessment, master assessment, neighborhood assessment, lot-type assessment, special assessment, limited assessment, individual assessment, reserve assessment, capital improvement assessment, late fee or other charge. Sub-associations may also levy assessments separately to members within their respective sub-association.

(D) "Bulk Service Contract" or "Bulk Service Provider" shall mean a service provider for items such as; internet, television, cable, satellite, telephone, data, solar power and similar utilities and services.

(E) "City" shall mean Layton, Utah and its appropriate departments, officials, and boards.

(F) "County" shall mean Davis County, Utah and its appropriate departments, officials, and boards.

(G) "Common Areas" or "Townhome Common Areas" shall mean all property designated on the recorded Plat(s) for the Townhome or described in the Plat or this Townhome Declaration as Common Area, being intended ultimately to be owned by the Townhome Association for the common use and enjoyment of all Owners, together with all Improvements thereon and all of the easements appurtenant thereto. The Master Association may coordinate with the Townhome Association with regard to any maintenance of any Master Association Common Areas that may be under the responsibility of the Master Association or other areas where coordination of Common Area maintenance is in the best interest of the Owners. Further, certain areas identified on Plat(s) may be designated as Common Areas owned by the Master Association.

1. Common Areas may include open space and landscaping outside of the footprint of the Dwelling. Sub-association visitor parking, if any, and other areas for common use by the Owners of Sub-association.
2. Certain pathways or open space within the Townhome Plats may be designated as Master Common Area or may be controlled or maintained by the Master Association (or City) for the benefit of all Members of the Master Association.

(H) "Common Expenses" means any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Areas; (B) providing facilities, services and other benefits to Owners as set forth in this Townhome Declaration; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the assessments, charges, fines, penalties and liens imposed pursuant hereto; (E) operating the Association; and (F) creating reserves for any such costs, expenses and liability as required by this Townhome Declaration or the Act.

(I) "Declarant" shall mean and refer to LHM DEV TRS, LLC., and its successors and assigns.

1. "Declarant Related Entity or Entities" shall mean Declarant, parent companies, subsidiaries, assigns, successors, related or designated construction entities, or other entities established by Declarant or Declarant's members for the purpose of owning, developing, constructing and/or selling Lots or Dwellings in the Townhome Neighborhood including but not limited to: Discovery Development, L.L.C., Destination Construction, LLC, d/b/a Destination Homes, and LHMRE, LLC, d/b/a Larry H. Miller Real Estate.

(J) "Development Agreement" shall mean that certain agreement identified in the Recitals.

(K) "Dwelling", "Unit", or "Townhome" shall refer to any residential structure as the context requires, together with Improvements used in conjunction with such residence, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, furnaces, stoves, fixtures and the like, shall be considered part of the Unit, whether located within or without said Unit. All pipes, wires, conduits, or other public utility installations serving only that Unit shall be considered part of the Unit. Attached patios and porches shall be considered part of the Unit.

(L) "Governing Documents" shall mean the Master Declaration, Townhome Declaration, Master Bylaws, Townhome Bylaws, Master Articles, Townhome Articles, Rules, and any other documents or agreements binding upon an Owner adopted by the Master Association or Townhome Association.

(M) "Improvement" shall mean all structures and appurtenances of every type and kind, including but not limited to Dwellings, Units, Townhomes, parking facilities, walkways, retaining walls, driveways, fences, landscaping, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

(N) "License Agreement" shall mean that certain agreement identified in the Recitals.

(O) "Limited Common Area" shall mean all property designated on the recorded Plat Map(s), or as described in sub-association documents as Limited Common Areas, which may be owned by individual sub-association but for the exclusive use and enjoyment of one or more appurtenant Lots/Units but fewer than all of the Lots/Units including, but not limited to: private driveways.

(P) "Lot" shall mean any numbered lot shown on any official and recorded Plats, including all Improvement located thereon. Lot may also refer to the individual Dwelling/Unit. Lot may also be interchangeable with Dwelling/Unit in the context of townhomes.

(Q) "Master Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for Trailside West PRUD, a Master Planned Community together with any subsequent amendments or additions through subsequent recording amendments or supplements.

(R) "Master Association" shall mean Trailside West PRUD Master Homeowners Association, Inc. and, as the context requires, the duly elected and authorized Board of Directors through its officers, directors and managers.

(S) "Master Board" means the Board of Directors of the Master Association elected pursuant to the Master Bylaws and serving as the management body of the Master Association.

(T) "Manager" shall mean any entity or person engaged by the Board of Directors to manage the Project.

(U) "Member" or "Owner" shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Davis County, Utah) of a fee simple or an undivided interest in any Lot/Dwelling. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary of trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. Owner may include a non-natural, but legally recognized entity, such as a limited liability company, corporation, partnership, limited partnership, trust, and/or other legally entity recognized by Utah State law. Accordingly, such an Owner may designate a natural person of its selection as Owner's agent to serve and act in the Owner's place. Notwithstanding the foregoing, an Owner may designate only one natural person to serve as its agent at any one time.

(V) "Person" shall mean a natural person or any legal entity with a right to hold title to

real property in its own name in the State of Utah, including the authorized representative of such legal entity.

(W) "Plat(s)" shall mean an official and recorded plat of the Townhome Neighborhood, including all subsequent phases, if any, when recorded, as approved by the City and recorded in the office of the Davis Recorder, as it may be amended from time to time, including the Plat specific to the Townhomes.

(X) "Rail Trail" shall mean that certain trail system referred to in the License Agreement, which is owned and maintained by the Jordan Valley Water District.

1. "Trail Connections" shall mean that certain real property located on Utah Transit Authority Property that connects the Rail Trail with the Master Community. The Declarant and/or Master Association shall initially install the Trail Connections. Following initial installation, the City is obligated to maintain, repair and replace the Trail Connections.
2. "Abutting Property" shall mean the area generally abutting the Trail Connections and shall be installed and maintained by the Master Association as open space. The Association is not responsible for maintaining any underground water pipe or other utility in the Easement Area, as defined by the License Agreement.

(Y) "Rules" mean any instrument adopted by the Townhome Board, as approved by the Master Association, for the regulation and management of the Townhome Association, as provided in the Governing Documents.

(Z) "Subdivision Improvements" shall mean all improvements to be installed outside the boundaries of Lots or within easements as identified on the Plats that are necessary to provide public road access and/or private road access and utility service to the Lots and including other construction work required to comply with any conditions of City or County or other governmental agencies to the approval of the Subdivision or any Plat(s) thereof.

(AA) "Townhome Articles" shall mean the articles of the Townhome Association, as amended from time to time.

(BB) "Townhome Association" shall mean Trailside West Townhome Owners Association, Inc., and as the context requires, the officers or directors of that Townhome Association. The Townhome Association is one of three, separate sub-associations within the Master Community.

(CC) "Townhome Board" or "Board" shall mean the duly elected and acting Board of Directors of the Townhome Association.

(DD) "Townhome Bylaws" shall mean the Bylaws of the Townhome Association, as amended from time to time, a copy of which is attached hereto as **Exhibit "B."**

(EE) "Townhome Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Trailside West Townhomes, together with any subsequent amendments or additions through supplemental declarations.

ARTICLE II - EASEMENTS

2.1 Easements & Rights Concerning Common Area. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Townhomes Common Area. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom, or encumbered, pledged, assigned or otherwise alienated by an Owner. Any Owner may temporarily delegate the right and easement of use and enjoyment described herein to any invitee on such Owner's Lot. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Area except for the necessary parking, access, and utility easements for use in common with others.

- (a) The Townhomes Association shall be the trustee for all Owners with respect to easements, licenses, agreements, and conveyances of Common Areas, consistent with the Declaration and Utah law.

2.2 Easements & Rights Concerning Limited Common Area. The Master Association and Townhomes Association (collectively "Associations") shall have a non-exclusive easement for any utility or any required maintenance in and through the Limited Common Area.

- (a) The Townhomes Association shall be the trustee for all Owners with respect to easements, licenses, agreements, and conveyances of Limited Common Areas, consistent with the Declaration and Utah law.

2.3 Delegation of Use. Any Owner may delegate, in accordance with the Governing Documents, their right of enjoyment to the Common Area and any Common Facilities located thereon to the members of their family and their tenants and shall be deemed to have delegated said rights to contract purchasers who reside on said Owner's Lot.

2.4 Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

- (a) The right of the Master Association & Townhome Association to govern by Rules the use of the Common Area for the Owners so as to provide for the enjoyment of said Common Areas by every Owner in a manner consistent with the preservation of the residential purposes of the Lots by every Owner, including the right of the Associations to impose reasonable limitations on the number of guests per Owner who at any given time are permitted to use the Common Area;
- (b) The right of the Associations to suspend an Owner's right to the use of the Townhome Common Areas, or any amenities included therein, for any period during which an Owner is in violation of the terms and conditions of the Governing Documents or delinquent in the payment of a levied assessment or fee.

- (c) The right of the City, County, and any other governmental or quasi-governmental body having jurisdiction over the Townhome, to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas and Townhome Common Areas for the purpose of providing police and fire protection, utility access/installation, and providing any other governmental or municipal service.

2.5 Easement in Favor of Master Association & Townhome Association. The Lots, Townhome Common Areas and Limited Common Area are hereby made subject to the following easements in favor of the Master Association and its directors, officers, agents, employees and independent contractors:

- (a) For inspection during reasonable hours in order to verify the performance by Owners or other persons of all items of maintenance and repair for which they are responsible;
- (b) For inspection, maintenance, repair and replacement of portions of the Common Areas and Townhome Common Areas;
- (c) For correction of emergency conditions;
- (d) For the purpose of enabling the Associations, ACC or any other committees to exercise and discharge during reasonable hours their respective rights, powers and duties.

2.6 Reservation of Access and Utility Easements. Declarant hereby reserve an easement for access and utilities (including but not limited to: electrical, gas, communication, phone, internet, cable, sewer, drainage and water facilities) over, under, along, across and through the Property, together with the right to grant to a City and County, or any other appropriate governmental agency, public utility or other utility corporation or association, easements for such purposes over, under, across, along and through the Townhome upon the usual terms and conditions required by the grantee thereof for such easement rights, provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Associations and those claiming by, through or under the Owners or the Associations; and in connection with the installation, maintenance or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof. Each Owner in accepting the deed to a Lot expressly consents to such easements and rights-of-way and authorizes and appoints the Associations as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

2.7 Easements for Encroachments. If any part of the Townhome Common Areas as improved by Declarant now or hereafter encroaches upon any Lot or if any structure constructed by Declarant on any Lot now or hereafter encroaches upon any other Lot or upon any portion of the Common Area or Townhome Common Area, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure on any Lot shall be partially or totally destroyed and then rebuilt in a manner intended to duplicate the structure so

destroyed, minor encroachments of such structure upon any other Lot or upon any portion of the Common Area or Townhome Common Area due to such reconstruction shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

2.8 Easements for Construction and Development Activities. Declarant reserve easements and rights of ingress and egress over, under, along, across and through the Townhome and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Dwellings on Lots, (b) to maintain sales or leasing offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Area with respect to the sales of Lots, or other property in the Project, (c) improvement of the Common Area, and construction, installation and maintenance thereon of roadways, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners, and (d) construction, installation and maintenance on lands within, adjacent to, or serving the Property of roadways, walkways, and other facilities, planned for dedication to appropriate governmental authorities.

2.9 Amenity Access. Members of a particular association or sub-association shall have access to that entity's amenities. Notwithstanding, a particular association or sub-association can restrict access to only members of that specific association or sub-association that owns and maintains such amenity.

2.10 Private Alleys. Unless otherwise agreed in writing between the Townhome Association and the Master Association, the Master Association shall maintain the private alleys in the Master Community.

2.11 Easements for Construction and Development Activities. Declarant reserves easements and rights of ingress and egress over, under, along, across and through the Property and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Dwellings, (b) to maintain sales or leasing offices, management offices and models throughout the Master Community and to maintain one or more advertising signs on the Common Area with respect to the sales of Lots, or other property in the Master Community, (c) improvement of the Common Area, and construction, installation and maintenance thereon of roadways, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners, and (d) construction, installation and maintenance on lands within, adjacent to, or serving the Property or Undeveloped Land.

2.12 Right to Modify Lot Boundaries and Interior Boundary Lines. Declarant reserves the unilateral right to modify Lot boundaries and interior boundary lines and/or combine Lots or Dwellings so long as it owns the Lots; provided, however, such changes may not extensively alter the boundaries of the Common Area and facilities nor change the percentages of ownership interest.

2.13 Income generated from negotiation, installation or provision of certain utilities and

amenities. Declarant and/or Declarant Related Entities invest time, experience, infrastructure and/or capital in the negotiation, provision or installation of certain utilities and amenities (e.g., internet, cable, fiber, phone, solar power, etc.) that provide services and benefits to owner in the Master Community that would not otherwise be available or at a reduced cost. Any income gained by these parties from these efforts may be retained by the Declarant, Declarant Related Entities, or their assigns, even after the Declarant Control Period. The Master Association may enter into contracts with third parties related to the provisions of such utilities and amenities for the benefit of Owners in the Master Community, which utilities and amenities may be paid for through Assessments. Owners contracting separately with individual third-party providers will still be required to pay any normal and customary access fee for applicable bulk rate contract services entered into by the Master Association.

ARTICLE III - MEMBERSHIP, VOTING & CONTROL PERIOD

3.1 Membership in the Townhome Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of the Townhome Association and Master Association, so long as such Owner has an ownership interest in a Lot and such membership shall automatically terminate when the Owner ceases to have an ownership interest in the Lot. Upon the transfer of an ownership interest in a Lot the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Master Association and Townhome Association. If titled ownership to a Lot is held by more than one Person, the membership appurtenant to that Lot shall be shared by all such Person in the same proportional interest and by the same type of tenancy in which title to the Lot is held. Notwithstanding the foregoing, the Declarant shall also be granted voting rights as a Class "B" Member, as defined below.

3.2 The Townhome Association shall have two (2) classes of voting membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of Class "B" membership, if any. Class "A" membership shall be entitled to one (1) equal vote for each Lot in which they are an Owner. Only an Owner that is current on all Assessments and/or other fees thirty days in advance of the meeting or vote shall be deemed in good standing and entitled to vote. With regard to any approval that requires a specified percentage of total membership, the total membership shall be calculated from the total number of Owners eligible to vote at the time such approval is sought. Since an Owner may be more than one Person, if only one of such Person(s) is present at the meeting of the Townhome Association that Person shall be entitled to cast the vote appertaining to that Lot. But if more than one of such Person(s) is present, the vote appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. The vote appurtenant to any one Lot may not be divided between Owners. If the vote of a majority of the owners of a Lot cannot be determined, no vote shall be cast in relation to such Lot.

(b) Class "B". The Class "B" Member shall be Declarant. In all matters requiring a vote, the Class "B" membership shall receive five hundred (500) votes for each recorded Lot or acre of property in the Undeveloped Land owned by Declarant. The Class "B" membership shall also be entitled to appoint the members of the Townhome Board and Townhome Association during the Class "B" Control Period.

3.3 The Class "B" Control Period runs until ninety (90) days after the first to occur of the following:

- (a) When the total number of votes for the Class B Member is less than the total number of votes for the Class A Members; or
- (b) When, at its discretion, the Class B Member so determines.

3.4 Notwithstanding anything to the contrary in this Townhome Declaration, Declarant may exercise its discretionary termination of control in whole or in part as to any portion of the Subdivision at its sole election and determination. In doing so as to a portion of the Subdivision, it does not waive any reversionary or remaining control as to all other portions of the Subdivision, the control of which is not expressly terminated by Declarant.

ARTICLE IV - ANNEXATION

4.1 Annexation. Additional phases of the Townhome Neighborhood may be added as set forth in the Master Declaration.

ARTICLE V – TOWNHOME ASSOCIATION & ASSESSMENTS

5.1 Organization. The Townhome Association has been created to effectively enforce the Governing Documents and shall operate as a non-profit corporation. The Townhome Association shall be comprised of the Owners within the Townhome and is established for the benefit of the Owners and the enforcement of the Governing Documents. Membership in the Townhome Association is deemed an appurtenance to the Lot and is transferable only in conjunction with the transfer of the title to a Lot. The Association shall serve as the organizational body for all Owners.

5.2 Master Declaration Controls. The Master Declaration and portions of this Townhome Declaration use the term "Neighborhood Sub-associations" when referring to sub-association within the Project that are subject to the Master Declaration and certain oversight and control by the Master Association. Neighborhood Sub-association governing documents shall not be inconsistent with the terms and provisions of the Master Declaration and any inconsistency shall be governed by the Master Declaration. Neighborhood Sub-associations may be formed with the approval of the Master Board and by satisfying all necessary legal requirements including, but not limited to, the preparation, execution and recording of Sub-association governing documents.

5.3 Relationship between Master Association and Neighborhood Sub-associations. It is the purpose and intent of the provisions of the Master Declaration and this Townhome Declaration that the Master Association shall be charged with and responsible for the management

of all activities in the Project including, in addition to all other duties and responsibilities set forth herein, the following:

- (a) The approval of all rules and regulations of each Neighborhood Sub-association and providing of assistance, where deemed appropriate by the Master Association, to a Neighborhood Sub-association in the enforcement thereof;
- (b) Approval of responsibilities among the Master and Neighborhood Sub-associations; and
- (c) Collection of Assessments from each Neighborhood Sub-association in amounts required by the Master Declaration.

Nothing herein contained shall restrict or prohibit a Neighborhood Sub-association from owning, in its own name, Common Area or other property related thereto, the use of which shall be restricted to Members of that Neighborhood Sub-association. However, it is the intent of the Master Declaration that any such Common Area owned by a Neighborhood Sub-association, the use and maintenance thereof and the activities of the Neighborhood Association, shall be consistent with and in furtherance of the Project objectives and the terms and provisions of this Master Declaration to assure that the whole of the Project is developed and approved as a quality community.

5.4 Enforcement Powers. The Townhome Association shall have all powers granted to it by the Governing Documents to enforce these covenants and restrictions by actions in law or equity brought in the name of the Townhome Association, and the power to retain professional services needed to the enforcement of the Governing Documents and to incur expenses for that purpose, including but not limited to: (1) record, lien, foreclose and other enforcement and collection actions against an Owner and their Lot; (2) initiate legal or similar proceedings; (3) impose fines; (4) collect any rents directly from tenant for past due assessments; (5) terminate an Owners' right to receive utility service paid as a common expense; (6) terminate an Owner's right to utilize Common Area and/or amenities; and (7) any other action or remedy allowed by the Governing Documents or Utah law. In the event the Townhome Association fails to exercise any power granted in this Article, the Master Association shall have the right to exercise enforcement powers.

- (a) The Townhome Association shall have the exclusive right to initiate enforcement actions in the name of the Association. The Association may appear and represent the interest of the Project at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners.
- (b) The Townhome Association shall have the authority to initiate and compromise claims and litigation on behalf of the Townhome Association resulting from the enforcement of the Governing Documents. In the event that the Townhome Association initiates legal action against a specific Owner or Owners to enforce these Governing Document, whether or not such action results in the commencement of a formal legal proceeding, the Townhome Association shall have the right to assess the costs of such litigation, dispute, or enforcement action, including reasonable attorney

- fees, against the Owner(s) or Lot(s) in question and collect those assessment in any manner authorized in the Governing Documents or Utah law.
- (c) The Board shall be afforded discretion to utilize its reasonable judgment to determine whether and how to: impose fines, record liens, pursue legal action; otherwise enforce the Governing Documents; or when and how to settle or compromise claims.

5.5 Townhome Association Rules. The Townhome Board from time to time and subject to the provisions of the Governing Documents, may adopt, amend, repeal and enforce Rules governing the Townhome Neighborhood.

- (a) During the Class B Period, Declarant shall be exempt from the rule making procedure required by Utah Code § 57-8a- 217.
- (b) Rules are subject to approval by the Master Association.

5.6 Violation Deemed a Nuisance. Any violation of the Governing Documents that is permitted to remain in the Townhomes is deemed a nuisance and is subject to abatement by the Master Association.

- (a) Any single or continuing violation of the covenants contained in this Governing Documents may be enjoined in an action brought by the Townhome Association. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment the reasonable costs of enforcement, including reasonable attorney fees and court costs.
- (b) Nothing in this Townhome Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. This Townhome Declaration is to be construed as being in addition to those remedies available at law.
- (c) The remedies available under this Townhome Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.
- (d) The failure to take enforcement action shall not be construed as a waiver of the contents contained in this Townhome Declaration in the future or against other similar violations.

5.7 Fines. Following notice as required by the Act, the Townhome Association shall have the power to assess a fine against an Owner (or their Lot) for a violation of the terms and conditions of the Governing Documents in an amount set by the Townhome Board.

5.8 Hearing Process. The Townhome Board shall have authority to create a reasonable hearing process, consistent with the Act, applicable when the Townhome Association takes an adverse action related to any particular Owner(s).

5.9 Assessments. Assessments will be made to meet the anticipated and recurring costs, expenses and Common Expenses of the Townhome Association. The Townhome

Association has the power to levy assessments against each Lot as necessary to carry out its functions. Assessments shall be levied against all Lots in the Townhomes, whether vacant or improved. Each Owner shall by acquiring or in any way becoming vested with their interest in a Lot, be deemed to covenant and agree to pay to the Townhome Association the assessments described in these covenants, together with late payment fees, interest and costs of collection (including reasonable attorney fees).

- (a) All such amounts shall be, constitute and remain: (a) a charge and continuing lien upon the Lot with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligations of the Owner or Owners of such Lot at the time the assessment fails due. No Owner may exempt themselves or their Lot from liability for payment of assessments by waiver of their rights in the Common Areas or by abandonment of their Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, late payment fees, interest and costs of collection (including reasonable attorney fees) which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee.
- (b) Special Assessment. The Townhome Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required repairs or replacement of the Common Areas.
- (c) Individual Assessment. The Townhome Association may levy individual assessments on every Lot, Owner or occupant that shall cause any damage to the Master Community or otherwise causes the Townhome Association to incur any individual expense for maintenance, repairs, or enforcement action taken under the provisions of the Governing Documents. The amount of any such individual assessments shall be determined by the cost of such repairs, maintenance or enforcement action, including all overhead and administrative costs (including reasonable attorney fees), and shall be allocated among the affected Owner(s) or Lot(s) according to the cause of damage, maintenance, repair work or enforcement action, as the case may be, which individual assessment may be levied in advance of the performance of work.
- (d) Neighborhood Assessments. Neighborhood Assessments will be made to meet the anticipated and recurring costs, expenses and Common Expenses of the Neighborhood Sub-associations. The Neighborhood Association has the power to levy assessments against each Lot as necessary to carry out its functions, together with late payment fees, interest and costs of collection (including reasonable attorney fees), if and when applicable. If the Neighborhood Sub-Association fails to levy and collect neighborhood assessments, the Master Association may elect to carry out those functions. Further, the Master Association may levy a Neighborhood Assessment to Owners in a specific Neighborhood for costs, special services or amenities available for Owners within that Neighborhood that are provided by the Master Association.
- (e) Reserve Fund. The Townhome Association may levy a reserve fund assessment, as

set forth in this article.

- (f) The Townhome Association may levy other assessments or fees, as authorized by the Governing Documents.

5.10 Date of Commencement of Assessments. Assessments provided for herein shall commence as to each Lot on the first day of the first month following the effective date of the first budget. Assessments shall be due and payable in a manner and on a schedule, as the Townhome Board may provide. Notwithstanding, Assessments for those Lots owned by Declarant or their assigns, successors, subsidiaries, related construction entities, or other entities established by Declarant, or Declarant' members, for the purpose of constructing Dwellings on the Lot (collectively "Declarant' Related Entities") shall not commence until the completed Dwelling is conveyed to an Owner that is not the Declarant or a Declarant' Related Entity. No amendment of this Townhome Declaration changing the allocation assessments with regard to Declarant or Declarant Related Entities shall be valid without the consent of the Declarant.

5.11 Reinvestment Fee. The Master Association, which is intended as a large master planned development, shall have power to levy a one-time reinvestment fee, as set forth in the Master Association Governing Documents. The Master Association may determine the portion of the Reinvestment Fee that may be paid to the Townhomes Association.

5.12 Statement of Account & Payoff Information. Upon a written request from an Owner that the Townhome Association provide the Owner with a statement of their account, the Townhome Association may charge a fee, not to exceed \$10.00, for providing such statements. In addition, when a request is made to the Townhome Association to provide payoff information needed in connection with the financing, refinancing, or closing of a Lot Owner's sale of their Lot, the Townhome Association may charge a fee not to exceed \$50.00.

5.13 Payment by Tenant. The Townhome Association shall be entitled to demand and collect from a tenant of any Lot the amount of any assessment that is more than sixty (60) days past due.

5.14 Delinquent Assessment. Any assessment not timely paid shall be delinquent, and the Townhome Association may invoke any and all remedies to recover said delinquent assessments including by: suit, judgment, lien, foreclosure, or other remedy authorized by the Governing Documents or the Act.

5.15 Due Date, Charges & Interest. Unless otherwise established by the Board through adopted policies, monthly assessments shall be due and payable on the first of each month and late if not received by the 15th of each month. The Board may charge a late fee in an amount set by the Board. In addition to late fees, interest at 18% per annum may accrue on all unpaid balances. The Board may also impose other reasonable charges imposed by a Manager related to collections.

5.16 Lien. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior to all other liens, except: (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto; and (2) the lien or charge of any first or

second mortgage of record made in good faith and for value recorded prior to a recorded notice of lien by the Townhome Association.

5.17 Appointment of Trustee. The Declarant hereby convey and warrant pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to Burt R. Willie, Esq., a licensed member of the Utah State Bar, with power of sale, the Lot, and all Improvements to the lot for the purpose of securing payment of assessments under the terms of this Townhome Declaration.

5.18 Foreclosure Sale. The Townhome Association shall have all rights and power of foreclosure granted by the Act, both judicially and non-judicially. The Townhome Association may also bid for the Lot at foreclosure sale, acquire, hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Townhome Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be charged or levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of any Special Assessment that would have been charged had such Lot not been acquired by the Townhome Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney fees shall be maintainable without foreclosing or waiving the lien securing the same.

5.19 Other Remedies. All rights and remedies of the Townhome Association shall be cumulative, and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. The "One Action Rule" shall not be a defense to the enforcement of all rights and remedies of the Townhome Association. The Townhome Association may elect to bring an action to recover for a delinquent Assessment against the Owner or other obligee personally. Any attorney fees or costs incurred in these efforts shall also be assessed against the Owner(s), their Lot(s), and/or other obligees jointly and severally.

5.20 Attorney Fees. In addition to the recovery of costs and attorney fees as provided herein, the Townhome Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner breach of the Governing Documents, including meetings, research, memoranda, monitoring and other legal work incurred in response to an Owner breach or violation of the Governing Documents. These fees may be collected by special or individual assessment against the subject Owner(s) or Lot(s).

5.21 Budget. The Townhome Board is authorized and required to adopt a budget annually, which shall be presented to the Owners at a meeting of members.

- (a) The Townhome Board may revise the approved budget from time to time as necessary to accurately reflect actual and/or anticipated expenses that are materially greater than previously budget.
- (b) The budget shall estimate and include the total amount for the Common Expenses, shall contain an appropriate amount for reserves, and may include an amount for other contingencies. The budget shall also be broken down into reasonably detailed expense and income categories.

5.22 Reserve Fund Analysis. Following the Class B Period, the Townhome Board shall

cause a reserve analysis to be conducted no less frequently than every six (6) years to analyze the cost of repairing, replacing or restoring Common Area that have a useful life of three years or more and a remaining useful life of less than 30 years. This reserve analysis should be reviewed no less frequently than every three (3) years and updated if necessary. The Townhome Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Townhome Board, to conduct the reserve analysis.

5.23 Reserve Fund Account Creation. The Townhome Association shall create a reserve fund account that is separate and distinct from the Townhome Association's general account, which account shall be funded from the reserve fund assessments. The amount of the reserve fund assessment shall be a separate line item in the approved budget. The Townhome Board shall cause an assessment to be made against all Owners in an amount sufficient, within the Townhome Board's discretion, to fund the reserve account.

ARTICLE VI - ARCHITECTURAL CONTROL COMMITTEE

6.1 Architectural Control Committee ("ACC"). An Architectural Control Committee may be appointed by the Declarant to oversee any construction, re-construction, remodeling or altering of exterior Improvements in the Master Community. If no ACC is appointed, the Master Board will assume the duties and responsibilities of the ACC. The Master Association may coordinate and adopt a process with the Neighborhood Associations regarding any necessary coordination and approval of Improvements within the Neighborhood Associations. Declarant shall remain empowered to appoint the ACC until it turns over such authority in writing to the Master Association. Architectural control shall follow the provisions of the Master Declaration.

ARTICLE VII - ARCHITECTURAL RESTRICTIONS

7.1 Development Agreement. All Improvements shall satisfy those architectural restrictions set forth in Development Agreement with Layton City, as amended.

7.2 Design Guidelines. The Declarant and/or ACC may adopt Design Guidelines that are consistent with the Development Agreement but may include additional detail and restrictions.

7.3 Neighborhood. Townhome Association Governing Documents may establish further architectural and design requirements and restrictions, as approved by the ACC, applicable to Improvements and Dwellings within a Sub-association.

7.4 Landscaping. Declarant shall install the initial landscaping in the Master Community consistent with the Development Agreement. Such landscaping shall be consistent with the Development Agreement and be consistent with current water-wise landscaping principals.

- (a) Water-wise landscaping installed by Declarant may NOT be later replaced with sod or other high water demand landscaping.
- (b) Landscaping within the detention basins shall be with consistent with the Development Agreement and shall be intended to work with and support

BMP for LIDs.

7.5 Fencing. No fence, wall, hedge, or other dividing structure may be installed without the prior, written consent of the Master Board or ACC.

- i. Play Structures. Play structures, trampolines, and other similar equipment may only be placed in backyards consistent with other rules and requirements of the associations.

7.6 Front Yards. No play structures, trampolines or similar equipment may be placed in the front yard.

**ARTICLE VIII - TOWNHOME ASSOCIATION COMMON AREAS, LIMITED
COMMON AREAS, DWELLING & PARTY WALL MAINTENANCE**

8.1 Townhome Common Areas. Except as otherwise provided in this Declaration, the Townhome Association, or its duly designated agent, shall maintain, repair and replace all Townhome Common Areas, including, without limitation, the Improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate all Townhome Common Areas as it deems necessary and appropriate.

- (a) The Townhomes Association, or its duly designated agent, shall maintain all Townhome Common Areas including, without limitation, the landscaping located outside of the Dwelling footprint and on the Townhome Common Area in good order and repair and shall otherwise manage and operate all Townhome Common Areas as it deems necessary and appropriate. The Townhomes Association shall have the authority to assess its members for the costs of said maintenance in accordance with the terms of this Townhomes Declaration. The Townhomes Association may adopt Rules to add further detail with regard specific landscape maintenance services provided by the Townhomes Association. Notwithstanding, it is the intent that the Townhomes Association shall generally provide for all landscaping within the Townhomes Association.
- (b) Snow Removal. The Townhomes Association may coordinate with the Master Association with respect to snow removal in the sub-association. The Townhomes Association may adopt Rules to add further detail with regard specific snow removal services provided by the Townhomes Association. Notwithstanding, it is the intent that the Master Association and/or Townhomes Association shall generally provide for all snow removal on the Common Areas. The Townhomes Association and/or Master Association may make reasonable and prudent efforts to contract with a third party for the removal of snow from Common Areas within the Subdivision. Unless the Board elects to provide snow removal for Limited Common Areas, Owners shall be responsible for such areas and other applicable areas on their Lot, including, but not limited to sidewalks immediately adjacent to or primarily serving an Owner's Lot and parking facilities within their Lot. Owners shall be responsible and take reasonable precautions with respect to ice and ice accumulation. The work of removing snow may be delegated to a third party, who will utilize its discretion

in the frequency of the snow removal and the amount of accumulation meriting removal. To the extent allowed by law, the Townhomes Association shall not be responsible or liable for said third party's discretion and removal of snow.

8.2 Limited Common Areas. The Townhome Association shall maintain the Limited Common Areas, *i.e.*, small driveways. Notwithstanding, appurtenant Owners shall be financially responsible for any repair or replacement of Limited Common Areas.

8.3 General Rules of Law to Apply to Party Walls. Each wall which is built as a part of the original construction of a Dwelling within the Project and placed on the dividing line between two Dwellings shall constitute a Party Wall, and, to the extent consistent with the provisions of the Act, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

8.4 Party Wall Maintenance. Each Dwelling that share one or more Party Wall(s), will also share elements of a common roof, a common exterior wall, or other common exterior elements with adjacent Dwelling(s). The Owners acknowledge that certain repairs or maintenance to Dwellings with a Party Wall(s) may become necessary, which repairs, or maintenance may not be able to be performed on one Dwelling only.

8.5 Destruction of Party Wall; Common Roof or Exterior. If a party wall or common improvement is damaged or destroyed by the fault of negligence of one of the Owners, such damage shall be repaired by the Association to the condition equal to or better than immediately prior to the damage and the negligent Owner or Owner at fault shall reimburse the Association for any and all costs incurred by the Association 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 Dwelling, 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 affected Dwellings, provided that any amount received from insurance companies for such damage shall first be applied to the restoration of the affected Dwellings. 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 Dwelling, 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 Dwellings.

8.6 Party Wall Insurance. The existence of Party Walls within the Project will require blanket property insurance coverage as required by the Governing Documents and/or Act on all attached Dwellings.

8.7 Association Maintenance of Dwellings. The Association shall maintain, repair, and replace the roofs, shingles, rain gutters and downspouts for all buildings (which include the Dwellings), and the normal wear and tear on exterior wall finishes of the buildings (which include the Dwellings). All necessary structural repairs of roofs and exterior walls will remain the financial responsibility of the affected Owners but may be organized and/or carried out by the Association,

as determined by the Association. Exterior wall maintenance by the Association does not include: doors, doorframes, garage doors, windows, window frames, window wells, skylights, patio doors, or glass of any kind. All other components or Improvements within the Lot, including the Dwelling, which are not specifically assigned to the Association herein shall be maintained by Owners. It is the obligation of each Owner to maintain their Lot and Improvements located thereon in a clean and sanitary condition and uncluttered in order to preserve and enhance the enjoyment of the Project.

8.8 Repairs by Association. In the event that an Owner permits his Lot or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or unsightly condition or fails to comply with any other covenant or restriction in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demand that the Owner correct the condition within 15 days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision, plus 15%. In addition, each Owner hereby grants to the Association a lien on the Lot and any improvements to secure repayment of any sums advanced pursuant to this section, which lien may be foreclosed at any time by the Association in the manner prescribed in Utah for the foreclosure of mortgages. Alternatively, without requiring foreclosure, the Association may seek collection of sums advanced directly from the Owner of the Lot in question. Unpaid amounts will bear interest from the date advanced at the lawful judgment rate under applicable state law.

8.9 Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as that approved by the Board. No subsequent exterior alterations, improvements, or remodeling, whether structural or changes in landscaping, paint color or materials will be made without the advance consent of the Board. Declarant shall be exempt from this provision.

8.10 Repair Following Damage. In the event of casualty loss or damage to the improvements, the Improvements may be constructed as they existed prior to the damage or loss without review by the Board, provided however that alterations or deviations from the original approved plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent injury or dangerous conditions following loss or damage before re-construction begins. Such temporary measures may be taken without the consent or approval of the Board, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances permit. Unless delayed by City/County approval or insurance carrier approval, no damaged structure will be permitted to remain on any Lot for more than 90 days without repairs commencing and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Association.

8.11 Maintenance Chart. For the convenience of Owners, the Association may adopt a Maintenance Chart. In the event of a conflict between the Maintenance Chart and this Article, this

Article shall control.

ARTICLE IX -USE LIMITATIONS & RESTRICTIONS

9.1 Master Declaration. The Townhomes are subject to the Use Limitation & Restrictions set forth in the Master Declaration. The Townhomes Association may amend, with consent of the Master Association, to adopt additional or modify use restrictions applicable to the Townhomes Lots.

9.2 Inapplicable Provisions. The rental restrictions set forth in Articles 9.9 and 9.10 are hereby deleted and not applicable to the Townhome Property.

ARTICLE X INSURANCE

10.1 Insurance Requirement. The Association shall obtain insurance as required in this Townhome Declaration and as required by the Act. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Townhome Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.

As used in this Article:

- (1) "Covered Loss" means a loss, resulting from a single event or occurrence that is covered by the Association's property insurance policy.
- (2) "Dwelling Damage" means damage to a Dwelling.
- (3) "Dwelling Damage Percentage" means the percentage of total damage resulting in covered loss that is attributable to Dwelling Damage.

10.2 Property Insurance.

(a) Hazard Insurance.

(i) Blanket Policy of Property Insurance. The Association shall maintain a blanket policy of property insurance covering all Common Areas, Limited Common Areas, and attached Dwellings. Any blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(b) Flood Insurance. If the property insured by the Association is not situated in a Special Flood Hazard Area, the Association may nonetheless, if approved by a majority of Owners, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

- (c) Earthquake Insurance. The Association may, if approved by a majority of Owners purchase earthquake insurance to cover earthquakes not otherwise covered by blanket property insurance.
- (d) Association's Obligation to Segregate Property Insurance Deductible. The Association shall keep an amount equal to the Association's property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.
- (e) Association's Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Board of Directors determines that a claim is likely not to exceed the Association's property insurance policy deductible the Association need not tender the claim to the Association's insurer.

10.3 Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL Insurance insuring the Association, the agents and employees of the Association, and the Owner, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence.

10.4 Director's and Officer's Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). The policy shall:

- (a) Include coverage for volunteers and employees;
- (b) Include coverage for monetary and non-monetary claims;
- (c) Provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) Provide coverage for defamation. In the discretion of the Board of Directors, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.

10.5 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association may obtain insurance covering the theft or embezzlement of funds.

10.6 Named Insured. The named insured under any policy of insurance shall be the Association. Each Owner shall also be an insured under all property and CGL insurance policies.

10.7 Association's Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy shall be payable to the Association, as insurance trustee; and shall not be payable to a holder of a security interest.

Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property if the property is to be repaired and restored as provided for in this Townhome Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any proceeds remaining after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Dwellings. Each Owner hereby appoints the Association, as insurance trustee and attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and the execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representative, successors or assigns of an Owner.

10.8 Owner Act Cannot Void Coverage under Any Policy. An Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

10.9 Owners' Individual Coverage. **EACH OWNER SHOULD PURCHASE INDIVIDUAL INSURANCE COVERAGE IN THE AMOUNT RECOMMENDED BY THE OWNER'S INSURANCE AGENT.**

10.10 Special Assessment. If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Owners as provided in the Governing Documents.

ARTICLE XI - MISCELLANEOUS PROVISIONS

11.1 Amendment. At any time while this Townhome Declaration is in effect, the covenants herein contained can be modified by the Declarant or Declarant's successors and assigns during the Class B Control Period at the sole discretion of the Declarant. Thereafter, the covenants contained herein can only be modified by the affirmative vote of the Owners representing not less than sixty-seven (67%) percent of the total votes of the Townhome Association and the approval of the Master Association. No meeting or voting shall be required for an amendment, if the required, written consent is obtained from the requisite number of Owners.

11.2 Repurchase Option for Construction Defect Claims. In the event any Owner shall commence action against Declarant or Declarant's Related Entities for the purpose of constructing Dwellings on the Lot (collectively "Declarant") in connection with any alleged construction defects in such Owner's Dwelling, Declarant shall have the option, but not the obligation, to purchase such Dwelling on the following terms and conditions:

- (a) The purchase price shall be an amount equal to the sum of the following, less any sums paid to such Owner under any homeowner's warranty, in connection with the alleged defect:
 - (i) The purchase price paid by the original Owner of the

- Dwelling & Lot when originally purchased from Declarant;
 - (ii) The agreed upon value of any improvements made to the Dwelling by anyone other than Declarant; and
 - (iii) The Owner's reasonable moving costs.
- (b) Close of escrow shall occur not later than forty-five (45) days after written notice from Declarant to the Owner of Declarant's intent to exercise the option herein.
- (c) Title shall be conveyed to Declarant free and clear of all monetary liens and other encumbrances other than non-delinquent real estate taxes.
- (d) Exercise of the repurchase option as provided for herein above shall constitute full and final satisfaction of all claims relating to the subject Dwelling and Lot. The Owner shall promptly execute and deliver any notice of dismissal or other document necessary or appropriate to evidence such satisfaction.
- (e) Declarant's option to repurchase granted herein with respect to any particular Dwelling and Lot shall automatically terminate upon the expiration of the last applicable statute of limitations applicable to any construction or warranty claim governing such Dwelling and Lot including all applicable tolling periods.

11.3 Condemnation. Whenever all or any part of the Common Areas shall be taken (or conveyed in lieu of and under threat of condemnation), the Board may act on behalf of the Townhome Association in negotiating and completing such transaction.

11.4 Damage & Destruction. Immediately after damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Townhome Association, the Board, or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Areas. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Areas to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

- (a) Any damage or destruction to the Common Areas shall be repaired or reconstructed unless Owners representing at least seventy-five (75%) percent of the total vote of the Townhome Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Townhome Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Areas shall be repaired or reconstructed; provided,

- however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.
- (b) In the event, that it should be determined in the manner described above that the damage or destruction to the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Areas shall be restored to their natural state and maintained by the Townhome Association, in a neat and attractive condition.
 - (c) If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Owners as provided in the Governing Documents.

11.5 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Townhome Neighborhood is conclusively deemed to have notice of this Townhome Declaration and its contents, and to have consented to the application and enforcement of each of the provision of this Townhome Declaration against their Lot, whether or not there is any reference to this Townhome Declaration in the instrument by which they acquire interest in any Lot.

11.6 Liberal Interpretation. The provisions of this Townhome Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Townhome Neighborhood. Headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

11.7 Consent, Power of Attorney, Waiver. By acceptance of a deed, lease, or other conveyance of an interest in Dwelling, each Owner or Occupant consents to the rights reserved to the Townhome Association in this Townhome Declaration, including but not limited to, the right to prepare, execute, file, process, and record necessary and appropriated documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Townhome Declaration, the Plat and Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Townhome Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Townhome Association's reserved rights as set forth in this Townhome Declaration and shall not be affected by the disability of any such Owner or Occupant.

11.8 No Representations and Warranties. Each Owner and occupant understand, agrees, and acknowledges through taking title or residing in the Townhome Neighborhood that the Declarant, Townhome Association, and the Board have not made any representations or warranties of any kind related to the Townhome Neighborhood and that each Owner or occupant has not

relied upon any reorientations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose relative to the Townhome Neighborhood.

11.9 Severability. Each of the covenants contained in this Townhome Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

LHM DEV TRS, LLC., a Utah limited liability company, the Declarant

By: *Courtney Palmer*
Name: Courtney Palmer
Title: Chief Financial Officer

STATE OF UTAH)
 : SS
COUNTY OF Salt Lake)

On this 14th day of June, 2024, before me, the undersigned Notary Public, personally appeared Courtney Palmer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

 Julie Randall
Notary Public
My Commission Expires: April 29, 2027

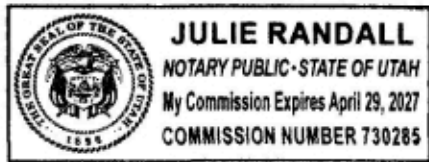


Exhibit "A"
Legal Description

Trailside West Townhomes HOA Descriptions
Townhomes Phase 1

Units 101 through 114, TRAILSIDE WEST PRUD – PHASE 1, according to the official plat thereof as recorded in the office of the Davis County Recorder.

Tax IDs: 10-374-0101 through 10-374-0114

AND

Lots 121 through 123, TRAILSIDE WEST PRUD – PHASE 1, according to the official plat thereof as recorded in the office of the Davis County Recorder.

Tax IDs: 10-374-0121 through 10-374-0123

AND

Units 124 through 133, TRAILSIDE WEST PRUD – PHASE 1, according to the official plat thereof as recorded in the office of the Davis County Recorder.

Tax IDs: 10-374-0124 through 10-374-0133

AND

Units 138 through 168, TRAILSIDE WEST PRUD – PHASE 1, according to the official plat thereof as recorded in the office of the Davis County Recorder.

Tax IDs: 10-374-0138 through 10-374-0168

EXHIBIT B

**BYLAWS OF TRAILSIDE WEST TOWNHOME OWNERS
ASSOCIATION, INC.**

(A Sub-association within the Trailside West PRUD, a Master Planned Community)

The following are the Bylaws of Trailside West Townhome Owners Association, Inc. ("Townhome Bylaws"), a Utah nonprofit corporation and sub-association in the Master Community (the "Townhome Association"). Upon recordation of these Townhome Bylaws, they are binding upon the Townhome Association and all present and future Owners and/or occupants. These Townhome Bylaws have also been duly approved by the Declarant or the Master Association.

ARTICLE I – DEFINITIONS

Section 1.1 Definitions. All terms used but not defined herein shall have the meanings given them under that certain Declaration of Covenants, Conditions & Restrictions for Trailside West Townhome, a Sub-association of the Trailside West PRUD, a Master Community, of even date and recorded in the official records of the Davis County Recorder's Office, as amended (hereinafter "Townhome Declaration"). In addition, definitions within the Master Declaration may also be applicable in the event such definitions are not within the Townhome Declaration.

ARTICLE II – MEETINGS OF MEMBERS

Section 2.1 Annual Meetings. An annual meeting of the Owners shall be held no less than once each calendar year at a location and time designated by the Board of Directors for the Townhome Association ("Townhome Board"). The Townhome Board may set the date, time, and location of the annual meeting in accordance with Section 2.3 below, which locations may include virtual or electronically held meetings through available technology. During the Class B Control Period, annual meetings shall not be required but may be held at the sole discretion of Declarant.

Section 2.2 Special Meetings. Special meetings of the Owners may be called at the request of the Townhome Board, or, following the Class B Control Period, upon written request of the Owners holding at least fifty-one percent (51%) of the total eligible votes of the membership. Notwithstanding, the Townhome Board remains the only authorized body to act for and on behalf of the Townhome Association. During the Class B Control Period, only the Declarant may call Special Meetings.

Section 2.3 Notice of Meetings. Unless an Owner requests in writing that all notices be provided to said Owner by U.S. mail, all notices shall be given by, or at the direction of, the Townhome Board via electronic communication, which may include but is not limited to: email, text, voicemail, or posted on the community website (if applicable). Notice shall be provided at least ten (10) days before a meeting, but no more than ninety (90) days, to each Owner at the email or electronic address provided by the Owner. Said notice is effective upon sending the email or electronic communication. Notices provided by U.S. mail shall be sent via U.S. First Class Mail

and effective upon deposit in the mail. Such notice shall specify the location, day, and time of the meeting, and, in the case of a special meeting, the purpose of the meeting.

- (a) Upon becoming an Owner of the Townhome Association, or upon the written request by the Townhome Association, Owners shall provide a valid email address or other requested electronic information for purpose of notification related to the Townhome Association unless the Owner has opted out by providing a written request for notice by U.S. Mail. If no address is registered with the Townhome Association, an Owner's Lot/Unit address shall be deemed to be their registered address for purposes of notice.
- (b) The location of meetings may also occur virtually, telephonically, or through other available technology.

Section 2.4 Quorum. Unless otherwise specifically set forth in the Townhome Declaration, at any meeting of Owners, a quorum shall be established by those Owners present, in person or by proxy, at a properly noticed meeting. Notwithstanding, the Townhome Board remains the only authorized body to act for and on behalf of the Townhome Association. Further, a majority of those Owners present in person or proxy at such meeting may vote to reschedule the meeting based upon low attendance. Otherwise, the meeting shall proceed as scheduled.

Section 2.5 Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing, signed by the Owner, and filed with the Townhome Board at or before said meeting. Notwithstanding, any proxy delivered to the Townhome Board at the meeting must be provided no later than any point in the meeting announced as the final time to deliver proxies. The proxy form provided with any notice of a meeting may also provide additional requirements and a deadline to return proxies. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Owner of their Lot/Unit. If conflicting proxy votes for an Owner or Lot/Unit exist, said proxy votes will not be counted.

Section 2.6 Conduct of Meetings. The Townhome Board, or its authorized representatives, shall preside over all meetings. The Secretary or other authorized person shall keep and maintain the minutes of all meetings. The Townhome Board may adopt further policies and procedures with regard to conduct at a Townhome Association meeting.

- (a) **Recording.** No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription, or combination) any Townhome Association meeting, work session or similar event regardless of the location without the written consent of the Townhome Association.

Section 2.7 Action Taken Without a Meeting. Under the direction of the Townhome Board, any action that may be taken at any annual or special meeting of Owners may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action taken, are signed by the Owners having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners eligible to vote on the action were present and voted, unless a different approval percentage for the action is specifically set forth in the Townhome Declaration. The Townhome Board may obtain such approvals and conduct business through mail or email/electronic ballots.

- (a) Ballots shall set forth each proposed action and provide the option of voting for or against each proposed action. The ballot must specify the period of time, up to 120 days, during which the Townhome Association shall accept written ballots. Following this period, the Townhome Association shall provide notice if such action is approved.

Section 2.8 Voting. Only an Owner that is current on all assessments and charges due and owing at least thirty (30) days prior a duly noticed meeting shall be deemed in good standing and eligible vote. The Townhome Association shall have two (2) classes of voting membership, Class "A" and Class "B," as set forth in the Townhome and Master Declarations.

- (a) The votes appurtenant to any one Lot/Unit may not be divided between Owners of such Lot/Unit and all such votes appurtenant to any one Lot/Unit shall be voted in one block. If the vote of a majority of the Owners of a Lot/Unit cannot be determined, no vote shall be cast in relation to such Lot/Unit. The Townhome Association shall honor the vote of: a duly authorized trustee or successor trustee of a trust that is an Owner; the duly authorized representative of a legal entity that is an Owner; and shall honor the vote of an individual that is a holder of a Limited or General Durable Power of Attorney with respect to an Owner as though such vote were the vote of the Owner.

ARTICLE III – BOARD, SELECTION AND TERM OF OFFICE

Section 3.1 Number & Tenure. Except for the Board members appointed by Declarant during the Class B Control Period, which may delegate duties as set forth in the Articles and these Townhome Bylaws, the affairs of the Townhome Association shall be managed by a Board of Directors composed of three (3) individuals. At the first meeting of the Owners at which the election of Directors will take place following the Class B Control Period, the candidate who receives the most votes shall serve as a Director for three (3) years. The candidate that receives the second highest number of votes shall serve as a Director for two (2) years, and the third candidate who receives the third highest number of votes shall serve as Director for one (1) year. At each annual election, the successor to the Director whose term shall expire in that year shall be elected to hold office for the term of (3) years. Any change in the number of Directors may be made only by amendment of these Townhome Bylaws. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation, or removal.

Section 3.2 Advisory Board Member. During the Class B Control Period and prior to turnover of the Townhome Association to Owner control, the Declarant and/or Townhome Board may identify an owner(s) to be an advisory member of the Townhome Board and participate in Townhome Board meetings and activities. This advisory member(s) shall not vote.

Section 3.3 Eligibility. Following the Class B Control Period, all members of the Townhome Board shall be Owners or an Owners' spouse or legal partner. Notwithstanding, only one member of a single household can be a member of the Townhome Board at any one time. Nothing herein shall prevent a Director from serving on both the Master Association and a sub-association. Notwithstanding, situations could arise between the Master Association and sub-association, where individual Directors may need to recuse themselves from certain votes and/or decisions.

Section 3.4 Resignation & Removal. A Director may resign at any time by delivering a written resignation to either the President or the Townhome Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director, except during Class B Control Period, may be removed from the Townhome Board, with or without cause, by a vote of at least (51%) of the Owners of the Townhome Association. In the event of death, resignation or removal of a Director, their successor shall be selected by the remaining Directors and shall serve for the unexpired term of their predecessor.

Section 3.5 Compensation. No Director shall receive compensation for any service he may render to the Townhome Association. However, any Director may be reimbursed for actual and approved expenses incurred in the performance of their duties.

Section 3.6 No Estoppel or Reliance. No one may rely upon any authorization (from the Townhome Board or otherwise) contrary to the terms and conditions of the Governing Documents regardless of circumstances. No claim of estoppel, waiver or similar equitable claims or defense may be raised by anyone related to any alleged reliance.

Section 3.7 Records Retention. The Townhome Board shall take appropriate action to develop, implement and update procedures for record retention. The Townhome Board should maintain documents in a manner to be easily accessible and copied. The Townhome Board may budget specifically for this expense and may seek the advice of consultants in developing retention procedures.

ARTICLE IV – NOMINATION AND ELECTION OF DIRECTORS

Section 4.1 Nomination. Following the Class B Control Period, Nomination for election to the Townhome Board may be made by the Townhome Board, Owners from the floor at the annual meeting, or pursuant to other written notice and procedures established by the Townhome Board.

Section 4.2 Election. Following the Class B Control Period, the election of Directors may be by vote or written ballot, as determined at the discretion of the Townhome Board. The persons receiving the largest number of votes shall be elected. Cumulative voting is not authorized. The Townhome Association may utilize available technology for casting and counting votes.

ARTICLE V – MEETINGS OF THE TOWNHOME BOARD

Section 5.1 Regular Meetings. Regular meetings of the Townhome Board shall be held at least annually, or more frequently as determined by the Townhome Board. All notices shall be provided by email or other electronic means. Directors are required to provide an email or electronic address for purposes of notice of Townhome Board meetings. Notice shall be provided at least five (5) days before a meeting, but no more than thirty (30) days. During the Class B Control Period, board meetings shall not be required but may be held at the sole discretion of Declarant.

- (a) Owners, and Owner representatives (if designated in writing in advance) may attend Townhome Board meetings and may be present for all discussions, deliberations, and decisions except when the Townhome Board is in executive session. Owners shall

comply with all reasonable rules established by the presiding officer for their attendance. The Townhome Board may limit Owners' comments and/or questions to a specific period of time within the meeting. The Townhome Board shall provide email notice to Owners that have requested, in writing, to be notified of Townhome Board Meetings and have provided a valid email address.

Section 5.2 Special Meetings. When, in the discretion of the President or two members of the Townhome Board, circumstances require that a meeting be held sooner than the required five (5) days' notice for a regular meeting, a special meeting may be called by the President or by any two (2) Directors, after not less than twenty-four (24) hours' notice to each Director. During the Class B Control Period, only the Declarant may call Special Meetings.

Section 5.3 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 Townhome Board.

Section 5.4 Conduct of Meetings. The Townhome Board, or its authorized representatives, shall preside over all meetings. The Secretary or other authorized person shall keep and maintain the minutes of all meetings. The Townhome Board may adopt further policies and procedures with regard to conduct at a Townhome Board meeting.

(8) Recording. No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription, or combination) any Board meeting, work session or similar event regardless of the location without the written consent of the Townhome Association.

Section 5.5 Action Taken Without a Meeting. The Directors may take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Townhome Board.

ARTICLE VI – POWERS AND DUTIES OF THE BOARD

Section 6.1 Powers and Duties. The Townhome Board shall have all of the powers and duties necessary for the administration of the affairs of the Townhome Association in accordance with the provisions of the Governing Documents and Utah law. The Townhome Board may delegate its authority to manager(s), subject to any limitations or provisions contained in the Governing Documents.

ARTICLE VII – OFFICERS AND THEIR DUTIES

Section 7.1 Enumeration of Officers. The officers of this Townhome Association shall be a president, secretary, and treasurer, or as otherwise designated by the Townhome Board. Notwithstanding, during the Class B Control Period, Declarant may manage the Townhome Association as set forth in the Townhome Articles.

Section 7.2 Election of Officers. The election/appointment of officers shall take place at the first Townhome Board meeting following the annual meeting of the Owners. Officers shall serve in their office for a period of one (1) year. Notwithstanding, nothing in these Townhome Bylaws prevent an officer or directors from being re-elected to their respective positions.

Section 7.3 Special Appointments. The Townhome Board may elect such other officers as the affairs of the Townhome Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Townhome Board may, from time to time, determine. Appointed Officers may be removed by the Townhome Board with or without cause.

Section 7.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to any Director or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced by a majority of the Townhome Board of Directors at any time, with or without cause. In the event of death, resignation or removal of an officer, their successor shall be selected by the Townhome Board and shall serve for the unexpired term of their predecessor.

Section 7.5 Duties. The Townhome Board may adopt policies and resolutions to define the respective duties of Directors and Officers.

Section 7.6 Committees. The Townhome Board may appoint such committees as deemed appropriate in carrying out its purposes. A committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Townhome Board. The Townhome Board may terminate any committee at any time.

ARTICLE VIII – MISCELLANEOUS

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

- (a) If the objecting person attended the meeting and no objection to the particular procedural issue was made at the meeting;
- (b) If the objecting person was not in attendance at the meeting but had proper notice of the meeting; or
- (c) 12 months following the meeting.

Section 8.2 Requirements for Objections. All objections except those made at a meeting shall be in writing. Whenever made, objections must specifically describe the circumstances giving rise to the objection and reference the specific provision of the Governing Documents or law that is alleged to have been violated, with a brief statement of the facts supporting the claimed violation.

Section 8.3 Irregularities that Cannot Be Waived. Any irregularity that is the result of fraud or that was done knowingly and intentionally in violation of the Governing Documents or Utah law.

Section 8.4 Fiscal Year. The fiscal year of the Townhome Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 8.5 Amendment. During the Class B Control Period, these Townhome Bylaws may be amended at any time by the Declarant. Following the Class B Control Period, these Townhome Bylaws may be amended by Owners holding at least fifty-one percent (51%) of the total eligible votes of the membership and with written approval of the Master Association. An amendment to these Townhome Bylaws shall be effective immediately upon recordation in the Office of the Davis County Recorder, State of Utah.

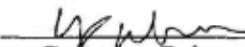
The foregoing Townhome Bylaws are adopted by the undersigned and made effective upon recordation in the Office of the Davis County Recorder, State of Utah. Pursuant to Utah Code § 16-6-801(2)(b) and the Townhome Articles, the Declarant is authorized to execute these Townhome Bylaws and may act for the Board during the Class B Control Period.

ACKNOWLEDGMENT

In witness hereof and under penalty of perjury, I hereby acknowledge that I am authorized by the Townhome Articles to execute these Townhome Bylaws on behalf of the Townhome Association.

DATED this 14 day of June, 2024.

LHM DEV TRS, LLC, a Utah limited liability company, the Declarant

By: 
Name: Courtney Palmer
Title: Chief Financial Officer