

**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
OF  
THE GABLES AND VILLAS AT RIVER OAKS**

THIS DECLARATION of Covenants, Conditions and Restrictions is made on the date hereinafter set forth to establish a planned unit development ("PUD") known as The Gables and Villas at River Oaks.

**RECITALS**

1. Declarant is the owner of real property located at 9150 South Riverside Drive (700 West) in the City of Sandy, County of Salt Lake, State of Utah, as described in Exhibit "A" and on the PUD Plats and referred to collectively as the "Property".

2. Declarant desires to construct Single Family Homes, Townhomes, and other improvements upon said Property. All construction is to be performed in accordance with the plans and drawings contained in the Plats filed for record herewith.

3. Declarant desires, by filing this Declaration and the Plats, to submit said Property and all improvements now or hereafter constructed thereon as a planned unit development to be known as The Gables and Villas at River Oaks.

4. Declarant intends to sell to various purchasers building Lots, Single Family Homes, and Townhomes, subject to the covenants, conditions, restrictions, limitations, and easements set forth herein.

NOW THEREFORE, Declarant hereby declares and certifies as follows:

ARTICLE I

**DEFINITIONS**

When used in this Declaration and in the Bylaws attached hereto as Exhibit "B", the terms shall have the meaning set forth herein, unless the context requires otherwise.

1. **Common Areas** shall mean and refer to all property owned by the Homeowners Association for the common use and enjoyment of the Owners such as the clubhouse, swimming pool, playground, open spaces, undedicated roads, guest parking, and the like, together with all easements appurtenant thereto.

2. **Declarant** shall mean and refer to Castlewood River Oaks, LLC, a Utah limited liability company, and its successors or assigns, and Newman Investments, LLC, a Utah limited liability company, and its successors and assigns collectively.

3. **Declaration** shall mean and refer to the declaration of covenants, conditions and restrictions executed and acknowledged by the Developer and filed for record in the office of the Salt Lake County Recorder.

4. **Developer** shall mean and refer to Castlewood River Oaks, LLC, a Utah limited liability company, and its successors or assigns, and Newman Investments, LLC, a Utah limited liability company, and its successors and assigns collectively.

5. **Homeowners Association** shall mean and refer to The Gables and Villas at River Oaks Homeowners Association, a Utah non-profit corporation. Every owner of a Lot, Single Family Home, or Townhome will be a Member of the Homeowners Association.

6. **Limited Common Areas** shall mean and refer to any common areas designated for exclusive use and enjoyment by the Owner of a particular Unit.

7. **Lot** shall mean and refer to any separately numbered and individually described plot of land designated for private ownership and construction of a Single Family Home.

8. **Management Committee** shall mean and refer to the committee (also known as the Board of Trustees) that has the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Property.

9. **Member** shall mean and refer to every person who holds membership in the Homeowners Association.

10. **Mortgage** shall mean and refer to any mortgage, deed of trust, or other security instrument by which a Lot, Single Family Home, or Townhome, or any part thereof is encumbered.

11. **Mortgagee** shall mean any person named as a Mortgagee or beneficiary under a Deed of Trust.

12. **Owner** shall mean and refer to any person who is the owner of record (as reflected by the records in the office of the Salt Lake County Recorder) of a Lot, single Family Home, or Townhome. No Mortgagee or trustee of a Mortgage shall be an Owner unless such party acquires fee title pursuant to foreclosure or sale or conveyance in lieu thereof. Developer shall be an Owner with respect to each Lot, Single Family Home, or Townhome owned by Developer. Multiple owners of a particular Lot, Single Family Home, or Townhome shall be jointly and severally liable as to all responsibilities of an Owner.

13. **Plats** shall mean and refer to the PUD Plats covering the Property, executed and acknowledged by the Developer, accepted by the City of Sandy, and filed for record in the office of the Salt Lake County Recorder concurrently with the Declaration.

14. **Project** shall mean and refer to The Gables and Villas at River Oaks planned unit development.

15. **Property** shall mean and refer to the real property located in the City of Sandy, Salt Lake County, State of Utah, more particularly described in the Declaration and on the Plats.

16. **Single Family Home** shall mean and refer to a single family dwelling on a Lot and shall include fee title to the real property lying directly beneath said single family dwelling.

17. **Townhome** shall mean and refer to a single family dwelling that is attached to one or more single family dwellings.

18. **Unit** shall mean and refer to a Lot, Single Family Home, or Townhome.

## ARTICLE II

### **COVENANTS, CONDITIONS, AND RESTRICTIONS**

The foregoing submission is made upon the following covenants, conditions, and restrictions.

1. **Description of the Project.** The Project will initially consist of no more than forty-nine (49) Single Family Homes and seventy-four (74) Townhomes. The Plats show the location of the Lots and Townhomes, the clubhouse, swimming pool, playground, open areas, and other information about to the Project.

2. **Homeowners Association.** All owners will automatically become Members of The Gables and Villas at River Oaks Homeowners Association. The Owners will act as a group in accordance with the Articles of Incorporation, the Declaration, and the Bylaws. The Owners will elect a Management Committee to maintain and administer the Common Areas and enforce the covenants, conditions, and restrictions in this Declaration. Voting rights in the entire Project are based on one vote per Unit.

3. **Common Areas.** The Common Areas in the Project are shown on the Plats. Common Areas included the property designated for the common use and enjoyment of the Owners, such as the clubhouse, swimming pool, playground, open spaces, etc. Common Areas also include the roofs and exteriors of the Townhomes in the portion of the Project designated for Townhomes. The Developer shall install and complete all of the elements, improvements, and amenities in the Common Areas. The Homeowners Association will hold title to the Common Areas subject to covenants, conditions, restrictions, easements, encumbrances and liens created by or pursuant to this Declaration, and subject to easements and rights of way of record. The rights to the use and enjoyment of the Common Areas shall be held in common by all of the Owners as Members of the Homeowners Association and no Owner shall bring action for partition thereof. The ownership of an undivided interest in the Common Areas shall not be separated from the Unit to which it appertains and such undivided interest shall automatically accompany the conveyance of the Unit. The Homeowners Association shall maintain the Common Areas in good repair and condition at all times and operate the same at its own expense in accordance with high standards.

4. **Limited Common Areas.** Limited Common Areas include any common areas designated for exclusive use and enjoyment by the Owner of a particular Unit. The right of exclusive use of a Limited Common Area shall not be separated from the Unit to which it appertains and such right of exclusive use shall automatically accompany the conveyance of the Unit. Each Owner shall keep the Limited Common Areas designed for use in connection with his Unit in a clean, sanitary, and attractive condition at all times. Certain Limited Common Areas may be maintained by the Homeowners Association as determined by the Management Committee.

5. **No Separation.** No part of any Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to each Unit, shall always be conveyed, devised, encumbered, and otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, or other disposition of a Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

6. **Lot Maintenance.** Each Owner shall at his own cost and expense maintain any vacant Lot in a clean, sanitary, and attractive condition at all times.

7. **Single Family Home Maintenance.** Each Owner shall at his own cost and expense maintain and repair the interior and exterior of any Single Family Home, and shall maintain the yard and surroundings in a clean, sanitary, and attractive condition at all times. No Owner may alter the exterior of a Single Family Home without the prior written consent of the Management Committee, which consent shall not be unreasonably withheld. The Management Committee shall have the obligation to answer any written notice of an Owner's intent to alter the exterior of his Single Family Home within forty-five (45) days of delivery of the notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed alteration.

8. **Townhome Maintenance.** The Homeowners Association shall maintain and repair the exterior of each Townhome. Each Owner shall at his own cost and expense maintain, repair, refinish, paint and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries of his Townhome. In addition to keeping the interior of the Townhome in good repair and in a clean and sanitary condition, each Owner shall be responsible for the maintenance, repair, or replacement of any windows, lighting fixtures, plumbing fixtures, water heater, heating equipment, air conditioning equipment, appliances or fixtures that may be in or connected with his Townhome. An Owner may finish the basement in his Townhome and may make cosmetic changes to the interior of his Townhome without the consent of the Management Committee. No Owner may make significant structural modifications to the interior of his Townhome without the prior written consent of the Management Committee, which consent shall not be unreasonably withheld. The Management Committee shall have the obligation to answer any written notice of an Owner's intent to modify the structure or alter the interior of his Townhome within forty-five (45) days of delivery of the notice, and failure to do so within the

stipulated time shall mean that there is no objection to the proposed modification of alteration. No Owner may alter the exterior of a Townhome.

9. **Access for Maintenance and Repairs.** Some of the Common Areas may be located within certain Units or may be conveniently accessible only through certain Units. The Owners of the other Units shall have the right, to be exercised by the Management Committee, to have access to each Unit and to the Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Areas or for making emergency repairs to prevent damage to the Common Areas or a Unit. Damage to the interior of any part of a Unit resulting from the maintenance, repair, or replacement of any of the Common Areas or as a result of emergency repairs to another Unit, shall be an expense of the Homeowners Association and shall be assessed accordingly; provided, however, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be held financially responsible for all such damage.

10. **Right of Ingress, Egress, and Lateral Support.** Each Owner shall have the right to ingress and egress over, upon and across the Common Areas designated for use in connection with his Unit, and each Townhome Owner shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

11. **Easement for Utility Services.** There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, replacement, repair, and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone, electricity, and other utility services.

12. **Easement for Encroachments.** If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either in the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of a building on the Property, by error in the Plats, by settling, raising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

13. **Easement to Management Committee.** The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are permitted or obligated to perform pursuant to this Declaration.

14. **Title to the Units.** Title to any Unit may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Plats with appropriate

reference to the Plats and to this Declaration, as each shall appear on the Records of the County Recorder of Salt Lake County, State of Utah, and in substantially in the following form:

“Lot or Unit \_\_\_\_\_ shown in the Plats for The Gables and Villas at River Oaks appearing in the records of the County of Salt Lake, State of Utah as Entry Number \_\_\_\_\_, and as defined and described in the Declaration of Covenants, Conditions, and Restrictions of The Gables and Villas at River Oaks, appearing in such Records as Entry Number \_\_\_\_\_. This conveyance is subject to the provisions of the Declaration.”

Such description will be construed to describe the Unit together with an undivided interest in and to the Common Areas as the same is established and identified in the Declaration and Plats referred to herein, and to incorporate all of the rights and responsibilities of ownership of a Unit as described in this Declaration.

15. **Use of Units.** Each of the Single Family Homes and Townhomes in the Project is intended to be used for residential purposes and any allowable home-based businesses and is restricted to such use. Any home-based businesses must conform to the requirements of Sandy City ordinances and must be approved by the Management Committee, which approval shall not be unreasonably withheld.

(a) **Restrictions Concerning Common Areas.** There shall be no obstruction on the Common Areas by the Owners, their tenants, guests, or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners, the Units, and the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed on, or removed from the Common Areas, without the prior written consent of the Management Committee.

(b) **Parking Restrictions.** No boats, personal water craft, or RV parking shall be allowed outside of enclosed garages. The Management Committee may establish additional parking restrictions and shall strictly enforce compliance with the applicable parking provisions contained in the municipal ordinances.

(c) **Miscellaneous Restrictions.** Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance of the Project, or increase the rate of the insurance on the Project, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitee. No noxious, destructive, or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may

become an annoyance or nuisance to any other Owner or to any person lawfully residing in the Project.

(d) Animals. Whenever pets are taken outside they must be under leash and in the possession and control of the Owner at all times. Barking and other disturbing behavior by pets is not allowed. Pets must not be allowed to defecate or urinate anywhere on the Common Areas. Pets, pet messes, and damages caused by pets are the responsibility of the pet owner or Owner of the Unit.

(e) No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from time to time by the Management Committee.

(f) Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Management Committee, which will not be unreasonably withheld.

(g) Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, Owners who have purchased Units from the Declarant shall not interfere with the completion and sale of the remaining Units. The Declarant may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale, including, but not limited to, the showing of Units, and the display of signs.

#### 16. Management Committee.

(a) Status, Authority and Powers of Management Committee. Except as hereinafter provided, the Project, including the Common Areas, some of the Limited Common Areas, and the exteriors of the Townhomes shall be managed, operated and maintained by a Management Committee as agent for the Homeowners Association and Owners. The Management Committee shall have, and is hereby granted, the following authority and powers:

(1) The authority, with the consent of the Owners, to grant or create on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas.

(2) The authority to execute and record, on behalf of all Owners, any amendments to the Declaration or the Plats which have been approved by the vote or consent necessary to authorize such amendment.

(3) The power to sue and be sued.

(4) The authority to enter into contracts relating to the Common Areas and Limited Common Areas and other matters over which it has jurisdiction so long as any vote or consent of the Owners necessitated by the subject matter of the agreement has been obtained.

(5) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances has been obtained.

(6) The power and authority to purchase, or otherwise acquire and accept title to any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(7) The power and authority to add any interest in real property to the Project, so long as such action has been authorized by the necessary vote and consent.

(8) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Management Committee in carrying out its function or to insure that the Project is maintained and used in a manner consistent with the interests of the Owners.

(9) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Homeowners Association, which may be reasonable or necessary for the Management Committee to perform its functions as agent for the Owners.

(b) Composition, Election, Vacancy. After the first annual meeting of the Homeowners Association, the Management Committee shall be composed of five (5) members. Only Owners, spouses, or agents of Owners shall be eligible for Management Committee membership. At each annual meeting each Owner has one vote for as many candidates as there are seats on the Management Committee to be filled. In case of vacancy, the remaining Management Committee members shall elect a replacement to sit on the Management Committee until the expiration of the term for which the member being replaced was elected.

(c) Rights and Duties. The Management Committee, subject to the rights and duties of the Homeowners Association, this Declaration, and the Bylaws shall be responsible for the general management of the Project, including maintenance of the Common Areas.

(d) Manager. The Management Committee may carry out any of its functions which are capable of delegation through a Manager. The Manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

(e) Payment of Services. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable.

(f) Personal Property. The Management Committee may acquire and hold personal property for the use and the benefit of all the Owners and may dispose of the same by sale or



otherwise. The beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferable except with the transfer of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of other Owners.

(g) Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and the Bylaws. The Management Committee may suspend any Owner's voting rights at meetings of the Homeowners Association during any period in which such Owner fails to comply with such rules and regulations or any other obligation under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations, or to obtain damages for noncompliance.

(h) Capital Improvements. There shall be no alterations, additions, or improvements of the Common Areas requiring capital expenditures in excess of Five Thousand Dollars (\$5,000.00) without the prior approval of Owners representing at least fifty-one percent (51%) of the Units.

(i) Other Rights and Privileges. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law.

#### 17. Assessments.

(a) Assessments. Each Owner of a Unit, by the acceptance of a deed or contract therefore, shall be deemed to covenant and agree to pay annual assessments for the purposes provided herein, and special assessments for capital improvements and other matters as provided herein. Such assessments shall be fixed, established and collected from time to time in the manner provided herein.

(b) Annual Assessments for Lot Owners and Single Family Home Owners. The total annual assessments against all Lot Owners and Single Family Home Owners shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses, including but not limited to, expenses for the maintenance, operation, and repair of the clubhouse, swimming pool, playground, other Common Areas, lawn care, snow removal, lighting, water, sewer, waste management, insurance, taxes, legal and accounting fees, management fees, deficits from a previous period, creation of a reasonable contingency reserve, and any other expenses and liabilities which may be incurred by the Committee for the benefit of Lot Owners and Single Family Home Owners.

(c) Annual Assessments for Townhome Owners. The total annual assessments against all Townhome Owners shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses, including but not limited to, expenses for the maintenance, operation, and repair of the clubhouse, swimming pool,

playground, other Common Areas, Townhome exteriors, Townhome roofs, Limited Common Areas specifically related to Townhomes, lawn care, snow removal, lighting, water, sewer, waste management, insurance, taxes, legal and accounting fees, management fees, deficits from a previous period, creation of a reasonable contingency reserve, and any other expenses and liabilities which may be incurred by the Committee for the benefit of Townhome Owners.

(d) Payment of Assessments. Annual assessments shall be made on a calendar year basis. The Management Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Management Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Monthly assessments become payable upon the date an Owner purchases his Unit and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessments. The Management Committee may levy special assessments, payable over such period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. Any amount pursuant thereto shall be assessed to Unit Owners as set forth herein. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date after it becomes due and payable if not paid within thirty (30) days.

(f) Reserve for Utilities. The Management Committee shall arrange for an adequate reserve for the payment of utilities including water, sewer, and garbage disposal for the Project. If the reserve is depleted and not replenished, or if any utilities are not paid when due, the utilities may be turned off. All Owners are hereby informed and notified that nonpayment of utility bills by the Homeowners Association or the Management Committee may result in the loss of utility service.

(g) Liens for Unpaid Assessments. All sums assessed to any Unit, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Homeowners Association or Management Committee. Any such lien shall be superior to all other liens and encumbrances on such Unit, except for governmental liens and other encumbrances recorded prior to such lien for unpaid assessments which by law would have priority over subsequently recorded encumbrances.

(1) To evidence a lien for unpaid assessments, the Management Committee may prepare a written notice of the lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description

of the Unit. Such notice shall be signed by the Management Committee and recorded in the Office of the County Recorder of Salt Lake County, State of Utah. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to Management Committee, any assessments against the Unit which become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

(2) A release of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Salt Lake County, State of Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

(3) Any encumbrancer holding a lien on a Unit may pay any amounts secured by the lien, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority.

(4) The Management Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall become due; provided however, that such encumbrancer first shall have furnished to the Management Committee written notice of such encumbrance.

(h) Personal Obligation Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Management Committee. Suit to recover a money judgment for such personal obligation may be maintained by the Management Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or Limited Common Areas or by abandonment of his Unit.

(i) Information Concerning Unpaid Assessments. Upon written request of any interested person and the payment of a reasonable fee not to exceed Twenty-five Dollars (\$25.00), the Management Committee shall issue a written statement setting forth the amount of unpaid assessments, if any, and any credit for advance payments of prepaid items related to any Unit. Unless such statement of account shall be provided with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Lot or Townhome.

(j) Purchaser's Obligation. Subject to the provisions set forth herein, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(k) Collection by the Committee. It is recognized that the Management Committee will levy assessments for the purposes of performing its authorized functions, collect such assessments, and enforce liability for the payment of such assessments.

18. Insurance. The Management Committee shall secure or cause to be secured and maintained at all times insurance and bond coverage as set forth below:

(a) A policy of fire and casualty insurance with extended coverage endorsement payable to the Homeowners Association or the Management Committee, for the full insurable replacement value of the entire Project, with the exception of the Lots and Single Family Homes.

(b) The securing of appropriate fidelity bond coverage is recommended for any person or entity handling funds of the Homeowners Association, including, but not limited to, employees of professional managers. Such fidelity bonds should name the Homeowners Association as an obligee, and be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Project, including reserves.

(c) A policy insuring the Homeowners Association, the Management Committee, the Manager, and the Owners against any liability incident to the ownership, use or operation of the Project or of any Unit which may arise among themselves, to the public, or to any invitees or tenants of the Project or of the Owners. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000) for any person injured, One Million Dollars (\$1,000,000) for all persons injured in any one accident, and One Million Dollars (\$1,000,000) for property damage resulting from one occurrence.

(d) The following additional provisions shall apply with respect to insurance:

(1) In addition to the insurance described above, the Management Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with Projects similar to the Project in construction, nature and use.

(2) The Management Committee shall have the authority to adjust losses.

(3) Insurance secured and maintained by the Management Committee shall not conflict with insurance held by the individual Owners or their Mortgagees.

(4) Each policy of insurance obtained by the Management Committee shall, if possible, provide a waiver of the insurer's subrogation rights with respect to the Homeowners Association, the Management Committee, the Manager, the Owners, and

their respective agents and guests; that it cannot be canceled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without prior written notice that the defect be cured; and that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners.

(5) Each Single Family Home Owner will be responsible to insure his home to cover any loss or damage. Each individual Owner will be responsible to insure his or her personal property to cover any loss or damage. Any Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Management Committee.

19. **Damage to Project.** In the event of damage to or destruction of part or all of the improvements in the Project, the following procedures shall apply:

(a) If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, or if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out upon approval of at least fifty-one percent (51%) of the affected Owners. All affected Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas.

(c) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are insufficient to accomplish restoration, and if the Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least fifty-one percent (51%) of the Owners, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder such notice. Any reconstruction or repair which is required to be carried out by this Section shall be accomplished at the direction of the Management Committee. Any determination which is required to be made regarding the extent of the damage to or destruction of Project improvements shall be made by a qualified appraiser selected by the Management Committee.

20. **Amendments.** Declarant shall have the right to amend this Declaration or the Plats as necessary to expand the project at any time. Until Units representing fifty-one percent (51%) of the undivided ownership interest in the Project have been sold or the expiration of five (5) years after the first conveyance of title to any Unit purchased, whichever comes first, Declarant shall have and is hereby vested with the right to amend this Declaration or the Plats. Such right shall exist without regard to the subject matter of the amendment, so long as the amendment involved is consistent with law. Otherwise the vote of at least fifty-one percent (51%) of the Owners shall be required to amend this Declaration or the Plats. Any amendment so authorized

shall be accomplished through the recordation of any instrument executed by the Management Committee.

21. **Consent Equivalent to Vote.** In those cases in which this Declaration requires the vote of a stated percentage of the Project's Owners or their undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold at least the necessary percentage of undivided ownership interest.

22. **Service of Process.** Service of Process shall be received by Jeffrey A. Duke, as representative of the Declarant, at 6925 South Union Park Avenue, Suite 355, Midvale, Utah 84047, until a President of the Homeowners Association is elected, after which time service of Process shall be received by the President of the Homeowners Association. The Management Committee shall have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

23. **Mortgage Protection.** Notwithstanding anything to the contrary herein:

(a) An adequate reserve fund for replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two (2) month's estimated Common Areas charge.

(c) Any mortgage holder which comes into possession of a Unit pursuant to the remedies provided in a mortgage, or foreclosure of a mortgage or deed of trust, or deed or assignment in lieu of foreclosure, shall be exempt from any provisions relating to the sale or lease of the Units in the Project.

(d) Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one year, but may be renewable by agreement of the parties for successive one year periods.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Owner or other party shall be entitled to priority over such holder with respect to the distribution of any insurance proceeds.

(f) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation proceeding by a condemning authority, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition, and no Owner or other party shall have priority over such holder with respect to the distribution of the proceeds of any award or settlement.

(g) There shall be no prohibition or restriction on an Owner's right to lease his or her Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(h) Each holder of a first mortgage on a Unit who comes into possession of the Unit by virtue of foreclosure of a mortgage or trust deed, or by deed or assignment in lieu of foreclosure, or any purchase at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments against the Unit which accrue prior to the time such holder comes into possession of the Unit.

(i) Any holder of a mortgage is entitled to written notification from the Management Committee of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under the Declaration which is not cured within sixty (60) days of notice of default.

(j) Any lien which the Management Committee may have on any Unit for the payment of common expense assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on a Unit recorded prior to the date any such common expense assessments become due.

(k) Unless at least fifty-one percent (51%) of the first Mortgagees (based on one vote for each mortgage owned) of the Units have given their prior written approval, neither the Management Committee nor the Owners shall:

(1) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Partition or subdivide any Single Family Home or Townhome.

(3) Use hazard insurance proceeds for losses to any property, whether to Units or to the Common Areas, for other than repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(l) Mortgage Protection, notwithstanding all other provisions hereto:

(1) The liens created hereunder upon any Unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or trust deed with first priority over other encumbrances) upon such interest made in good faith and for value.

(2) No amendment to this Paragraph shall affect the rights of the holder of any such mortgage recorded prior to the recordation of such amendment that is not joined in the execution thereof.

(3) By subordination agreement executed by the Management Committee the benefits of (1) and (2) above may be extended to mortgages not otherwise entitled thereto.

24. **Duty of Owner to Pay Taxes.** Each Unit is subject to separate taxes and assessments and each Owner will pay all taxes and assessments which may be assessed against him or his Unit.

25. **Enforcement.** Each Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto. Failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Owners, or in a proper case, by an aggrieved Owner.

26. **Indemnification of Management Committee.** Each member of the Management Committee shall be indemnified and held harmless by the Owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, without limitation, attorney's fees reasonably incurred by him in connection with his being or having been a member of the Management Committee.

(a) **Suits, Proceedings, and Other Actions.** Notwithstanding any provision of this Declaration to the contrary, any suit, proceeding, or other action as may be deemed necessary to recover a money judgment respecting any assessments levied or fixed by the Management Committee shall be maintained on behalf of the Homeowners Association at the instance and suit of the Management Committee.

(b) **Covenants to Run with Land.** This Declaration and all the provisions hereof shall constitute covenants to run with the land and shall be binding upon and inure to the benefit of Declarant, all parties who acquire any interest in a Unit, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of Unit shall comply with, and all interests shall be subject to, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Owners, or, in a proper case, by an aggrieved Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to and agrees to be bound by each and every provision of this Declaration.

(c) **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of failure to enforce the same, regardless of the number of violations or breaches which may occur.

27. **Number and Gender.** Whenever used herein, unless the context provides otherwise, the singular number shall include the plural, the plural, the singular, and the use of any gender shall include all genders.



28. **Severability.** If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

29. **Topical Headings.** The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any provision hereof.

30. **Effective Date.** This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, State of Utah.

31. **All Amenities.** All amenities are a part of the Project and are covered by any mortgage at least to the same extent as are the Common Areas and Facilities.

### ARTICLE III

#### **EXPANDABLE PROJECT**

1. **Expandable Project.** This Project currently includes Plat A and Plat B with the intention to include Plat C. Until Units representing fifty-one percent (51%) of the undivided ownership interest in the Project have been sold or the expiration of five (5) years after the first conveyance of title to any Unit purchased, whichever comes first, Declarant shall have the right to expand the Project, provided that any requirements by the City of Sandy and the County of Salt Lake are met for an expansion. An expansion will require the purchase of adjoining property or the incorporation of an existing development into the Project. Details regarding an expansion will be set forth in an approved Plat and/or other instrument recorded in the Salt Lake County Recorder's office. If the Project is expanded, all of the new Unit Owners shall be members of the Homeowners Association.

IN WITNESS WHEREOF, the undersigned Declarants have executed this instrument on the 21<sup>st</sup> day of June, 2005.

CASTLEWOOD RIVER OAKS, LLC,  
a Utah limited liability company

  
By JEFFREY A. DUKE, Manager



EXHIBIT "A"

PROPERTY DESCRIPTION

PLAT A:

27-02-400-057

BEGINNING AT A POINT THAT IS S00°10'27"W 765.20 FEET AND WEST 40.00 FEET FROM THE EAST QUARTER CORNER SECTION 2 TOWNSHIP 3 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE S00°10'27"W 182.68 FEET; THENCE SOUTHWESTERLY 799.57 FEET ALONG THE ARC OF A 655.00 FOOT RADIUS CURVE TO THE RIGHT (CHORD BEARS S35°08'42"W 750.84 FEET); THENCE N20°51'47"W 96.83 FEET; THENCE N47°23'22"W 36.04 FEET; THENCE N19°06'10"W 23.82 FEET; THENCE N41°33'17"E 5.52 FEET; THENCE NORTHEASTERLY 97.70 FEET ALONG THE ARC OF A 497.50 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N64°43'01"E 97.54 FEET); THENCE NORTHEASTERLY 6.56 FEET ALONG THE ARC OF A 4.00 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N12°04'43"E 5.85 FEET); THENCE N34°56'01"W 104.66 FEET; THENCE N10°03'59"E 22.14 FEET; THENCE NORTHWESTERLY 17.57 FEET ALONG THE ARC OF A 274.00 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N39°38'06"W 17.57 FEET); THENCE S48°31'39"W 99.00 FEET; THENCE N55°39'15"W 89.33 FEET; THENCE N65°07'56"W 125.88 FEET; THENCE N45°04'01"W 52.88 FEET; N55°32'42"W 114.30 FEET; THENCE N34°21'49"E 265.10 FEET; THENCE N24°33'45"E 100.55 FEET; THENCE S65°26'15"E 150.01 FEET; THENCE N24°33'45"E 73.38 FEET; THENCE NORTHEASTELY 9.84 FEET ALONG A 225.00 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N23°18'36"E 9.84 FEET); THENCE S65°26'15"E 34.31 FEET; THENCE N89°53'45"E 324.32 FEET; THENCE S84°21'54"E 50.00 FEET; THENCE NORTHEASTERLY 30.05 FEET ALONG THE ARC OF A NON-TANGENT ON A 300.00 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N02°45'56"E 30.04 FEET); THENCE N00°06'15"W 12.00 FEET; THENCE S89°49'33"E 100.61 FEET TO THE POINT OF BEGINNING.

(CONTAINS 9.596 ACRES AND 49 LOTS)

**PLAT B:**

07-02-400-058, 059, 061

Beginning at a point on the Westerly Right of Way of Riverside Drive, said point also being S00°10'27"W 1561.84 feet and West 470.36 feet from the East Quarter Corner Section 2 Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence along said Westerly Right of Way the following four courses: (1) thence Southwesterly 167.29 feet along the arc of a 655.00 foot radius curve to the right (chord bears S77°25'59"W 166.84 feet); (2) thence S84°45'00"W 361.02 feet; (3) thence S85°00'40"W 13.07 feet; (4) thence Southwesterly 81.28 feet along the arc of a 680.00 foot radius curve to the left (chord bears S81°19'05"W 81.23 feet); thence N38°24'23"E 45.76 feet; thence Northwesterly 11.11 feet along the arc of a 241.50 foot radius curve to the right (chord bears N01°21'12"W 11.10 feet); thence Northwesterly 7.79 feet along the arc of a 5.00 foot radius curve to the left (chord bears N44°41'38"W 7.03 feet); thence N00°38'54"E 52.00 feet; thence Southeasterly 6.77 feet along the arc of a 99.50 foot radius curve to the right (chord bears S87°24'12"E 6.77 feet); thence Northeasterly 6.99 feet along the arc of a 5.00 foot radius curve to the left (chord bears N54°29'55"E 6.43 feet); thence Northeasterly 48.90 feet along the arc of a 241.50 foot radius curve to the right (chord bears N20°15'10"E 48.82 feet); thence N53°30'25"W 85.12 feet; thence S56°19'45"W 195.01 feet; thence S89°54'32"W 4.98 feet; thence N40°34'05"E 482.26 feet; thence N34°21'49"E 85.45 feet to a point on the Southerly Boundary of River Oaks Villas P.U.D. Plat A; thence along said Southerly Boundary the following 14 courses: (1) thence S55°32'42"E 114.30 feet; (2) thence S45°04'01"E 52.88 feet; (3) thence S65°07'56"E 125.88 feet; (4) thence S55°39'15"E 89.33 feet; (5) thence N48°31'39"E 99.00 feet; (6) thence Southeasterly 17.57 feet along the arc of a 274.00 foot radius curve to the right (chord bears S39°38'06"E 17.57 feet) ; (7) thence S10°03'59"W 22.14 feet; (8) thence S34°56'01"E 104.66 feet; (9) thence Southwesterly 6.56 feet along the arc of a 4.00 foot radius curve to the right (chord bears S12°04'43"W 5.85 feet); (10) thence Southwesterly 97.70 feet along the arc of a 497.50 foot radius curve to the right (chord bears S64°43'01"W 97.54 feet); (11) thence S41°33'17"W 5.52 feet; (12) thence S19°06'10"E 23.82 feet; (13) thence S47°23'22"E 36.04 feet; (14) thence S20°51'47"E 96.83 feet to the point of beginning.

(Contains 5.27 Acres and 42 Lots)

EXHIBIT "B"

**BYLAWS  
OF  
THE GABLES AND VILLAS AT RIVER OAKS**

ARTICLE I

**APPLICABILITY**

The Project is known as The Gables and Villas at River Oaks and is located at 9150 South Riverside Drive (700 West) in the City of Sandy, County of Salt Lake, State of Utah. The provisions of these Bylaws are applicable to the Project. All present or future Owners, tenants, their employees, or any other person that might use the facilities and/or Common Areas of the Project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental or occupancy of any of the Lots, Single Family Homes, or Townhomes of the Project will signify that these Bylaws are accepted, ratified and binding.

ARTICLE II

**VOTING, MAJORITY, QUORUM, PROXIES**

1. **Voting.** Voting shall be one vote per Unit (Lot, Single Family Home or Townhome).
2. **Majority.** As used in these Bylaws the term "majority of Owners" shall mean Owners representing fifty-one percent (51%) of all Units in the Project.
3. **Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of Owners" as defined herein shall constitute a Quorum.
4. **Proxies.** Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

**ADMINISTRATION**

1. **Homeowners Association.** The Owners of the Units will constitute The Gables and Villas at River Oaks Homeowners Association (hereinafter referred to as the "Homeowners Association"), and will have the responsibility of electing the members of the Management Committee and approving the annual budget and special assessments presented by the Management Committee as set forth in the Declaration. The Management Committee will administer the Project, establish and collect monthly assessments, and arrange for the operation, maintenance and management of the Project on behalf of the Homeowners Association.

2. **Place of Meetings.** Meeting of the Homeowners Association shall be held at the clubhouse or at another suitable place convenient to the Owners as may be designated by the Management Committee.

3. **Annual Meetings.** The first meeting of the Homeowners Association shall be held within sixty (60) days of the sale of the twentieth (20th) Unit. Thereafter, annual meetings shall be held on the 2nd Thursday of January of each succeeding year, or otherwise as determined by the Management Committee. At such annual meetings a Management Committee shall be elected in accordance with the provisions of these Bylaws. The Owners may also transact such other business of the Homeowners Association as may properly come before them.

4. **Special Meetings.** The President shall call a special meeting of the Owners as directed by resolution of the Management Committee or a petition signed by a majority of the Owners. No business shall be transacted at a special meeting except as stated in the notice unless by consent of a majority of the Owners, either in person or by proxy.

5. **Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place of the meeting to each Owner at least five (5) but no more than thirty (30) days prior to such meeting.

6. **Adjourned Meetings.** If any meeting of Owners cannot be organized because of a quorum has not been established, the Owners who are present either in person or by proxy may adjourn the meeting to a time no less than forty-eight (48) hours from the time the original meeting was scheduled.

7. **Order of Business.** The order of business at all annual Homeowners Association meetings shall be as follows:

- a. Roll call
- b. Reading of minutes of preceding meeting
- c. Reports of officers
- d. Reports of committees
- e. Appointment of election supervisors and vote counters
- f. Election of Management Committee members
- g. Unfinished business
- h. New business

#### ARTICLE IV

#### **MANAGEMENT COMMITTEE**

1. **Number and Qualifications.** The Homeowners Association's affairs shall be governed by a Management Committee (also known as a Board of Trustees) composed of five (5) members, as set forth in the Articles of Incorporation and the Declaration. At least two (2) members of the Management Committee shall be Owners of Single Family Homes (Villas) and at least two (2) members of the Management Committee shall be Owners of Townhomes (Gables).

2. **Powers and Duties.** The Management Committee shall have the powers and duties necessary for the administration of the Homeowners Association's affairs as set forth in the Articles of Incorporation, the Declaration, these Bylaws, and any resolutions of the Homeowners Association. Among other things, the Management Committee shall be responsible for the care, upkeep and surveillance of the Project, facilities, Common Areas, and some Limited Common Areas, and the collection of monthly assessments from the Owners. The Management Committee may employ for the Homeowners Association a manager at a compensation established by the Management Committee to perform such duties and services as the Management Committee shall authorize.

3. **Election and Term of Office.** At the first annual meeting of the Homeowners Association the term of office of the Management Committee members shall be fixed as follows: one member for one (1) year, two members for two (2) years, and two members for three (3) years. At the expiration of the initial term of office of each respective Management Committee member, his successor shall be elected to serve a term of three (3) years. The members shall hold office until their successors have been elected and hold their first meeting.

4. **Vacancies.** Vacancies in the Management Committee caused by any reason other than the removal of a member by a vote of the Homeowners Association shall be filled by a vote of a quorum of the remaining members of the Management Committee, and each person so elected shall be a member until a successor is elected at the next annual meeting of the Homeowners Association.

5. **Removal of Management Committee Members.** At any regular or special meeting duly called, any one or more of the Management Committee members may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Management Committee member whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

6. **Organization Meeting.** The first meeting of the newly elected Management Committee shall be held within ten (10) days of election at such place as shall be fixed by the members at the meeting at which such members were elected, and no notice shall be necessary to the newly elected members in order legally to constitute such meeting, provided a majority of the whole Management Committee shall be present.

7. **Regular Meetings.** Regular meetings of the Management Committee may be held at such time and place as shall be determined from time to time, by a majority of the members of the Management Committee, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Management Committee shall be given to each member, personally or by mail, e-mail, telephone or fax at least three (3) days prior to the day named for such meeting.

8. **Special Meetings.** Special meetings of the Management Committee may be called by the President or three (3) members of the Management Committee by giving notice to each

member, personally or by mail, e-mail, telephone or fax at least three (3) days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting.

9. **Waiver of Notice.** Before or at any meeting of the Management Committee, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Management Committee shall be a waiver of notice by him of the time and place thereof. If all members are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

10. **Management Committee's Quorum.** At all meetings of the Management Committee, a majority of the members shall constitute a quorum for the transaction of business, and the acts of the quorum shall be the acts of the Management Committee. If at any meeting of the Management Committee there is less than a quorum present, the members present may adjourn the meeting and the meeting shall automatically be held the following day at the same time. At any such meeting, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

11. **Fidelity Bond Coverage.** The securing of appropriate fidelity bond coverage is recommended for any person or entity handling the funds of the Homeowners Association, including, but not limited to, professional managers and employees of professional managers. Such fidelity bonds should name the Homeowners Association as an obligee, and be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Project including reserves.

## ARTICLE V

### **OFFICERS**

1. **Designation of Officers.** The principle officers of the Homeowners Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Management Committee. The Management Committee members may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary. The offices of Treasurer and Secretary may be filled by the same person.

2. **Election of Officers.** The officers of the Homeowners Association shall be elected annually by the Management Committee at the organization meeting of each new Committee and shall hold office at the pleasure of the Committee.

3. **Removal of Officers.** On an affirmative vote of a majority of the members of the Management Committee, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Management Committee or at any special meeting of the Management Committee called for such purpose.



4. **President.** The President shall be the chief executive officer of the Homeowners Association. He shall preside at all meetings of the Homeowners Association and of the Management Committee. He shall have all of the general powers and duties that are usually vested in the office of President of a Homeowners Association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the Homeowners Association's affairs.

5. **Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Management Committee shall appoint some other member of the Committee to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed on him by the Management Committee.

6. **Secretary.** The Secretary shall keep the minutes of all the meetings of the Management Committee and the minutes of all meetings of the Homeowners Association. He shall have charge of such books and papers as the Management Committee may direct, and he shall, in general, perform all of the duties incident to the office of Secretary.

7. **Treasurer.** The Treasurer shall have the responsibility for Homeowners Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Homeowners Association. He shall be responsible for the deposit of all money and other valuable effects in the name, and to the credit of, the Homeowners Association, in such depositories as may from time to time be designated by the Management Committee. All Homeowners Association funds will be disbursed under approval of the Management Committee.

## ARTICLE VI

### **OBLIGATIONS OF OWNERS**

1. **Assessments.** All Owners are obligated to pay monthly assessments imposed by the Management Committee to meet common expenses as set forth in the Declaration.

2. **Maintenance and Repair.** The Owners and Homeowners Association are responsible for maintenance and repairs as set forth in the Declaration.

3. **Use of Units.** All Single Family Homes and Townhomes shall be utilized for residential purposes only.

4. **Use of Common Areas and Facilities.** The Common Areas may be scheduled with the Secretary of the Management Committee for use by Owners and guests. During the times when the Common Areas are not scheduled they are available to Members of the Homeowners Association on a first come first served basis. Owners and guests using the Common Areas are responsible for cleaning up any litter as a result of such use.

5. **Right of Entry.** An Owner or occupant shall grant the right of entry to the Management Committee or to any other person authorized by the Management Committee in case of emergency originating in or threatening his Unit, whether the Owner or occupant is present at the time or not.

An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of installing, altering, or repairing mechanical or electrical services, provided that the requests for such entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency such rights of entry shall be immediate.

6. **Rules of Conduct.** No resident of the Project shall post any advertisements or posters of any kind in or on the Project except as authorized by the Management Committee. Owners shall exercise care in minimizing noise and using radios, television, and other devices that may disturb other Owners. No Owner or lessee shall install wiring for electrical or telephone installation, television and antennae, machines, air conditioning units, or the like, on the exterior of the Project or that protrude through the walls or the roof of the Project except as authorized by the Management Committee.

## ARTICLE VII

### **METHOD OF AMENDING BYLAWS**

These Bylaws may be amended by the Homeowners Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by a majority of Owners.

## ARTICLE VIII

### **MORTGAGES**

An Owner who mortgages his Unit shall notify the Management Committee of the name and address of his mortgagee, and the Management Committee shall maintain such information.


## ARTICLE IX

### **COMPLIANCE**

In the event there is any conflict between these Bylaws and the Utah Code Annotated, the provisions of the Utah Code Annotated will supersede and apply.

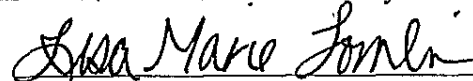
Adopted and executed by the undersigned Declarants on the 29<sup>th</sup> day of June, 2005.

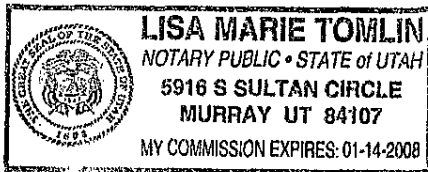
CASTLEWOOD RIVER OAKS, LLC,  
a Utah limited liability company

  
By JEFFREY A. DUKE, Manager

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

On this 29 day of June, 2005, personally appeared before me Jeffrey A. Duke, Manager of Castlewood River Oaks, LLC, and on his oath acknowledged that he is a Manager of Castlewood River Oaks, LLC and that he signed this instrument with the authority and on behalf of said limited liability company.

  
NOTARY PUBLIC

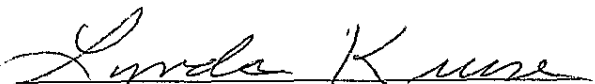


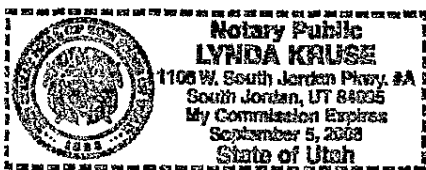
NEWMAN INVESTMENTS, LLC,  
a Utah limited liability company

  
By WILLIAM MARK NEWMAN, Manager

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

On this 29 day of June, 2005, personally appeared before me William Mark Newman, Manager of Newman Investments, LLC, and on his oath acknowledged that he is a Manager of Newman Investments, LLC and that he signed this instrument with the authority and on behalf of said limited liability company.

  
NOTARY PUBLIC



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06/29/2005 01:38 PM \$152.00  
Book - 9152 Pg - 596-622  
GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
CASTLEWOOD DEVELOPMENT  
6925 S UNION PARK AVE #355  
MIDVALE UT 84047  
BY: AMF, DEPUTY - WI 27 P.