

WHEN RECORDED, RETURN TO:

SAHALE DEVELOPMENT, INC.  
3165 East Millrock Drive  
Suite 500  
Salt Lake City, Utah 84121

DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
SAHALE  
(INCLUDING BYLAWS)

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (as the same may be amended, supplemented, or otherwise modified from time to time, the “**Declaration**”) is made on the date evidenced below by Declarant (as defined in Article I).

### RECITALS

A. This Declaration and the Bylaws attached hereto supersede and replace all prior declarations, bylaws, and amendments or supplements thereto, recorded against the Property or unrecorded.

B. The property subject to this Declaration is Plats 1, 2, 3, 4 and 5 of Sahale as reflected on the plat maps for such subdivisions recorded in the Recorder’s Office, and any other property hereafter subjected to this Declaration pursuant to the terms herein.

C. It is the intention of Declarant to develop the land subject to this Declaration as a residential planned development and to ensure a uniform plan and scheme of development, and unto that end the Declarant has adopted, imposed and subjected the property hereinafter described to certain covenants, conditions, restrictions, easements, charges and liens, as set forth herein for the following primary purposes:

(1) To ensure compatibility and harmony in the development of the Lots (as hereinafter defined) in the Community (as hereinafter defined).

(2) To provide, for the benefit of the Owners, the preservation of the value and amenities in the Community, and the maintenance of the Common Areas and the buildings in the Community, including but not limited to easements, charges and liens, hereinbelow set forth, and for the creation of an association to be delegated and assigned the powers of maintaining and administering the Common Areas (as hereinafter defined) and other improvements, and enforcing all applicable covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created in the Community designated by this Declaration; which association shall be incorporated under the laws of the state of Utah as a nonprofit corporation for the purpose of exercising the functions mentioned herein.

D. The Community is not a cooperative or a condominium project.

NOW, THEREFORE, the Declarant hereby declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions restrictions, easements, charges and liens hereinafter set forth:

### ARTICLE I-DEFINITIONS

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

**1.1** “**Act**” shall mean the Utah Community Association Act, Utah Code, Title 57, Chapter 8a, as the same shall be amended from time to time.

**1.2** “*Approved Builder*” shall mean a builder or contractor approved in writing by the Declarant in accordance with Section 8.4.

**1.3** “*Assessment*” means any charge imposed or levied by the Association on or against an Owner or Lot pursuant to the terms of the Governing Documents or applicable law, including (1) Annual Assessments; (2) Special Assessments; and (3) Individual Assessments as set forth in Article VI below.

**1.4** “*Association*” means and refers to Sahale Homeowners Association, Inc., or such successor incorporated or unincorporated association of the Lot Owners acting under this Declaration.

**1.5** “*Board*” or “*Board of Directors*” shall mean and refer to the Board of Directors of the Association.

**1.6** “*Bylaws*” means the Bylaws of the Association (initially attached hereto as **Exhibit B**), as they may be amended from time to time.

**1.7** “*Common Area*” means, refers to, and includes: (a) The real property, excluding all Lots, and interests in the real property which comprise the Project and which is and are submitted to this Declaration; (b) All common areas and facilities designated as such on the Plat and all property on the Plat, excluding the Lots; (c) In general, all apparatus, installations and facilities included within the Community and existing for common use; (d) The Community’s roads (except public roads when the context requires for maintenance purposes); (e) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; (f) All common areas as defined in the Act, whether or not enumerated herein, (g) the Wildlife Corridor, and (h) all real property, including any Lot or parcel shown on a Plat, owned by the Association.

**1.8** “*Common Expenses*” means and refers to all sums which are required by the Association to perform or exercise its functions, duties, or rights under the Act or the Governing Documents.

**1.9** “*Community*” means all of the real property and interests described in the Plat, including all Lots, Common Area, easements and open space, and including any property annexed at any time into the Community pursuant to Article VII.

**1.10** “*Community-Wide Standard*” means the standard of conduct, construction, architecture, maintenance, or other activity generally prevailing in the community, or the minimum standards established pursuant to the DRC Restrictions and Rules, as set forth in this Declaration, the Bylaws, and as defined or dictated by the Board from time to time. Declarant shall initially establish such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development of the Property progresses.

**1.11** “*Declarant*” means Sahale Development, LLC, and any successor or assign thereof: (1) to whom all, or substantially all, of the right, title and interest in the Community is conveyed by such entity, or (2) to whom it shall expressly transfer, set over and assign all, or substantially all, of its right, title and interest under this Declaration.

- 1.12     “*Design Guidelines*” shall have the meaning set forth in Section 4.2.
- 1.13     “*Design Application Procedures*” shall have the meaning set forth in Section 4.2.
- 1.14     “*Development Period*” means the time between the date of recordation of this Declaration with the Recorder’s Office and the date on which the administrative control of the Association is turned over to the Owners (as stated in Section 7.1 below).
- 1.15     “*DRC*” shall have the meaning set forth in Section 4.1.
- 1.16     “*Fines*” shall mean and refer to fines levied by the Association against an individual or entity for violations of the Governing Documents. Fines shall be enforced and collected consistent with the Act and are deemed an Assessment herein and may be collected as such.
- 1.17     “*Governing Documents*” shall mean and refer to a written instrument by which the Association may exercise powers or manage, maintain, or otherwise affect the property under the jurisdiction of the Association, including Articles of Incorporation, Bylaws, Plat, this Declaration, rules and regulations, and architectural or design guidelines.
- 1.18     “*Improvement*” means every structure or improvement of any kind, including but not limited to landscaping, sprinkler pipes, Living Units, decks, porches, awnings, buildings, out buildings or accessory buildings, fences, walls, garages, carports, driveways, or other products of construction efforts on or in respect to the Community (but does not include any exterior antenna or satellite dish, authorized in accordance with the Declaration).
- 1.19     “*Limited Common Areas*” shall mean a portion of the Common Areas, if any, allocated by the Declaration or the Act, as may be shown on the Plat or described in this Declaration, for the exclusive use of one or more, but fewer than all, of the Lots.
- 1.20     “*Lot*” shall mean and refer to any residential lot shown upon the recorded Plat, including any Improvements thereon, with the exception of the Common Area.
- 1.21     “*Managing Agent*” shall mean and refer to the person or entity retained to manage the Community and the Association according to the direction of the Board.
- 1.22     “*Mortgage*” means any mortgage or deed of trust encumbering any Lot and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument and/or security arrangement, has been recorded in the Recorder’s Office.
- 1.23     “*Mortgagee*” means the person or entity secured by a Mortgage.
- 1.24     “*Owner*” means the record owner of fee simple title to any Lot, as shown in the records of the County Recorder, but does not include a tenant, contract purchaser, or holder of a leasehold interest or person holding only a security interest in a Lot. Notwithstanding the foregoing, the Association shall not be deemed an Owner under the Governing Documents.

**1.25** *“Plat”* means, as the context indicates, (1) each of the Sahale Plats 1, 2, 3, 4, and 5 that have been recorded in the Recorder’s Office, and any additional recorded plat for any property annexed into the Community pursuant to Section 2.7 or Article VII, in each case as amended or substituted from time to time, and (2) all of such recorded plat maps collectively.

**1.26** *“Property” or “Project”* means all of the real property and interests described within the boundaries of the named project in the Plats, including all Lots, Common Area, easements, and open space.

**1.27** *“Recorder’s Office”* shall mean the Recorder’s Office of Wasatch County, State of Utah.

**1.28** *“Recreational Vehicles”* shall mean all watercraft, travel trailers, campers, camper shells, tent trailers, motorhomes, snowmobiles, all-terrain-vehicles, off road motorcycles, and off-highway-vehicles (ATVs and OHVs, respectively), dune buggies, or devices similar to any of the foregoing and trailers that carry any of the previously listed items.

**1.29** *“Rules and Regulations”* means and refers to those rules and regulations adopted by the Association from time to time that are deemed necessary by the Association for the enjoyment of, or furthering the purposes of, the Community and the Association.

**1.30** *“Screened from View”* means behind or within an Improvement so as to not be visible at any time: (1) from a height of six feet above ground level from any part of a street or a contiguous Lot, or (2) from any part of a Living Unit on a contiguous Lot. Such structure or screening shall require the pre-approval of the DRC pursuant to this Declaration. In no event shall tarps, tents, or other temporary structures or covering constitute appropriate screening.

**1.31** *“Turnover Meeting”* means the meeting at which the Declarant turns over administrative control of the Association to the Owners pursuant to this Declaration.

**1.32** *“Unit” or “Living Unit”* shall mean a single-family residential Living Unit in the Community and constructed upon a numbered Lot reflected on a recorded Plat.

**1.33** *“Violation”* shall have the meaning set forth in Section 9.2.3.

## ARTICLE II- PROPERTY DESCRIPTION

**2.1** *Property Subject the Declaration and Bylaws.* The real property which is, and shall be, transferred, held, sold, conveyed, used, occupied and improved subject to the Act and to this Declaration, the Governing Documents, and all agreements, decisions and determinations made by the Board or Association is all of the real property and interests described in the Plat, including any property annexed at any time into the Community, and including the Lots described on **Exhibit A** attached hereto, which Declaration and covenants, conditions and restrictions herein shall run with the land and shall be binding upon each and every party which shall at any time have any right, title or interest in or to the Community or any part thereof, their heirs, successors and assigns, and to any other person who may in any manner use the Community or any part thereof submitted to the provisions of this Declaration, and shall inure to the benefit of each Owner. To the extent that the Governing Documents are or become inconsistent with the provisions of any future amendments to the Act, the Act shall control.

**2.2 Description and Legal Status of Lots.** The Plat shows the Lots, their locations, dimensions from which their areas may be determined together with the Definitions above, and the Common Areas. All Lots are residential lots. All Lots shall be capable of being independently owned, encumbered, and conveyed.

**2.3 Form of Lot Conveyance - Legal Description of Lot.** Each conveyance or installment contract for the sale of a Lot and every other instrument affecting title to a Lot may describe that Lot by the number shown on the Plat with appropriate reference to said Plat and to this Declaration, as each shall appear on the records of the County Recorder, state of Utah, and in substantially the following form: Lot \_\_ shown on the Plat for the subdivision, appearing in the records of the County Recorder as Entry No. \_\_ Map No. \_\_; SUBJECT to the Declaration of Covenants, Conditions and Restrictions appearing in the official records of the County Recorder, as may be amended from time to time.

**2.4 Use and Occupancy.** Except as otherwise expressly provided in the Governing Documents, the Owner(s) of a Lot shall be entitled to the exclusive use and benefits of ownership of such Lot. Each Lot, however, shall be bound by, and the Owner shall comply with, the restrictions contained below and all other provisions of the Governing Documents of the Association for the mutual benefit of the Owners.

**2.5 Easements Reserved.** In addition to the easements shown on the Plat or provided for elsewhere under this Declaration, the Bylaws or law, the following easements are hereby reserved for the benefit of Declarant, its successor and assigns, the Owners and the Association:

(a) Right of Entry. The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of performing maintenance referred to herein and determining whether or not the Lot is in compliance with the Governing Documents or whether the use of the Lot is causing damage or harm to the Common Areas or Limited Common Areas. Requests for entry shall be made in advance and at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(b) Utility Easements. Declarant, its successors and assigns, the Association, or any public utility provider shall have an easement through all Lots and the Common Areas for the installation, maintenance and development of utilities and drainage facilities, as may be necessary and as may be designated on the Plat or separate easement. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may reasonably interfere with or damage utilities or drainage facilities. The easement area within each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot in accordance with the terms herein, except for those improvements for which a public authority or utility provider is responsible. Each Lot Owner shall have an easement in common with all Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other Lots and serving his or her Lot.

(c) Common Areas. All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas, which right shall be irrevocable, perpetual, and appurtenant

to such Lot, subject to the provisions of the Governing Documents and to the right of the Association to limit the number of residents, guests and invitees using the Common Area at one time and to impose a fee or charge for the use, rental, or operation of the Common Areas or any portion of the Common Areas, and which right shall include (without limitation) the right of ingress and egress to such Owner's Lot.

(d) Wildlife Corridor. The area set forth on the Plat as a conservation easement shall be herein referred to as the "Wildlife Corridor." Owners may use the Wildlife Corridor subject to the terms and conditions set forth in this Declaration. Within the Wildlife Corridor, the following are prohibited: feeding of deer or elk; unrestrained pets; motorized vehicles of any kind; smoking; alcohol; fireworks; any noxious or illegal behavior; forage removal; tree cutting; camping; open fires; building of any improvements; hunting; firearms; bows; discharge weapon projectiles of any kind (including, but not limited to, paint ball, air rifle or air guns, sling shots, wrist rockets, etc.); and rope swings or other similar alterations (whether permanent or temporary) to landscape. However, removal of dead or down tree branches within the Wildlife Corridor is encouraged.

**2.6 *Transfer, Material Alteration of Common Area.*** Notwithstanding anything else herein or on the Plat, the Declarant may, at any time during the Development Period (i) cause the Association to dedicate, transfer or sell any part of the Common Area which was conveyed to the Association by the Declarant, and may withdraw any such part of the Common Area from the provisions of this Declaration and the Plat and otherwise cause the termination of its status as Common Area, (ii) make any material, discretionary addition to the Common Area, or (iii) make any discretionary, material alterations to the appearance of the Community.

**2.7 *De-annexation; Contraction of Community.*** Other than as provided in Section 2.6, no property may be de-annexed or withdrawn from the provisions of this Declaration unless authorized, provided for and described in a duly adopted and executed amendment to this Declaration pursuant to the amendment provisions in this Declaration.

### ARTICLE III- RESTRICTIONS ON USE

**3.1 *Residential Use.*** Lots shall be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration and the Bylaws and rules and regulations adopted pursuant thereto. Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities that cause additional pedestrian or vehicular traffic or create a sight or noise nuisance shall be conducted on any Lot or in any other portion of the Project.

**3.2 *Lease Restrictions.*** All leases shall be in writing and be subject to the Governing Documents, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

**3.3 *Short Term Rentals.*** All Short-Term Rentals shall be done through the management of the Sahale Managing Agent. "***Short-Term Rentals***" means temporary lodging or place of stay that is rented for a period of thirty (30) consecutive days or less.

**3.4 *Animals.*** The Community is designed around critical wildlife habitat and corridors. Accordingly, all animals kept within the Community shall be kept and governed in a manner that will protect and enhance the value of the Wildlife Corridor and wildlife habitat. All kept animals

must therefore be appropriately physically restrained at all times. Appropriate physical restraint includes, but is not limited to, leashes, fences and electronic fences. In addition, animals must not be kept or maintained for any commercial purpose. Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners or residents within the Community. Animals may be kept outside, so long as they are kept on the applicable Owner's Lot and restrained in a humane and sanitary manner. Kennels, runs and leash areas on Lots must be kept clean and sanitary and may not be located within twenty feet from the Lot boundary line. The Board, in its sole discretion, may establish rules and restrictions from time to time concerning specific breeds or types of dogs or cats or the keeping of other animals and their number. No raising of pigs is allowed. Horses and chickens are allowed as long as they comply with the regulations of Wasatch County.

**3.5 Limited Disturbance Area.** All Owners are hereby provided notice that a Plat may establish limited disturbance areas within the boundaries of their Lots. Within such areas, buildings, structures, construction or improvements of any kind are prohibited.

**3.6 Temporary Structures.** Unless otherwise approved in writing by the DRC, at its sole discretion, no structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.

**3.7 Offensive or Unlawful Activities, Nuisances.** No unsanitary, offensive, unsightly, or noxious conditions or activities, including noise, odor, or other nuisance, shall be permitted on any Lot or Common Area, nor shall anything be placed upon any Lot or Common Area, which interferes with or jeopardizes the quiet enjoyment of other Lots or which is a source of annoyance to residents. No unlawful use shall be made of the Community or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Residents shall exercise extreme care to minimize noise so as to not disturb other residents. Noise disturbances shall subject the Owner of the Lot from which the noise originates to a fine, as levied by the Board in its sole discretion.

**3.8 Rubbish and Trash.** No part of the Community may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the Community except in a sanitary container as specified by the Association or within a trash enclosure screened from public view. All such waste and garbage must be promptly and periodically removed.

**3.9 Parking.** Parking of any Recreational Vehicle needs to be behind a 6' fence or not visible from the street, except for overnight preparation for next-day activity.

**3.10 Vehicle Repair and Maintenance.** Vehicles under repair and maintenance need to be stored within the garage on the Owner's Lot.

**3.11 Signs.** Except for one professional quality "For Rent" or "For Sale" sign of not more than four (4) square feet, no advertising signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed, or permitted to remain on any Lot. The foregoing restrictions shall not

apply to the commercial activities, signs, and billboards, if any, of the Declarant or its agents during the construction and sales period of the Project.

**3.12 *Antenna and Dish Policy.*** All outside television or radio aerials or antennas, satellite dishes or other similar devices, except satellite dishes one meter in diameter or less, such as Direct Broadcast Satellite (DBS) dishes, designed to receive direct broadcast satellite service or receive or transmit fixed wireless signals via satellite, are prohibited. Such allowed dishes may be installed, provided the dish and any wires are installed so as to not be visible from any street. If locating the dish so that it is not visible from any street precludes reception of an acceptable quality signal, the dish shall be installed with the least visibility from the streets possible. Location of an FCC approved dish may not be restricted by the Association so as to cause unreasonable delay in installation; unreasonably increase the cost of the equipment or its installation, maintenance, or use; or preclude reception of an acceptable quality signal. No dish may encroach upon the Common Area or the property of another Owner. The Owner shall keep the dish in good repair so that it does not violate any portion of this Declaration. The terms “dish” and “antenna” are to be used interchangeably in the interpretation of the above policy.

**3.13 *Increase in Insurance Cost.*** Nothing shall be done or kept within any Lot or on the Common Areas, including Limited Common Areas, which will increase the cost of insurance to the Association or to other Owners. No Owner shall permit anything to be done or kept within his or her Lot or the Common Areas that will result in cancellation of insurance on any Lot.

**3.14 *Association Rules and Regulations.*** In addition to the restrictions and requirements above, the Board from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the Lots and Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Community. Reasonable fines may be levied and collected as an assessment for violations of said rules and regulations and for violations of any restrictions contained in this Declaration. A schedule of fines may be adopted by the Board specifying the amounts of such fines, and any other provisions or procedures related to the levying of such fines.

**3.15 *Open Space, Trail System, and Drainage Easements.*** In addition to the foregoing easements over the Common Area, and without limiting any other easements rights created under this Declaration, the Plat, or other document, there shall be, and Declarant hereby reserves and covenants for itself, the Association and all future Owners within the Properties, the following easements:

(a) Open Space Preservation Easement. As set forth on the Plat, an open space preservation easement is granted over open spaces “A” and “B”, as identified on the Plat, in favor of Wasatch County.

(b) Trail System Easement. To the extent a community and public trail system is located within the Project, the Declarant grants an easement for the public to use such identified trail system.

(c) Drainage and Irrigation Easement. Any drainage and irrigation easements identified on the Plat or other recorded instruments.

Owners, occupants, and other persons who enjoy the open space easement, trail system easement, and drainage and irrigation easements within the Project do so at their own risk, and the Association does not assume any liability for any harm caused as a result of any use of such easement areas.

**3.16 Community-Wide Standard.** Owners recognize that the Community-Wide Standard is for the benefit of the Community and the Owners, and that such Community-Wide Standard contains both objective and subjective standards, appearances, and other factors which may evolve over time. Owners further agree to abide by the prevailing Community-Wide Standard applicable to the Community at any given time. Essential characteristics of the Community-Wide Standard include, but are not limited to, the information set forth in the Design Guidelines.

**3.17 Display of the Flag.** The Association may not prohibit an Owner from displaying the United States flag inside a Unit or on the Owner's Lot or Limited Common Area appurtenant to the Owner's Lot if the display complies with United States Code, Title 4, Chapter 1. The Association may, by rule of the Board, restrict the display of a United States flag on the Common Area.

**3.18 Hazard Notice.** Each Owner, by acceptance of a deed to a Lot, assumes any and all risk of damage and personal injury resulting directly or indirectly from the hazards which are obvious to, or which may be reasonably discovered by, any reasonable Owner or occupant and further holds Declarant, its officers, directors, agents, shareholders, attorneys, engineers, employees, successors and assigns harmless from any and all claims of damages of whatever nature, and by any person, caused directly or indirectly by water, erosion, deposition, flooding, flowage, whether sudden or gradual and whether resulting from surface, flood or rainfall waters. Each Owner, by acceptance of a deed to a Lot, further acknowledges that the Development is subject to the normal everyday sounds, odors, sights, equipment, facilities, and all other aspects associated with Project area.

**3.19 Trash Receptacles.** Owners shall keep their personal trash receptacles in the garage or otherwise Screened from View, except for a reasonable amount of time (not to exceed 24 hours) that such container is placed at the curb for pick up. The Board may pass additional Rules and Regulations governing trash receptacles.

**3.20 Garbage Removal.** All rubbish, trash and garbage shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. Garbage should be placed in proper containers.

**3.21 Planting, Gardening, and Fences.** No planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon any Lot or Limited Common Area appurtenant to a Lot, if any, except such as are installed in accordance with the initial construction of the Lots located thereon or as later approved, in writing, by the DRC and done in compliance with the Design Guidelines. Privacy or solid fences is expressly prohibited.

**3.22 External Apparatus and Fixtures.** To the extent permissible by applicable law and the Governing Documents, no external items such as, but not limited to, unreasonably large television and radio antennas, flag poles, clotheslines, wiring, air conditioning equipment, water softening

equipment, fences, awnings, canopies or other outdoor covers, shutters, ornamental screens, screen doors, patio or balcony enclosures, sunshades, lighting fixtures, walls, windows, skylights, landscaping and plantings, other than those provided in connection with the original construction of the Unit, shall be constructed, erected, or maintained on the Project without the prior written approval of the DRC.

**3.23 *Solar Energy Systems.*** Any application to the Association for the construction or installation of a solar energy system must comply with the requirements and limitations set forth in § 57-8a-701 to -703 of the Act. As used in this Section, the term “solar energy system” is as defined in § 57-8a-102(22) of the Act. The installation of a solar energy system may be done with approval from the DRC and subject to any Rules and Regulations adopted by the Association.

**3.24 *Exterior Lighting.*** Exterior Lighting must abide Wasatch County regulations. All sports courts may not extend lighting past 10:00 PM.

#### **ARTICLE IV- DESIGN REVIEW AND APPROVAL**

**4.1 *Design Review Committee.*** During the Development Period, the Declarant shall appoint a three-member Design Review Committee (the “**DRC**”), which shall have the authority to ensure that all Living Units and other improvements within the Lots harmonize with existing surroundings and structures and comply with the applicable provisions of the Declaration over which the DRC is granted authority. The DRC need not be composed of Owners, except that, after the Development Period, a majority of the DRC members shall be Owners. After the Development Period, the Board shall appoint a three- or five-member DRC, and if the DRC is not so appointed, the Board itself shall perform the duties required of the DRC.

**4.2 *Design Guidelines, Application Procedures.*** Design and construction of all Units and other Improvements on the Lots shall be consistent with and shall comply with the procedures, criteria and requirements set forth in this Declaration and such other building and design criteria which the DRC is hereby empowered to adopt and amend from time to time, separate and apart from this Declaration and which need not be recorded (referred to as “**Design Guidelines**”), to expand, clarify, and otherwise provide for the harmony and compatibility of the Improvements constructed within the Project, and such application procedures which the DRC is hereby empowered to adopt and amend from time to time (referred to as “**Design Application Procedures**”). Design Guidelines shall also be deemed to include the requirement that the quality of all materials to be used in any construction or Improvements within the Project be equal or superior to that utilized for original construction. All builders and Owners shall comply with and are bound by the requirements and design restrictions herein and in the Design Guidelines.

**4.3 *Standard.*** In deciding whether to approve or disapprove plans and specifications submitted to it, the DRC shall use its best judgment to ensure that all Improvements and construction on Lots within the Community harmonize with existing surroundings and structures and comply with the requirements of this Article IV and the Design Guidelines. The DRC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of engineering, structural safety or conformance with building or other codes. Neither the DRC nor any member thereof shall be liable to the Association

or any person whatsoever for any loss, damage or injury arising out of, or in any way connected with the performance of the DRC's duties hereunder.

**4.4 *Submission to DRC.*** An Accessory Dwelling Unit (ADU), structure, building or Improvement, or fence can be constructed or maintained, and grading or removal of natural vegetation can occur, on a Lot if approved in advance by the DRC and necessary building permits are obtained through Wasatch County. Such approval shall be solely at the discretion of the DRC as it deems appropriate from time to time (subject to a final decision rendered by the Association voting interests pursuant to an appeal of an DRC decision). The Association may charge a fee for the actual cost of reviewing and approving plans for the construction or improvement of a Lot, which cost may include, but is not limited to, the Association paying an engineer, architect, or other professional to review the plans. The Association or the DRC may require a deposit for the plan review (or design review) fee. Such deposit shall be applied toward but shall not limit the Owner's obligation to pay the entire review fee once such fee is finally determined.

**4.5 *Application; Plans and Specifications.*** The Owner concerned shall submit a written application including a complete set of plans and specifications for the proposed improvement or improvements to the DRC by electronic means or otherwise as required by the Design Application Procedures (the "*Application*"). The Application shall consist of, and approval is conditioned upon compliance with, the requirements set forth in the Design Application Procedures. Any subsequent changes, improvements, or alterations in such plans must be submitted to the DRC for written approval.

**4.6 *Review, Approval, Appeal.***

Plans for new building, site, or landscape construction, as well as plans for renovation, expansion, or refurbishing of existing buildings and landscape must receive final approval by the DRC, prior to commencement of construction. Individual applicants are responsible for ensuring they are in possession of and in compliance with the latest version of the Design Guidelines.

Any proposed changes from the DRC-approved plans must be presented and approved by the DRC prior to any construction of that change. This includes changes to the site, landscape, and building exteriors. All changes must be drawn by the original architect/home designer and presented by the general contractor.

Design approval will consist of a two-phase process, beginning with Preliminary Design approval, followed by Final Design Approval. Final Design approval must be granted by DRC, prior to owner submitting any plans to local municipality for Building Permit Application.

**4.6.1. *Preliminary Design Review.*** The DRC will review the Preliminary Design for the project. The Preliminary Design must convey the design intent of the project within the context of the site. A set of PDF plans to be sent to the DRC by email.

**Preliminary Design Set:**

**Existing Site Conditions / Survey** - Survey by licensed surveyor including topography,

boundaries, utilities, setbacks, and easements. Actual locations of and sizes of existing trees must be indicated.

**Proposed Site Plan** - Showing property boundaries, easements, existing and new grading, building footprints and roof overhangs, all other improvements, Area of Disturbance, Maximum Site Coverage, and existing vegetation.

**Schematic Floor Plans** - Showing proposed interior and exterior spaces, including doors and window locations. General dimensions, floor elevations, and area calculations must be clearly indicated.

**Schematic Roof Plan** - Indicating roof pitch and direction of slope, materials, chimneys and major flues, ridges, valleys, hips and hinges, with exterior walls dashed.

**Exterior Elevations** - Provide elevations for each side of building(s). All exterior materials to be shown graphically and specified. Also indicate existing and proposed grading with finish floor elevations, as well as building height limit.

**Landscape Plan** - Schematic plan showing existing vegetation to remain, vegetation to be removed, and proposed vegetation. Also indicate Proposed Area of Disturbance. All disturbed area to indicate proposed restoration measures.

**3D Model** - Physical or digital 3D Model that adequately illustrates buildings scale and massing. Model to include all proposed buildings, as well as accurate existing terrain, with proposed grading.

**Material Samples** - Physical or Electronic Material samples with manufacturer specifications and color selections for the following: Roofing, Siding, Masonry, Metal Drips, Flashings, Hardware, Window Sash, Exterior Decks and Hardscapes. Materials locations must be clearly referenced to Exterior Elevations.

**Application and Fees** – Application fees must be received at time of application.

The Preliminary Design Plan Set is to be sent to the DRC via email or delivered in person.

Once approved, the DRC will provide conditional approval to proceed with production of the Final Plan Set and Full construction Documents. Any conditions listed in preliminary approval, must be incorporated in the Final Plan Set.

**4.6.2. Final Plans and Specifications and Working Drawings.** The DRC will review the Applicant's Final Plan Set, which shall consist of the full set of Construction Documents. The Final Plan Set must be prepared by a licensed Architect or other qualified Design Professional, and must be submitted to the DRC prior to applying for a building permit. Applicants will be notified in writing of the DRC's Final Review Comments.

Final Plan Set shall include the following at minimum:

## **Final Plan Set:**

**Site Plan** – indicating access drive and parking, existing trees to be saved and those to be removed, site grading and drainage (with existing and final topography), utility locations and tie-in points, setbacks, Area of Disturbance, Maximum site Coverage calculations, property boundaries and easements, building footprint and roof plan, decks and patios.

**Foundation Plan** – indicating elevations for all top of foundation walls and top of footings. Also indicating unexcavated areas, and crawl space areas.

**Building Floor Plans** - indicating overall building dimensions, room layouts, mechanical rooms and flue/duct chases, window and door locations, meters and utility connections.

**Roof Plan** – indicating roof pitch and direction of slope, materials, chimneys and major flues, ridges, valleys, hips and hinges, ridge vents, snow guards, gutters, and exterior walls below.

**Exterior Building Elevations** – indicating building height (with natural grade shown dashed); exterior materials indicated and described for walls, stairs, railings, flashing, chimney and sill caps, etc.; window and door locations and configurations; all exterior trim with sizes indicated; exterior express structural components.

**Building Sections** - indicating roof, walls, floors, porches, terraces, patios, decks, exposed structure, room names, and finished grade (1/4" = 1'0" min. scale).

**Exterior Building Details** - indicating the visual expression of materials, structure, finishes, trim, soffit and fascia, railings, chimney caps, and other such detail components that describe the building.

**Landscape Plan** - indicating existing trees to be saved and removed; planting plan by species and size of all proposed trees, shrubs and ground cover; all "hardscape" and deck areas; driveway, maneuvering, and parking areas; retaining walls; fences and privacy walls; exterior lighting, etc.

**Material and Color Board** - describing, through actual samples, all exterior materials and colors of the project. A color board must be submitted with any final submission.

**Construction Management Plan (CMP)** - illustrating the proposed strategy for managing the jobsite. The CMP shall include the construction parking areas, snow storage areas, waste receptacle locations, location of construction trailer, construction parking areas, snow storage areas, waste receptacle locations, sanitary facility locations, and concrete washout pan location. Scale shall be the same as Site Plan. Construction parking is curb to asphalt on the side of the road the project is being built. No construction parking is ever allowed in the native areas.

**Updated 3D Model** - required only if significant changes are made to the Preliminary Design.

**Application and Fees** - with Application wet-stamped by the licensed Architect or Engineer who prepared the submittal.

The Final Plan Set is to be sent to the DRC via email or delivered in person.

**4.7 Approval.** Once approved, the DRC will provide a stamp or letter, certifying that the Final Plans are approved and ready to proceed with permit application.

The DRC is expressly empowered and authorized to deny any application, sketch plan, or Final Plan for whatever reasons it deems prudent and, in so doing, shall have the right to take into consideration, among other things, the suitability of the proposed Improvement, the materials of which it is to consist of, the site upon which it is proposed to be erected, the harmony thereof with the surroundings, and the effect of said Improvement on the outlook from neighboring properties or the street.

**4.8 Changes or Additional Construction.** Any and all exterior changes and/or additions to the DRC-approved plans which occur before, during or after construction must always be submitted to and approved by the DRC prior to their construction. There shall be a fee of \$1,000 per occurrence.

**4.9 Landscaping.** All lot landscaping, grading, and drainage is subject to the following covenants, conditions, restrictions and easements, and shall be completed strictly in accordance with any landscaping guidelines adopted by the Declarant or the DRC (which landscaping guidelines may be adopted, amended, supplemented, or otherwise modified by the Declarant or the DRC from time to time) so as to comply with and not impair all applicable ordinances and flood control requirements. See the Sahale Design Guidelines for landscaping requirements.

(a) Each Owner is obligated to install landscaping on such Owner's Lot at the Owner's sole expense.

(b) All Lot landscaping must be completed within nine (9) months of the date of completion of the Unit on such Lot.

(c) See the Sahale Design Guidelines for landscaping requirements and maintenance.

(d) Should any Owner fail to comply with the provisions of this Section 4.9, the Declarant or the DRC shall have the right to seek an order from a court of proper jurisdiction requiring specific performance to comply with the provisions hereof or to recover damages, or both, and shall also have the authority but not the obligation to complete the landscaping or restore the Lot to its original condition without being guilty of a trespass, and require the Lot Owner to pay the cost of labor and materials. Nothing in this Section 4.9 shall be interpreted to limit any other remedy available to the Association or Declarant with respect to such noncompliance.

(e) The cost and expenses incurred, including a reasonable attorney's fee, whether or not a lawsuit is filed, shall be considered the personal obligation of the Lot Owner and shall constitute a lien on the interest of the Owner in such Lot, enforceable at law or equity, until payment is made.

**4.10 Open Space.** Several areas on the Plat have been designated as open space for the Property. Such open space will be left as unimproved land other than where there is a trail system.

**4.11 Waiver of Requirements.** The DRC is authorized, in its sole discretion, to waive or grant exemptions to any provision or requirement of this Article IV, the Design Guidelines or the Design Application Procedures. Such waiver or exemption in one or more instances shall not be considered, and shall not be grounds for waiver or exemption, in any other instances.

**4.12 Declarant Exempt.** The obligations of Owners and builders in this Article IV shall not apply to the Declarant or Lots owned by the Declarant.

**4.13 Combination of Lots.** Lots may not be combined unless approved in advance by the Board or the Declarant in their sole discretion. Approval in one or more instances shall not be considered, and shall not be grounds for approval, in any other instances. In any case where two or more Lots are combined, each such combined Lot shall continue to be treated for purposes of membership in the Association (including voting rights) and the obligation to pay Annual Assessments and Special Assessments, as individual, separate Lots, as such Lots are described in the applicable Plat of record on the date this Declaration is recorded or, for any property subsequently annexed into the Community, as such Lots are described in the first recorded Plat for such annexed property. Notwithstanding the foregoing, for Lots combined during the Development Period, Declarant may determine in its sole discretion that certain combined Lots shall be treated as a single Lot at all times for purposes of membership in the Association (including voting rights) and the obligation to pay Annual Assessments and Special Assessments. Such determinations by Declarant shall be established in a writing recorded against the combined Lot(s).

**4.14 Approved Builders; Contractor Restrictions.** No work, including the construction of a Living Unit or other Improvements, may be performed on a Lot or within the Project except by a licensed contractor approved in writing by the Declarant or, after the Development Period has ended, the Board or the DRC. The Declarant may provide a signed list of pre-approved builders or contractors that constitutes such approval in writing, and each builder or contractor included on such list shall be an “*Approved Builder*” for purposes of this Declaration. Subcontractors acting under the direction of an Approved Builder shall not need separate approval.

**4.15 Specific Construction and DRC Restrictions.** Unless otherwise set forth in and modified by the DRC Restrictions and Rules or the Design Guidelines, the following restrictions shall apply:

(a) **Construction:** Buyer has 24 months from the closing date of the purchase of Lot to start construction of the Living Unit. The Living Unit must be completed within 18 months from commencement of construction. The Declarant, affiliates of the Declarant, and Approved Builders are exempt from this requirement. The Owner of the Lot can pay an additional \$15,000 fee to the Declarant in order to extend the allotted building time by 12 months. If Owner fails to commence construction of a Living Unit within the stated timeframe, the Declarant has the option to place a lien on the property and charge the Owner \$45,000 per year that commencement of a Living Unit has not begun.

(b) The initial landscaping, as set forth in the Owner’s landscaping plan approved by the DRC, must be installed within nine (9) months after issuance of the certificate of occupancy for the Living Unit constructed on the Lot. The Declarant, affiliates of the Declarant, and Approved Builders are exempt from this requirement.

**4.16 *Ultimate Responsibility.*** Each Owner shall at all times conform and comply with the Final Plan applicable to such Owner's Lot and Improvements and otherwise conform and comply in all respects with the Design Guidelines and this Declaration, as well as with all applicable laws, ordinances, building codes, rules, regulations, orders and the like of any governmental agency having jurisdiction.

## ARTICLE V-MAINTENANCE OBLIGATIONS

**5.1 *Owner's Responsibility.*** Except to the extent that the Association is responsible therefor under Section 5.2, maintenance of each Lot and the Living Unit located thereon shall be the responsibility of the Owner(s) thereof, who shall maintain such Lot and Living Unit in good condition and repair. Any fixture, pipe, conduit, or other utility device or apparatus that services only one Lot shall be the responsibility of that Lot's Owner to maintain, repair, and replace. Each Unit and Lot shall be maintained so as to not detract from the appearance of the Community and so as to not adversely affect the value or use of any other Living Unit or Lot. Each Lot Owner shall be responsible to clear snow and ice from all driveways, walkways, and entryways located on his or her Lot.

**5.2 *Maintenance by Association.*** The Association shall maintain the Common Areas, unless otherwise stated in this Declaration. However, if the Common Area is damaged by the willful misconduct or negligence of an Owner or such Owner's guests, tenants, or invitees, the Owner shall be responsible for all such damage and shall bear all costs of repairing the same.

To the extent not clarified herein and not inconsistent with the provisions of this Declaration, the Association may, by duly adopted Board resolution, identify and assign those areas of maintenance and responsibility that are either (1) Owner responsibilities; or (2) Association responsibilities. Such determinations shall be set forth in a Board resolution distributed to all Owners and shall be binding against all Owners.

Additionally, the Association, by and through the Board, may assume the Owner's general maintenance responsibility over a Lot if, in the opinion of the Board, the Owner is unwilling or unable to adequately provide such maintenance. Before assuming such maintenance responsibility, the Board shall provide notice to the Owner of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action with fifteen (15) days after mailing of such written notice, then the Association may proceed to maintain the Lot. The expenses of such maintenance incurred by the Association shall be reimbursed to the Association by the Owner. Such expenses shall constitute an assessment and collected in the same manner as assessments pursuant to this Declaration.

## ARTICLE VI-ASSESSMENTS

**6.1 *Covenant for Assessments.*** Each Owner, by acceptance of a deed hereafter conveying to such Owner any Lot, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments, as provided for and defined below: Annual Assessments, Special Assessments, and Individual Assessments. The Board shall determine whether installments of Annual Assessments are levied and collected on a monthly, quarterly, semi-annual, annual or other basis. Any Owner may prepay

one or more installments of any Assessment, without premium or penalty. No Owner may exempt itself from liability for Assessments by abandonment of any Lot owned by such Owner or non-use of any Common Areas.

## **6.2 Annual Budget and Assessment.**

(a) Adoption of Budget. The Board shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management and operation of the Association. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(1) The Board shall fix the amount of the annual assessment ("**Annual Assessment**") against each Lot for each assessment period at least ten (10) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all Owners at least ten (10) days in advance of the beginning of any assessment period, or ten (10) days in advance of any increase in the Annual Assessment that is to take effect during any assessment period.

(2) The omission by the Board, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any Owner from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

(3) If the Annual Assessments levied at any time are, or will become, inadequate to meet the expenses incurred by the Association for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board may determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and establishes the equitable change in the amount of the Annual Assessment. Owners shall be given at least thirty (30) days' written notice of any changes in the amount of an Annual Assessment.

## **6.3 Apportionment of Assessments.** Assessments shall be apportioned as follows:

(a) Annual and Special Assessments. Subject to Section 4.13 above regarding combined Lots, and Sections 6.3(c) and (d) below, all Lots shall be subject to an equal share of the Annual Assessment and Special Assessments commencing upon the date the Lots are made subject to this Declaration.

(b) Individual Assessments. Individual Assessments shall be apportioned exclusively against the Lots benefitted or to which the expenses are attributable as provided for below.

(c) Declarant Assessments; Subsidy. Any Lot owned by Declarant shall be subject to Assessments in the same manner as any other Owner. Additionally, during the Development Period, Declarant may subsidize the Association for the amount by which the cost of operating and administering the Association and maintaining reasonable reserves for maintenance,

replacement and repairs and for contingencies exceeds the total amount of Assessments levied against Lots. The subsidy provided by Declarant under this paragraph may be in the form of cash or in the form of “in-kind” contributions of goods or services, or in any combination of the foregoing, and any subsidies made by Declarant in the form of “in-kind” contributions of goods or services shall be valued at the fair market value of the goods or services contributed.

(d) Common Area Exempt. No Lot owned by the Association shall be subject to any Assessment.

**6.4 Purpose of Assessments.** The Assessments levied by the Association shall be used for payment of Common Expenses and any other expense incurred by the Association, including, but not limited to: (a) The improvement and maintenance, operation, care, and services related to the Common Areas; (b) The payment of insurance premiums; (c) The costs of utilities and other services which may be provided by the Association for the Community; (d) The cost of labor, equipment, insurance, materials, management, legal and administrative fees, and other costs incurred or expended in performing the duties of the Association under this Declaration or the Bylaws; and (e) The cost of funding all reserves established by the Association.

**6.5 Special Assessments.** In addition to the Annual Assessments authorized in this article, the Association may levy a special assessment from time to time (“**Special Assessment**”) for the purpose of defraying, in whole or in part, the costs incurred or to be incurred by the Association which cannot be paid for through other types of Assessments. The Board may authorize a Special Assessment for any lawful purpose provided, however, that (a) any Special Assessment levied within twelve (12) months of a prior Special Assessment, and any Special Assessment greater than \$500 per Lot, may be levied only if it is first voted upon by the Owners, and (i) a quorum of Owners representing at least 30% of the total Association voting rights cast a vote, and (ii) the votes cast favoring the action exceed the votes cast opposing the action, and (b) Declarant owns at least one Lot at the time of the proposed levy of such Special Assessment, the written consent of Declarant to such Special Assessment is also be obtained.

**6.6 Individual Assessments.** Any expenses that are not common expenses and that benefit or are attributable to fewer than all of the Lots, and any fine levied against any Lot or its Owner, may be assessed exclusively against the Lots affected or benefitted (“**Individual Assessments**”). Individual Assessments shall include, but are not limited to: (a) Assessments levied against any Lot to reimburse the Association for costs incurred in bringing the Lot or its Owner into compliance with the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of this Declaration, the Bylaws or any rules and regulations of the Association; and (b) Expenses, other than common expenses, that may be incurred by the Association relating to the cost of maintenance, repair, replacement and reserves of or for one or more, but less than all, of the Lots.

**6.7 Nonpayment of Assessments.** The Annual Assessments shall be due and payable on a monthly basis on the first (1st) calendar day of each month, unless otherwise provided by the Board, and shall be delinquent if not paid within such period established by the Board from time to time. The due date of any Special Assessment or Individual Assessment shall be fixed in the resolution authorizing the Assessment.

6.7.1 Late Charge, Interest. Delinquent payments shall be subject to a late charge in the amount, and bear interest at the rate, established by the Board from time to time.

6.7.2 Acceleration. If paid by installments, an Assessment may, in the discretion of the Board, be accelerated (including interest as provided for above) and the entire balance declared due and payable upon not less than ten (10) days written notice to the Owner. If, however, the assessment is accelerated and an Owner subsequently files bankruptcy or the Board otherwise decides acceleration is not in its best interest, the Board, at its option and in its sole discretion, may elect to decelerate the obligation.

6.7.3 Rent Payments by Tenant to Association. If the Owner of a Lot who is leasing the Lot fails to pay an assessment for more than sixty (60) days after the assessment is due, the Board may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly other periodic payment, until all amounts due from such Owner to the Association are paid. Such demand to the tenant shall be made in accordance with the law and the written procedures of the Association. The Board, or its agent, shall give the Owner written notice of its intent to demand full payment from the tenant and such notice shall be made in accordance with the law and the written procedures of the Association.

6.7.4 Remedies, Including Suspension of Membership Rights and Services. All membership rights and other rights of an Owner as a member of the Association and Lot owner, including the right of an Owner to vote, shall be automatically suspended during any period of delinquency, unless otherwise determined by the Board. A Board member shall become immediately ineligible to serve on the Board and automatically dismissed from such position if delinquent more than sixty (60) days in the payment of any Assessment. Any service provided by the Association to the Owners, including an Owner's right of access and use of recreational facilities, shall also be terminated as to the delinquent Owner at the discretion of the Board. The Association shall have each and every remedy for collection of assessments provided in the Act, and the provisions of the Act shall be deemed to be fully set forth herein when required by such Act in order to exercise any such remedy.

**6.8 *Personal Obligation and Costs of Collection.*** Assessments imposed under this Declaration, together with late charges and interest at a rate to be established by the Board, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof (whether or not a lawsuit is initiated), shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment became due. In a voluntary conveyance, the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the unpaid assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee.

**6.9 *Lien.*** The Annual Assessment and all other Assessments imposed, together with damages, fines, interest, costs of collection, late charges, and attorneys' fees provided for in this Declaration (whether or not a legal proceeding is initiated) or by law or awarded by a court for enforcement of the Governing Documents, shall be a charge and continuing lien upon each of the Lots against which the assessment or charge is made in accordance with the terms and provisions of this Article and shall be construed as a real covenant running with the land.

**6.10 *Enforcement of Lien.*** The lien for unpaid Assessments and related charges shall be effective upon recordation in the Recorder's Office of a written notice of lien by the Board or the Managing Agent. The written notice of lien shall set forth the amount of the Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the State of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Title 38, Chapter 1a, Utah Code, as amended from time to time. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Unit that shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power on behalf of the Association to bid at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit and Lot in the name of the Association. In furtherance of such foreclosure rights, the Association may bring an action at law against the Owner personally obligated to pay the same or the Association may foreclose the lien in accordance with the provisions of the Act. Steven W. Bennett, of Bennett Tueller Johnson & Deere, LLC, 3165 East Millrock Drive, Suite 500, Salt Lake City, Utah 84121, is hereby appointed as trustee for the purposes of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1, Utah Code and made applicable hereto by Title 57, Chapter 8a, Utah Code; provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1, Utah Code. The Declarant hereby conveys and warrants pursuant to Utah Code Sections 57-1-20 and 57-8a-302 to Steven W. Bennett, with power of sale, the Lots and Units and all improvements to the Lots and Units for the purpose of securing payment of Assessments under the terms of the Declaration. Each Owner also hereby conveys all of its right, title and interest in its Unit to such trustee, in trust, with a power of sale, to secure each Owner's obligations under the Declaration, including but not limited to the obligation to pay all Assessments. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

**6.11. *Rights of Association and Others upon Lien Enforcement.*** Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Lot, and the defaulting Owner shall be required to pay the reasonable rental value of such Lot during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental value without regard to the value of the security.

**6.12. *Subordination of Lien to Mortgages.*** The lien of the Assessments provided for in this Article VI shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Lot subject to assessment, except as follows: the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure shall extinguish the lien of such assessments as

to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Lot or its Owner from liability or lien for any Assessments thereafter becoming due.

**6.13. Reserve Funds.**

(a) The Association shall establish and maintain a reserve fund for repairs and replacement of the Common Areas by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board in its sole discretion and best business judgment or by any method required by law. Funds set aside as reserves shall be conclusively deemed to be a Common Expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Board may from time to time consider to be necessary or appropriate.

(c) The Board's reasonable determination with respect to the amount of the reserve fund contribution shall be conclusively deemed appropriate absent intentional misconduct or gross mismanagement of Association funds. Except in such instances where an individual Board member who has committed intentional misconduct or gross mismanagement shall be liable for any losses resulting therefrom, individual Board members shall not be held liable for any potential or alleged underfunding of the reserve account.

**6.14. Amounts Due on Transfer of Lot.** Each time legal title to a Lot passes from one Owner to another (excluding the first sale of the Lot or any sale by the Declarant), the Seller of the Lot shall pay to the Association, in addition to any other required amounts, a **reinvestment fee** in the amount of one-half percent (0.5%) of the purchase price at the time of closing, which purchase price includes the value of the Lot and all Improvements on the Lot. The reinvestment fee can be redetermined by the Board from time to time not to exceed State Statute as stated in Utah Code Section 57-1-46.<sup>1</sup>

**6.15. Duty to Pay Independent.** No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

**6.16. Statement of Unpaid Assessment and Payoff Information.** The Association shall, within ten business days after receiving a request therefor, furnish to any Owner liable for an Assessment a certificate in writing signed by an officer of the Association setting forth whether Assessments have been paid. The certificate shall be conclusive evidence of payment of any Assessment therein stated as having been paid. A reasonable charge may be levied in advance by the Association for

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<sup>1</sup> A reinvestment fee requires a separate notice to be recorded against the property (Utah Code Section 57-1-46).

each certificate so delivered. The Association may also charge a fee for providing Assessment payoff information needed in connection with the financing, refinancing, or sale of a Lot, up the maximum amount allowed by law.

## **ARTICLE VII- DECLARANT RIGHTS, CONTROL, ANNEXATION**

**7.1 *Administrative Control of Association.*** Declarant shall assume full administrative control of the Association through a Declarant-appointed interim Board, which shall serve until the Turnover Meeting. The Turnover Meeting shall be held within sixty (60) days after the date that all Lots have been conveyed to Owners other than Declarant. The Declarant, however, may elect to relinquish control of the Association at an earlier time by written notice to Owners, and in such case the Turnover Meeting shall be held within ninety (90) days of such notice.

**7.2 *Other Rights.*** In addition to any other rights under this Declaration or the Bylaws (including voting rights pursuant to Section 8.3 below), until 128 Lots have been conveyed to Owners other than Declarant or as long as Declarant owns at least one (1) Lot, whichever is longer:

(a) Sales Office and Model. Declarant shall have the right to maintain a sales office and model in one or more of the Lots which Declarant owns and a sales office in the Common Area community center. Declarant and prospective purchasers and their agents shall have the right to use and occupy any sales office and models during reasonable hours any day of the week.

(b) For Sale and Other Signs. Declarant may maintain a reasonable number of “for sale” and other signs, the size of which may be determined by Declarant, at reasonable locations in the Community.

(c) The Act. Declarant reserves to itself and its successors the right to exempt Declarant during the Development Period from the procedures, requirements, and obligations imposed by the Act. Declarant, the Declarant-appointed Board and the Association are exempted from all procedures, requirements and obligations imposed by the Act to the extent allowed by the Act during the Development Period, and all rights authorized to be reserved by a declarant under the Act are hereby deemed reserved by the Declarant. The Declarant and the Declarant-appointed Board are exempt from association rules and the rulemaking procedure under Utah Code Section 57-8a-217 and all rights under that section are hereby reserved by Declarant. The requirement under the Act to present any item to Association members at a meeting of members may be fulfilled without a meeting if the item is sent to all members of the Association.

**7.3 *Easements Reserved to Declarant.*** Declarant reserves unto itself and its successors and assigns the following easements and rights, but without creating any obligation on the part of Declarant to perform any such work or activity:

(a) Non-exclusive easements and rights of way over any strips or parcels of land designated or to be designated on the Plat as drainage and utility easements, sewer easements, drainage and sewage easements, open space, common area or otherwise designated as an easement area over any road or on the Property, and over those strips of land running along the front, rear, side and other boundary lines of each Lot shown on the Plat.

(b) An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities and drainage systems to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

(c) The right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Common Area or Lot and grade a portion of such Common Area or Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Common Area or Lot.

(d) Non-exclusive easements over and across the Property to revegetate, beautify or maintain portions of the Property located adjacent to road rights of way; to beautify and maintain portions of the Property to the extent necessary, in Declarant's judgment, to mitigate through landscaping, any potential visual impact of the Project; to revegetate portions of the Property in order to control erosion, to beautify the Property or to restore the Property to a natural condition after damage by natural or man-made causes; and to preserve, improve, maintain, restore and revegetate natural and man-made storm drainage ways across the Property, including the building areas of the Property that include drainage ways, and to convey water in those drainage ways; provided in each case that such Declarant activities do not materially interfere with the use or occupancy of any structure built on any Common Area or Lot.

(e) Declarant further reserves unto itself, for itself and any builder, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Property, other than those Lots conveyed to Owners (without limiting the other easements and rights granted or reserved hereunder applicable to Lots conveyed to Owners), for all purposes necessary or appropriate to the full and final completion of construction of the Community.

The Declarant will take reasonable steps to avoid unduly interfering with the beneficial use of the Lots by Owners.

**7.4 *Expansion of Property, Discretion to Expand Community.*** Declarant reserves the right at its sole discretion to expand the Community to include additional land by unilateral action of the Declarant without the consent of the Owners for a period of twenty (20) years from the date of recording this Declaration in the office of the County Recorder. It is currently contemplated that the total number of Lots that may be created in the Community is 128. No representations, promises, or guarantees are being made in that regard, however. Declarant may elect to expand the Community by annexing additional Lots individually or as a subdivision. Declarant may elect to annex additional Lots under different terms, covenants, conditions and restrictions that those stated in this Declaration.

**7.5 *No Limitations on Amount of Expansion.*** There are no limitations on the maximum or minimum amount of the above property which may be added. There may be more than one expansion and the expansion may be made as to any amount or in any order.

**7.6 Process for Expansion.** Expansion shall occur by Declarant recording a declaration of annexation describing the property being added to the Community and which shall state the Declarant's intention to have the area described therein subject to this Declaration, as well as any additional or different terms, covenants, conditions or restrictions applicable to such annexed property. Upon the recording of such a declaration of annexation, the property described therein shall be subject in all respects to this Declaration. Declarant may amend this Declaration in conjunction with any annexation in order to add, change, remove, or otherwise provide for such different covenants, conditions, restrictions, obligations or rights as Declarant deems necessary to be applicable to all Owners and the Community.

**7.7 Limitations on Expansion.**

(a) Additional properties may be annexed hereto by the Declarant for any purposes determined solely by Declarant. Declarant makes no assurances that any Living Unit constructed on any additional properties annexed hereto by the Declarant will be substantially or in any way identical to existing Living Units. No assurances are made as to the improvement or as to the location of said improvements which shall be made on the additional land.

(b) The Declarant shall have the sole discretion as to the development of the Common Area in any expansion area or additional land and may (or may not) include any facilities or amenities thereon that Declarant deems necessary. Such Common Areas, if any, shall be managed and maintained by the Association.

(c) All taxes and other assessments relating to property to be added to the Community must be paid or provided for by the Declarant prior to the addition of the property. Liens arising in connection with Declarant's interest in the property to be added must not adversely affect the rights of existing Lot Owners or the priority of existing first mortgages in the Property.

**ARTICLE VIII - THE ASSOCIATION**

**8.1 Organization.** The Association has been organized as a nonprofit corporation under the nonprofit corporation laws of the state of Utah (Utah Code Title 16 Chapter 6a, as may be amended from time to time). In the event the Association is at any time administratively dissolved by the Division of Corporations and Commercial Code, the Board may re-incorporate the Association without a vote of the Owners. The affairs of the Association shall be governed by a Board of Directors as provided herein and in the Bylaws.

**8.2 Membership.** Each Owner during the entire period of Owner's ownership of one or more Lots within the Community shall be a member of the Association. The membership shall commence, exist and continue by simply virtue of the ownership, shall expire automatically upon termination of ownership and need not be confirmed or evidenced by any certificate or acceptance of membership.

**8.3 Voting Rights.** The method of voting shall be as provided in the Bylaws. Voting rights within the Association shall be allocated as follows:

(a) Lots. Subject to any rights granted to Declarant, each Owner shall have one (1) vote in matters of the Association for each Lot owned.

(b) Declarant. The Declarant shall have Thirty (30) votes for each Lot it owns.

**8.4 Powers, Duties and Obligations.** The Association shall have such powers and duties as may be granted to it or imposed by this Declaration, the Articles of Incorporation and the Bylaws, together with its general powers as a corporation and under any applicable statute, as such statute may be amended, and the power to do any and all things that may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration. Without in any way limiting the generality of the foregoing, the Association shall have the following powers: (a) The Board may delegate by resolution or contract to a Managing Agent any of its powers under this Declaration; (b) The Association may borrow money, provided the consent of a majority of all Owners is obtained prior to mortgaging, pledging or hypothecating any or all of the Association's real property as security; and (c) The Association may provide telecommunication services and/or facilities or similar bulk rate services to the Lots.

**8.5 Adoption of Bylaws, Appointment of Interim Board of Directors.** The Association has adopted Bylaws for the Association, which are being recorded simultaneously with this Declaration. Declarant has appointed an interim Board of Directors of the Association, which shall serve until their successors have been elected after the expiration of the Development Period as provided in the Bylaws.

## ARTICLE IX-COMPLIANCE AND ENFORCEMENT

**9.1 Compliance.** Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, the Bylaws and the rules and regulations adopted pursuant thereto and any applicable statute. Failure to comply therewith shall be grounds for, among other things, levying of a fine and an action or suit maintainable by the Association or an aggrieved Owner.

**9.2 Remedies.** Violation of any provisions of this Declaration, the Bylaws, or any rules or regulations adopted pursuant thereto, or of any decision of the Association made pursuant to such documents, shall give the Board acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in this Declaration or the Bylaws, or under law, to do any or all of the following after giving notice:

**9.2.1** Subject to the provisions of this Declaration, to enter the Lot as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Board shall not thereby be deemed guilty of any manner of trespass;

**9.2.2** To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

**9.2.3** To levy fines for a violation of any specific and express rule, regulation, covenant, restriction, or term of any Governing Document of the Association (a "*Violation*"), and any subsequent Violation, in accordance with Utah Code Section 57-8a-208 and in the amount set forth in a written schedule of fine amounts or other document adopted by the Board and modified by the Board from time to time. A subsequent occurrence of the same Violation occurring within one (1) year of a prior occurrence is and shall be deemed the same Violation for purposes of warning

and notice, and each such subsequent occurrence shall be subject to an immediate fine without further warning or notice;

**9.2.4** To terminate the right to receive utility services paid for by Assessments, if any, and to terminate the right of access to and use of recreational and service facilities of the Association, if any, until the correction of the Violation has occurred;

**9.2.5** To suspend the voting rights for any Violation, but not for longer than sixty (60) days except in the case of a continuous Violation;

**9.2.6** Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any rules or regulations adopted pursuant thereto. The Association shall be entitled to an award of its attorneys' fees and costs in any action taken for the purpose of enforcing or otherwise implementing the terms of the Governing Documents, or for any action taken pursuant to the Governing Documents, if it prevails in such action, regardless of who instituted the action; or

**9.2.7** To record, in the Recorder's Office, against a Lot as to which a Violation exists relating to the Lot or Improvements on the Lot and the noncompliance of such Lot or Improvements with the Governing Documents, a notice of noncompliance setting forth the thing, condition or violation that exists and thereby providing notice to prospective purchasers and all others of the Violation and of the requirement that the Violation be remedied by the Owner or future Owner of the Lot.

**9.3** *Action by Owners.* Subject to any limitation imposed under the Governing Documents or Utah law, an aggrieved Owner may bring an action against such other Owner to recover damages caused by a Violation or to enjoin, abate, or remedy such thing or condition constituting a Violation by appropriate legal proceedings.

**9.4** *Injunctive Relief.* Nothing in this section shall prevent an Owner, the Association, or other interested party from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

## ARTICLE X—INSURANCE

**10.1** *Types of Insurance Maintained by the Association.* The Board shall at all times purchase, maintain in force, and pay the premiums for, if reasonably available, the following insurance, as well as such other insurance as the Board deems reasonable:

(a) Property and Liability Insurance. Property insurance, if required by law or deemed necessary by the Board, as well as liability insurance with adequate limits of liability for bodily injury and property damage, consistent with that of similarly situated subdivisions and consistent with the Act.

(b) Fidelity bond, bonds or insurance policy covering all Board members, officers, employees and other persons handling or responsible for the funds of, or administered by, the Association, in such amounts as the Board deems appropriate. Where the Managing Agent has the responsibility for handling or administering funds of the Association, the Board of Directors may

require the Managing Agent to maintain fidelity bond or insurance coverage for its officers, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds or insurance policy shall name the Association as an obligee or beneficiary and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond or insurance policy. Where applicable, the bonds and insurance policies shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of “employees,” or similar terms or expressions. The premiums on all bonds and insurance policies required herein, except those maintained by the Managing Agent, shall be paid by the Association as a common expense;

(c) Miscellaneous Items. The following provisions shall apply to all insurance coverage of the Association:

1) Certificate of Insurance. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

2) Deductible. The Association shall pay for the deductible on any claim made against the Association’s property insurance policy, except where the claim is made because of the negligence or willful acts of an Owner or occupant, including a guest, invitee, or visitor, as determined by the Board. In such cases, the corresponding Owner shall pay the deductible amount.

3) Special Endorsements. Each policy shall contain or provide those endorsements commonly purchased by other community associations in the county in which the Community is located.

4) Intent. The foregoing provisions shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Board or Association may deem necessary or appropriate from time to time, including directors and officers liability insurance.

**10.2 *Owner’s Insurance***. Each Owner and resident shall purchase and maintain adequate liability and property insurance on his or her Lot.

(a) Primary Coverage. The insurance coverage of an Owner shall be primary. The Association shall not maintain insurance on an Owner’s Lot, Living Unit, personal property, or contents.

(b) Prompt Repair. Each Owner further covenants and agrees that in the event of any partial loss, damage or destruction of its Lot or Living Unit, the Owner shall promptly proceed to repair or to reconstruct the damaged structure in a manner consistent with the original construction.

(c) Failure to Repair. If the Board determines that any Owner has failed to properly discharge its obligation with regard to the repair or reconstruction of the damaged structure, then the Association may, but is not obligated to, provide such repair or reconstruction at the Owner’s sole cost and expense.

## ARTICLE XI-AMENDMENT AND DURATION

### 11.1 *Amendments.*

(a) How Proposed. Amendments to the Declaration shall be proposed to the Owners by and through the Board upon the request of (1) a majority of the Board of Directors, or (2) Owners holding thirty percent (30%) or more of the voting rights of the Association, in which case the Board shall cause the amendment to be proposed to the Owners within sixty (60) days of receipt such request. The Board shall cause the proposed amendment to be appropriately reduced to writing, which shall then be included in the notice of any meeting at which action is to be taken thereon or attached to any request for vote on or consent to the amendment.

(b) Approval Required. This Declaration may be amended if such amendment is approved by Owners holding sixty percent (60%) or more of the voting rights of the Association.

(c) Declarant Amendments. Notwithstanding the foregoing, the Declarant may unilaterally amend this Declaration or the Bylaws at any time until the Turnover Meeting for any purpose whatsoever.

(d) Execution and Recordation. An amendment shall not be effective until the amendment, certified by the president of the Association as being adopted in accordance with this Declaration, is acknowledged and is recorded in the Recorder's Office. An amendment or revocation which only requires the execution of an instrument by Declarant shall be effective when executed by Declarant and recorded in the Recorder's Office.

**11.2 *Duration.*** This Declaration shall be effective for a minimum of [fifty (50)] years from the date it is recorded. Subject to the maximum duration allowed by any applicable rule against perpetuities, after fifty (50) years, this Declaration shall be extended automatically for successive ten (10)-year periods unless then Owners of at least seventy-five percent (75%) of the Lots execute and record a document, within one (1) year prior to any such automatic extension, stating that this Declaration is terminated, in which case this Declaration shall terminate upon the date specified in the recorded termination document. No termination of this Declaration under this Section 11.2 shall result in any termination of any easement created under this Declaration unless the holder of such easement consents to such termination in writing.

## ARTICLE XII-MISCELLANEOUS PROVISIONS

**12.1 *Invalidity; Number; Captions.*** The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

**12.2 *Joint Owners.*** In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility, and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided,

however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board of Directors, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

**12.3 *Lessees and Other Invitees.*** No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or any Unit occupant, guest, invitee, lessee of any Owner, and each Owner shall indemnify and hold the Board and the other Owners harmless against all loss resulting from any such damage or waste caused by any such person. Lessees, invitees, guests, Unit occupants, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of the Governing Documents restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

**12.4 *Waiver, Precedent and Estoppel.*** No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Declarant, Association, the Board of Directors or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Declarant, Association, Board of Directors or Owner as to any similar matter.

**12.5 *Interpretation.*** All questions of interpretation or construction of any of the covenants or restrictions in this Declaration shall be resolved by the Board, and its decision shall be final, binding and conclusive on all parties affected for all purposes. The covenants, restriction and terms of this Declaration are to be interpreted broadly to give effect to the Association's role as the governing body of the Community and to grant all the powers necessary for management of the common property, administration of the servitude regime, carrying out other functions set forth herein, and furthering the purposes of the Association. The enumeration of specific items, acts, rights, or powers in this instrument does not limit or restrict and is not to be construed or interpreted as limiting or restricting, the general powers granted to the Association or Board except where powers are expressly restricted.

**12.6 *Premises Liability.*** From the time that the Common Area, or any portion thereof, is opened and put into use for the enjoyment of Owners, Declarant shall be and remain wholly free and clear of any and all liability to, or claims by, all Owners, and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the Common Area or any of its improvements, fixtures, and facilities, inasmuch as the control, operation, management, use and enjoyment, of the Common Areas shall be within, under, and subject to the Association and not Declarant, and an Owner shall defend, indemnify and hold harmless the Declarant against such claim, loss or liability asserted by such Owner or his or her guest, invitee, licensee, tenant, or visitor. In this respect, it shall be the affirmative duty and responsibility of each Owner and user of the Common Area facilities to continuously inspect the

same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof, and all users of, and visitors to, the Common Areas and its Improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

**12.7 *Non-Liability for Tort.*** From the time that the Common Area, or any portion thereof, is opened and put into use for the enjoyment of the Owners, the Owners shall be and remain wholly free and clear of any and all liability to, or claims by, all other Owners and all persons, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the Common Area or any of its Improvements, fixtures, and facilities; inasmuch as the control, operation, management, use and enjoyment, of the Common Area shall be within, under, and subject to the Association – and not Owners. In this respect, it shall be the affirmative duty and responsibility of each Owner and user of the Common Area facilities to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof, and all users of, and visitors to, the Common Area and its Improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

The Association shall not be liable, in any civil action brought by or on behalf of an Owner for bodily injury occurring to an Owner or an Owner’s guests, invitees, licensees or trespassers, on the Association’s Common Area or Limited Common Area. This immunity from liability shall not be effective if the Association causes bodily injury to the Owner on the Common Area or Limited Common Area by its willful, wanton, or grossly negligent act of commission or omission.

**12.8 *Notice of Sale, Mortgage, Rental, or Lease.*** Immediately upon the sale, mortgage, rental, or lease of any Lot, the Owner shall promptly inform the secretary or Managing Agent of the name and address of said grantee, vendee, mortgagee, lessee, or tenant.

## ARTICLE XIII

### **DECLARANT RIGHTS AND CONFLICT RESOLUTION**

**13.1 *Special Declarant Rights.*** Notwithstanding any other provisions in the Governing Documents to the contrary, the Declarant shall have the rights provided for in this Article XIII in addition to any other rights provided to the Declarant in other sections of the Declaration. If any other article in this Declaration contains the words “notwithstanding anything to the contrary,” or words of similar import, they shall all, nonetheless, be subject to the terms in this Article XIII.

**13.2 *Assignment of Declarant Rights and Powers.*** Any and all rights and powers of the Declarant contained in this Declaration may be delegated, transferred, or assigned. In the event of any such transfer of Declarant rights, the Declarant shall have assigned all of its rights herein and shall be relieved from and after the date of such transfer of all liability and obligations hereunder, and the successor Declarant(s) shall have all the rights and obligations of Declarant contained herein.

**13.3 *Development Period.*** Declarant shall have the right to retain control, power, and authority over, and all decision-making ability or authority for, the Association and the Project during the Development Period. The Declarant shall determine whether to hire professional management during the Development Period.

**13.4 *Right to Appoint Board and DRC During Development Period.*** The Declarant has the right to appoint and remove all members of the Board and DRC during the Development Period. In appointing such members of the Board and DRC, the Declarant is not bound by any qualifications set forth in the Governing Documents for members of the Board or DRC. The Declarant may elect to have a Board of fewer than the required number of members until the Development Period ends. The Declarant may assume the powers of the Board. If there are no members of the Board serving at any given time for any reason, the Declarant shall be presumed to be the Board and have the powers of the Board and any references to the Board shall mean the Declarant. The Declarant may assume the powers of the DRC without appointing members of the DRC. If there are no members of the DRC serving at any given time for any reason, the Declarant shall be presumed to be the DRC and have the powers of the DRC and any references to the DRC shall mean the Declarant.

**13.5 *Right to Establish Assessments.*** The Declarant has the right to establish all budgets and set the amount of all Assessments during the Development Period.

**13.6 *Declarant Easement Rights, Right to Correct, and Exemptions from Use Restrictions.*** The Declarant, and others it may designate, has an easement for access across the entire Project, including the right to inspect, monitor, test, redesign, and correct any structure, Improvement, or condition which may exist on any portion of the Property, including Lots, and a perpetual, non-exclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in any emergency, entry onto a Lot or into a Living Unit shall be only after reasonable notice to the Owner, and no entry into a Living Unit shall be permitted without the Owner's consent. The person exercising the Declarant's easement rights shall promptly repair, at such person's own expense, any damage resulting from such exercise. The Declarant is not bound by any use restrictions in the Declaration as such use restrictions would otherwise relate to the Lots owned by the Declarant.

**13.7 *Declarant's Disclaimer of Representations.*** Notwithstanding anything to the contrary in this Declaration, and except as otherwise may be expressly set forth on a recorded Plat or other instrument recorded in the Recorder's Office, Declarant makes no warranties or representations whatsoever that the plans presently envisioned or the complete development of the Project can or will be carried out, or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Declaration or any other declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect.

**13.8 *Right to Amend Governing Documents.*** Until the expiration of the Development Period, the Declarant has the unilateral right to amend, revise, and modify this Declaration, the Plat, the Bylaws, the Rules and Regulations, and the general plan of development for the Project in any way, and at any time, including adding, removing, or changing substantive and material provisions, without any additional approvals from anyone, including, but not limited to, the Owners. Any such amendment to the Declaration or Bylaws shall be effective upon the Declarant's recordation in the Recorder's Office of the amendment duly signed by an authorized officer or manager of the Declarant, with such signature acknowledged. When recorded, any such amendment shall be binding upon the Project and all persons having an interest therein, including all Owners. Without limiting the generality of the foregoing, the Declarant alone may amend or terminate this

Declaration prior to the closing of a sale or transfer of any Lot. Until the expiration of the Development Period, any amendment must be approved by the Declarant in writing.

Subject to necessary approvals from any applicable municipality or governmental agency, the Declarant shall have the right to amend, change, or modify the Plat, subject only to the requirement that the Declarant get approval from any Owner of a Lot that will have any boundary modified by the amended Plat.

**13.9 *Annexation by Declarant.*** Declarant may expand the real property subject to this Declaration by the annexation of additional property into the Development, including, but not limited to the Annexable Land (if any) identified on **Exhibit A**, and Declarant hereby reserves the option to expand the Project. The annexation of such land may be recorded through a Supplemental Declaration or similar instrument which:

- (a) describes the real property to be annexed or incorporated by reference;
- (b) declares that the annexed real property is to be held, sold, conveyed, encumbered, leased, occupied, and improved as part of the Property subject to this Declaration; and
- (c) sets forth such additional limitations, restrictions, covenants, conditions complementary additions to the covenants, conditions and restrictions contained in this Declaration as are not inconsistent with this Declaration and which do not create a character different than exists in the Community and is intended by this Declaration.

Any such annexation may be accomplished in one or more annexations or phases of development without limitation as to size or location of the additional property to be added to the Community. When such annexation becomes effective, said real property shall be subject to this Declaration and subject to the functions, powers, authority, and jurisdiction of the Association, and thereafter all of the Owners of Lots in the Community shall automatically be members of the Association.

**13.10 *Limitation on Annexation.*** Declarant's right to annex said real property to the Properties shall be subject to the following limitations, conditions and rights granted to the Declarant:

- (a) All Lots added to the Properties shall be for residential purposes, except as otherwise provided for in this Declaration.
- (b) Declarant reserves unto itself and its assigns the right to create Common Area, and Improvements thereon, within any portion of the annexed real property. Declarant makes no assurances that such Common Areas or Improvements will be established.
- (c) The configuration of annexed land as to Lot size, Common Areas and the type of Improvements is reserved to the Declarant.

**13.11 *Expansion of Definitions.*** In the event the Project is expanded, the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as so expanded.

**13.12 *Declarant Exemption from Certain Statutory Obligations.*** Pursuant to Utah Code Section 57- 8a-217(6), Declarant is hereby exempt from the provisions of Utah Code Section 57-8a-217 and from Association rules. Pursuant to Utah Code Section 57-8a-211(10), Utah Code Section 57-8a-211(2)-(9) shall not apply or have any effect during the Development Period and as specifically allowed by law, the Declarant shall have no duty whatsoever to obtain a reserve analysis, or to fund any reserve fund during the Development Period.

**13.13 *Declarant Rights Do Not Impose Obligations.*** The Declarant's rights provided for in this Article and elsewhere in the Declaration do not impose any obligation, legal or equitable, related to the issues to which they might apply. The Association and all Owners hereby expressly waive and disclaim any such duty, and affirmatively acknowledge that no such duty exists or should be imposed as a result of the special Declarant rights.

**13.14 *Limitations on Warranties.*** The Declarant may, but is not obligated to, provide for certain warranties from subcontractors to the Association related to the construction of the Project. The Association shall have the right, as provided for in any such warranties, to directly enforce and seek performance of these warranties from the subcontractors who performed the work in the construction of the Project. There is no guarantee or warranty by the Declarant that any warranties will be provided, or that the warranties will cover any particular component or aspect of the Project.

The Declarant may have provided certain warranties to the Owners related to the Lot purchased. The first Owner of a Lot to whom any warranty is issued, or with whom a legal warranty arises, and only that Owner, shall have the right to directly enforce and seek performance from the Declarant of any terms of the warranty, and only consistent with the warranty itself. The Association shall have no right to seek the performance of or take assignment of any rights in any warranties from the Declarant to any Owner, and the Owner shall have no right to assign any rights of any kind to the Association related to pursuing litigation against the Declarant.

Subject only to the provisions in the Association warranties (if any) and the Owner warranties (if any), the Association and the Owners take ownership and possession of the Lots, Common Areas, and Limited Common Areas AS IS, with no warranties of any kind except as otherwise required as a matter of law. The Declarant specifically disclaims any warranties of merchantability, fitness for a particular use, or of habitability, to the fullest extent allowed by law.

Moreover, by accepting ownership of the Lot, the Owner waives and disclaims, to the fullest extent allowed by law, any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, an implied warranty of merchantability or an implied warranty of fitness for a particular purpose. In addition, whether or not an Owner experiences mold growth in a Living Unit depends to a great extent on how the Owner manages and maintains the Living Unit. Owner is hereby given notice to take all reasonable means to detect and prevent growth and infestation of mold and other similar agents. The Declarant will not be responsible for any damages and, by accepting ownership of the Lot, Owner waives any claim to damages, caused by mold, or by some other agent, which may be associated with customary construction practices in the area, which waiver includes, without limitation, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects or losses.

**13.15 *Waiver of Subrogation and Release.*** The Association and each Owner of a Lot waives any right to subrogation against the Declarant and any Approved Builder in the Project. This waiver shall be broadly construed and applied to waive, among other things, any attempt by any insurer of any Owner, or of the Association, from pursuing or exercising any subrogation rights, whether arising by contract, common law, or otherwise, against the Declarant and builder, their managers, officers, employees, owners, and representatives. To the full extent permitted by law, the Association and Owners hereby release Declarant and each Approved Builder and their respective managers, officers, employees, owners, and representatives from any and all liability and losses to the Association and all Owners, and anyone claiming through or under them by way of subrogation or otherwise, for any loss, injury, or damage to property, caused by fire or any other casualty or event, even if such fire or other casualty shall have been caused by the fault or negligence of Declarant, an Approved Builder, or their respective managers, officers, employees, owners, and representatives. The Association and each Owner respectively agrees that all policies of insurance shall contain a clause or endorsement to the effect that this release and waiver of subrogation shall not adversely affect or impair such policies or prejudice the right of the Association or any Owner to recover thereunder. The Association and all Owners shall indemnify Declarant and each Approved Builder against all losses and liabilities and defend the Declarant, each Approved Builder, and any of their respective managers, officers, employees, owners, or representatives from any claims barred or released by this provision, including, but not limited to, any claim brought under any right of subrogation.

**13.16 *Statement of Intent.*** Every Owner is capable of obtaining an inspection and is permitted to perform, or pay someone else to perform, an inspection on any Lot and Living Unit that the Owner desires to acquire, or any other aspect of the Project, all prior to acquiring a Lot. Moreover, if any warranty has been provided, such warranty is in writing and has been provided to each initial Owner identifying those items that are warranted by the Declarant or a contractor. Having had the ability to inspect prior to purchasing a Lot, having received a written warranty (if any warranty is provided), and having paid market price for a Unit in the condition it and the Units and Common Area are in at the time of purchase, it is acknowledged that it is unfair and improper to then seek to have the Declarant and/or any contractor performing work in the Project to change, upgrade, or add additional work to the Project, outside of any express warranty obligation. Moreover, the Owners (by purchasing a Lot) and the Declarant acknowledge and agree that litigation is an undesirable method of resolving certain conflicts in that it is slow, expensive, uncertain, and can often negatively impact the sale value and ability to obtain financing for the purchase of Lots for years, unfairly prejudicing those Owners who must or want to sell their Lot during any period when litigation is pending. For this reason, the Owners (by purchasing a Lot) and the Declarant agree and acknowledge that certain disputes simply shall not be pursued, to the extent permitted by law, and that others shall be pursued only through certain specific alternative dispute resolution mechanisms, and only after full disclosure, a right to cure, and knowing approval of the Owners. Consistent with this dispute avoidance intent and mandate, and in an effort to provide an avenue of recovery against the party responsible for faulty construction, the Declarant may obtain and provide warranties to the Association, or that the Association may enforce, from contractors related to the construction of the Project. It is the intent of the parties hereto, as agreed to by the Owners, by and upon the purchase of a Unit, that these warranties (from contractors), if they are obtained, whatever they might cover and whomever they are from, are the sole remedy to the extent permitted by law, in case of any defects or damages arising from defects of any kind related to construction or development of the Project. The intent of this Section is to eliminate, to the extent

possible, claims against or involving the Declarant and claims related to the construction of the buildings and fixtures on the Project, and, when and if any such claim is permitted as a matter of law or pursuant to this Declaration, to ensure that every opportunity is made to resolve the claim outside of a normal court procedure. This effort shall include, but not be limited to, the right to cure and the requirements for mediation and arbitration. Nothing in this Section shall be interpreted or construed to require Declarant to provide any warranty.

**13.17 Agreement to Encourage Resolution of Construction Defect Disputes Without Litigation.**

(a) Declarant, the Association, and all persons subject to this Declaration (collectively, the “**Bound Parties**”) hereby agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving a Claim (as defined in subsection (b)) without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 13.18 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term “**Claim**” shall refer to any claim, grievance, or dispute arising out of or relating to the design or construction of Improvements by Declarant within the Project.

**13.18 Dispute Resolution Procedures.**

(a) Notice. The Bound Party asserting a Claim (“**Claimant**”) against another Bound Party (“**Respondent**”) shall give written notice (“**Notice of Claim**”) to each Respondent and the Board stating plainly and concisely:

(i) the nature of the Claim, including a specific description and calculation of the alleged damages, the persons involved, the Respondent’s role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) documents and materials supporting the Claim, including any photographs of any alleged condition, samples of any alleged defective conditions or materials, and supporting opinions, information, or other factual evidence upon which the Claim is based;

(iv) the efforts taken by Claimant to avoid, mitigate, or minimize the Claim or any alleged damages related thereto;

(v) the Claimant’s proposed resolution or remedy; and

(vi) the Claimant’s desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Notice of Claim by good faith

negotiation. If requested in writing, accompanied by a copy of the Notice of Claim, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice of Claim (or within such other greater period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the local area. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties to the dispute (each a “*Party*” and collectively the “*Parties*”) do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date the mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

**DISPUTE RESOLUTION TIMELINE FOR CLAIM BETWEEN BOUND PARTIES**

<b>Day 1</b> <u>Written Notice of Claim</u>	<b>Days 2-30</b> <u>Negotiations</u>	<b>Days 31-60</b> <u>Request Mediation</u>	<b>Days 61-90+</b> <u>Mediation</u>
<ul style="list-style-type: none"> <li>• Factual Basis</li> <li>• Legal Basis</li> <li>• Propose a resolution</li> <li>• Propose a meeting</li> <li>• Send copy to Board</li> </ul>	<ul style="list-style-type: none"> <li>• Good faith effort</li> <li>• Parties meet in person</li> <li>• May request Board assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Claimant must submit claim</li> <li>• Mediator assigned by Association or independent agency</li> <li>• If Claim is not submitted, it is waived</li> </ul>	<ul style="list-style-type: none"> <li>• Agency supplies rules</li> <li>• Fee split between parties</li> <li>• Written summary from each side</li> <li>• Supervised negotiation</li> <li>• Contractual settlement</li> </ul> <p><u>or</u></p> <p>Termination of mediation</p>

Each Party shall bear its own costs of the mediation, including attorney fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from non-complying Party (or if more than one non-complying Party, from all such Parties in equal proportions) all costs incurred in enforcing such agreement or award, including without limitation attorney fees and court costs.

**13.19 *Initiation of Litigation and Limitation of Action.*** In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Claimant shall not initiate any judicial or administrative proceeding against the Declarant for a Claim arising from any action taken by Declarant or other matter approved by a vote of seventy-five percent (75%) or more of the total votes in the Association. If the Claimant is the Association, then, regardless of the amount in controversy, the Association shall not initiate any judicial or administrative proceeding against the Declarant until satisfying each of the requirements set forth in Utah Code § 57-8a-229(1)-(3). This Section shall not be amended unless such amendment is approved by the Declarant in writing. No litigation or dispute resolution may be commenced by a Claimant unless brought within one (1) year from the date the cause of action accrued.

**13.20 *Repurchase Option for Construction Defect Claims.*** In the event that any Owner commences an action against Declarant, or any Declarant-related entity, in connection with any alleged construction defect claims in such Owner's Lot or Living Unit, Declarant shall have the option, but not obligation, as such option may be exercised in Declarant's sole discretion, to purchase such Lot and Living Unit from Owner pursuant to the following terms:

(a) The purchase prices 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 Lot and Living Unit when originally purchased from Declarant;

(ii) the agreed upon value of any Improvements made to the Lot and Living Unit by anyone other than the Declarant, or Declarant's related entities; and

(iii) the Owner's reasonable moving costs, but not the costs related to any other lot or parcel of real property purchased by Owner.

(b) Close of escrow shall occur not later than forty-five (45) days after written notice from the Declarant to Owner of Declarant's intent to exercise the option to purchase Owner's Lot and Living Unit.

(c) Owner shall convey title of the Lot to Declarant free and clear of all monetary liens and other encumbrances other than non-delinquent real property taxes related to the Lot.

(d) The Declarant's exercise of the repurchase option as provided herein shall constitute full and final satisfaction of all claims relating to the subject Lot and Living Unit. Owner

shall promptly execute and deliver any notice of dismissal and any other documents necessary or appropriate to evidence such satisfaction.

(e) The Declarant's repurchase option granted herein with respect to any particular Lot and Living Unit shall automatically terminate upon the expiration of the last applicable statute of limitation, or statute of repose, applicable to any construction or warranty claim governing such Lot and Living Unit, including all applicable tolling periods.

**13.21 *Right to Modify Lot Boundaries and Interior Boundary Lines.*** Declarant reserves the unilateral right to modify Lot boundaries and interior boundary lines and to combine Lots or Living Units so long as Declarant owns the Lots to which the boundary modifications will apply; provided, however, such changes may not extensively alter the boundaries of the Common Area or change the percentage of ownership interest appurtenant to the Lots.

**13.22 *No Modification of Declarant Rights.*** Any rights of the Declarant in the Governing Documents, and specifically in this Article XIII, shall not be substantively or procedurally altered without the written consent of the Declarant until six (6) years have passed after the Development Period has ended, at which time the Declarant's approval shall no longer be required. Any document or amendment attempted without obtaining the necessary consent of the Declarant shall be void *ab initio* to the extent it attempts to alter the rights of the Declarant or any provision of this Article XIII. Any consent to waive, change, or alter any provisions of Article XIII by any successor Declarant (as a result of any voluntary or involuntary assignment of the Declarant's rights) shall effect a change to those provisions only as to that Declarant and shall not be applicable to any prior Declarant without that prior Declarant's specific consent.

***[SIGNATURE APPEARS ON NEXT PAGE]***

**IN WITNESS WHEREOF**, Sahale Development, LLC has executed this Declaration this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**SAHALE DEVELOPMENT, LLC**

By: \_\_\_\_\_  
David M. Nelson, Manager

STATE OF UTAH                    )  
  ) ss:  
COUNTY OF WASATCH        )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_ 2025 by David M. Nelson, Manager of Sahale Development, LLC.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**(LEGAL DESCRIPTION)**

BEGINNING AT A POINT LOCATED SOUTH 89°49'53" WEST ALONG THE SECTION LINE 499.08 FEET FROM THE FOUND WASATCH COUNTY BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER OF SECTION 11 AND THE SOUTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN; THENCE SOUTH 89°49'53" WEST 290.52 FEET ALONG THE SECTION LINE; THENCE NORTH 00°30'38" WEST 211.01 FEET ALONG A FENCE LINE; THENCE SOUTH 89°36'45" WEST 407.43 FEET ALONG A FENCE LINE; THENCE SOUTH 02°02'11" EAST 209.56 FEET ALONG A FENCE LINE TO THE SECTION LINE; THENCE SOUTH 89°49'53" WEST 71.82 FEET ALONG THE SECTION LINE TO THE GARY SESSIONS PARCEL LINE, WASATCH COUNTY ENTRY NUMBER 445237, BOOK 1207, PAGE 972; THENCE ALONG SAID SESSIONS PARCEL THE FOLLOWING 4 (FOUR) CALLS: NORTH 00°09'18" WEST 128.36 FEET, NORTH 29°32'19" WEST 396.76 FEET, NORTH 80°49'18" WEST 152.85 FEET, AND SOUTH 89°51'44" WEST 398.66 FEET TO A FENCE LINE; THENCE SOUTH 245.72 FEET ALONG A FENCE LINE; THENCE SOUTH 89°44'56" WEST 603.28 FEET ALONG A FENCE LINE; THENCE SOUTH 00°43'31" WEST 252.61 FEET ALONG A FENCE LINE TO THE SECTION LINE; THENCE SOUTH 89°49'53" WEST 55.21 FEET ALONG THE SECTION LINE TO THE CALCULATED POSITION OF THE SOUTH 1/4 CORNER OF SECTION 11; THENCE SOUTH 89°49'53" WEST 22.74 FEET ALONG THE SECTION LINE; THENCE NORTH 00°09'25" WEST 2923.90 FEET TO THE SOUTH BOUNDARY OF THE LAKE CREEK FARMS SUBDIVISION PLAT "B"; THENCE ALONG THE SOUTH LINE OF SAID LAKE CREEK FARMS PLAT "B" THE FOLLOWING 15 (FIFTEEN) CALLS: SOUTH 87°57'21" EAST 316.40 FEET, SOUTH 24°47'19" EAST 67.97 FEET, SOUTH 77°00'48" EAST 63.37 FEET, SOUTH 33°02'25" EAST 113.25 FEET, NORTH 70°39'58" EAST 502.74 FEET, SOUTH 66°17'34" EAST 101.19 FEET, SOUTH 51°37'21" EAST 261.61 FEET, SOUTH 02°43'41" EAST 162.60 FEET, SOUTH 23°00'06" EAST 138.63 FEET, SOUTH 57°16'52" EAST 128.78 FEET, SOUTH 71°58'34" EAST 174.97 FEET, SOUTH 66°48'52" EAST 559.85 FEET, SOUTH 72°33'47" EAST 141.95 FEET, SOUTH 80°32'26" EAST 141.22 FEET, AND NORTH 72°02'29" EAST 141.18 FEET TO THE SOUTHWEST BOUNDARY OF THE LAKE CREEK FARMS SUBDIVISION PLAT "E"; THENCE ALONG SAID LAKE CREEK FARMS PLAT "E" THE FOLLOWING 11 (ELEVEN) CALLS: SOUTH 19°42'57" EAST 194.81 FEET, NORTH 61°43' 58" EAST 198.47 FEET, NORTH 64°16'34" EAST 229.87 FEET, NORTH 77°33'42" EAST 144.79 FEET, NORTH 88°00'31" EAST 131.97 FEET, SOUTH 02°59'23" WEST 300.00 FEET, ALONG THE ARC OF A 460.00 FOOT RADIUS CURVE TO THE RIGHT 312.43 FEET (CHORD BEARS SOUTH 67°33'10" EAST 306.46 FEET); THENCE SOUTH 48°05'43" EAST 117.36 FEET, NORTH 50°56'23" EAST 242.30 FEET, SOUTH 49°42'13" EAST 155.83 FEET, AND EAST 25.64 FEET; THENCE SOUTH 00°17'59" WEST 131.78 FEET; THENCE EAST 1426.37 FEET TO THE 1/4 SECTION LINE; THENCE SOUTH 00°01'28" WEST 1505.05 FEET ALONG THE 1/4 SECTION LINE TO THE FOUND WASATCH COUNTY MONUMENT MARKING THE NORTH 1/4 CORNER OF SECTION 12; SOUTH 00°18'10" EAST 1330.92 FEET ALONG THE 1/4 SECTION LINE; THENCE SOUTH 89°44'30" WEST 2037.18 FEET; THENCE NORTH

39°52'08" WEST 23.39 FEET; THENCE NORTH 34°47'08" WEST 443.71 FEET; THENCE SOUTH 48°39'52" WEST 273.39 FEET; THENCE SOUTH 00°05'58" EAST 2.78 FEET; THENCE SOUTH 48°56'55" WEST 166.67 FEET; THENCE SOUTH 00°10'15" EAST 207.90 FEET; THENCE NORTH 32°19'35 WEST 154.65 FEET; THENCE NORTH 31°21'05" WEST 356.22 FEET; THENCE NORTH 40°24'05" WEST 655.82 FEET; THENCE NORTH 41°09'05" WEST 129.63 FEET; THENCE NORTH 47°05'55" EAST 248.25 FEET; THENCE SOUTH 42°54'05" EAST 134.35 FEET; THENCE NORTH 47°05'55" EAST 237.80 FEET TO THE POINT OF BEGINNING.

AREA = 330.68 ACRES

**EXHIBIT B**  
**BYLAWS**  
**OF**  
**SAHALE HOMEOWNERS ASSOCIATION, INC.**

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## ARTICLE 1 - DEFINITIONS

The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

## ARTICLE 2 - MEETINGS OF ASSOCIATION

2.1 Place of Meeting. The Association shall hold meetings at such suitable place as may be designated by the Board from time to time.

2.2 Annual Meetings. After the Development Period or after the Turnover Meeting, regular annual meetings of the Owners shall be held each year on the day and at a time and place within Wasatch County, State of Utah, as selected by the Board.

2.3 Special Meetings. Special meetings may be held at any time for any purpose. A special meeting may be called by a majority of the members of the Board or upon petition of at least 40% of the Owners in good standing. The Association shall schedule and send notice of a special meeting within 30 days of request after a successful petition or vote of the Directors. The notice of a special meeting shall state the date, time, place, and purpose of the meeting. The Association shall send notice of a special meeting at least ten (10) days in advance of the meeting. No business may be transacted at a special meeting except as stated in the notice.

2.4 Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, in a fair and reasonable manner, including by delivering a copy of such notice to each Owner entitled to vote thereat, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance of the meeting to provide fair and reasonable notice of the meeting, as determined by the Board. Notice shall always be deemed fair and reasonable if given ten (10) days before the meeting, but shorter notice may also be fair and reasonable when all the circumstances are considered. The notice shall specify the place, day and hour of the meeting, and must include a description of any matter that must be approved by the Owners and, in the case of a special meeting, the purpose of the meeting.

2.5 Voting. Each Lot shall be allocated the voting rights set forth in Section 8.3 of the Declaration.

2.6 Proxies. An Owner in good standing may vote or otherwise act by proxy. An Owner not in good standing may not do so. An Owner may appoint a proxy by signing a proxy appointment form. The proxy appointment form may be submitted to the Association in person, by mail, or electronically. The proxy appointment form must name a proxy, be dated, and signed by the Owner. Any proxy appointment form that does not contain a proxy's name, date, or signature shall be void. A proxy appointment form is valid until revoked by the Owner's attendance at a meeting, a signed and dated revocation delivered to the Association, a subsequent proxy appointment, notice of death or incapacity of the Owner, or the passage of eleven (11) months.

2.7 Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee holding the Lot in such capacity.

(b) Joint Owners. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

## 2.8 Quorum of Owners.

(a) At any regular annual meeting of the Association, the Owners that are represented for any purpose at the annual meeting shall constitute a quorum, except for matters requiring a higher quorum as provided in the Declaration or these Bylaws. For any other meeting of the Association or action taken without a meeting, and except as otherwise provided in the Declaration or these Bylaws, Owners holding one-third (1/3) of all voting rights of the members of the Association, represented in person, by proxy, or by written ballot, shall constitute a quorum.

(b) The subsequent ratification of an Owner of the action taken at a meeting shall constitute the presence of the person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners.

(c) If any meeting or vote of Owners cannot be organized because of a lack of quorum, the meeting or vote may be adjourned to another time. Notice of the date, time and place of the adjourned meeting shall be given as provided in Section 2.4 above. Owners holding twenty percent (20%) of all voting rights of the members of the Association, represented in person, by proxy, or by written ballot, shall constitute a quorum at such adjourned meeting or vote.

2.9 Binding Vote. Action on a matter other than the election of directors is approved and shall be binding upon all owners for all purposes if a quorum exists and the votes cast favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law or the Governing Documents.

2.10 Order of Business. The order of business at annual meetings of the Association shall be according to the order established by the president, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver of notice; (c) Reading of minutes of the preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Board members; (g) Unfinished business; (h) New business; and (i) Adjournment.

2.11 Meeting Procedure. Rules of order may be adopted by resolution of the Board, otherwise, the president shall conduct meetings according to the procedure he or she deems fit. A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

2.12 Action by Written Ballot in Lieu of a Meeting. Any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the Association causes to be delivered a written ballot to every Owner entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when

the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. In the event the action is for election of Board members, there shall be space on the ballot to write in nominations. Action taken under this section has the same effect as action taken at a meeting of Owners and may be described as such in any document. The Board may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) a secrecy envelope; (2) a return identification envelope to be signed by the Owner; and (3) instructions for marking and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.13 Action without Notice and a Meeting. Any action required to be taken or which may be taken at a meeting of Owners may be taken without a meeting and without prior notice if one or more consents in writing, setting forth the action so taken, are signed by 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 entitled to vote on the action were present and voted. All such writings must be received by the Association within a sixty (60) day period. Any such writing may be received by the Association by electronically transmitted facsimile or other form of communication providing the Association with a complete copy thereof, including a copy of the signature thereto. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing and consenting to the action set forth a different effective date.

2.14 Good Standing. An Owner shall be in good standing if he has paid assessments levied against his Lot more than two months prior to the current date, including late fees, interest, fines, collection costs, and attorney fees and if he has taken care of any Violations for which he has received notice. If an Owner has not met these requirements, the Owner is not in good standing. An Owner must have paid in full at least three days prior to the meeting or action.

### **ARTICLE 3-BOARD OF DIRECTORS-SELECTION, TERM OF OFFICE**

#### **3.1 Number, Term and Qualifications.**

(a) The affairs of the Association shall be governed by a Board of Directors composed of three (3) Board members.

(b) After the Development Period, members of the Board shall serve for a term of two (2) years. The terms shall be staggered so all Board members are never elected in the same year.

(c) After the Development Period, all Board members must be an Owner or the spouse of an Owner of a Lot, except that a husband and wife may not serve on the Board at the same time. A representative of an entity which owns a Lot, and only one such representative, may serve on the Board, such that a shareholder or officer of a corporation, a member or officer of an LLC, a partner

or officer of a partnership, a trustee or beneficiary of a trust, or a personal representative of an estate, may serve on the Board if the corporation, LLC, partnership, trust or estate owns a Lot.

3.2 Vacancies. After the Development Period, vacancies on the Board, caused by any reason other than the removal of a Board member by a vote of the Association, shall be filled for the balance of the term by vote of a majority of the remaining Board members even though they may constitute less than a quorum. Each person so elected shall be a Board member until a successor is elected upon expiration of the term for which the person was elected by the other Board members to serve.

3.3 Removal of Board Members.

(a) After the Development Period, at any annual or special meeting, any one or more of the Board members may be removed, with or without cause, by a majority of the voting interests of the Owners. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Board member whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

(b) The Board may declare the office of a member of the Board to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board or from more than twenty-five percent (25%) of the regular meetings held in any twelve (12) month period. The vacancy shall be filled as provided in Section 3.2 above.

3.4 Compensation. No Board member shall receive compensation for any service he or she may render to the Association as a Board member. However, any Board member may be reimbursed for actual expenses incurred in the performance of his or her duties.

3.5 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting if all the Board members agree in writing to take a vote or an action without a meeting. The action being taken shall not require unanimous consent of the Board. Any action so taken shall have the same effect as though taken at a meeting of the Board members.

## **ARTICLE 4 - NOMINATION AND ELECTION OF BOARD MEMBERS**

4.1 Nomination.

(a) Method of Nomination. Nomination for election to the Board shall be made in the manner determined by the Board, which may include a Nominating Committee and/or nominations from the floor at a meeting. If one is established, the Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies.

(b) Nominating Committee. The Nominating Committee, if any, shall consist of a chairman, who shall be a member of the Board, and one or more members of the Association.

4.2 Election. At the election, the Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE 5-MEETINGS OF THE BOARD OF DIRECTORS

### 5.1 Organizational Meeting.

(a) Location, Date and Time. The first meeting of a newly elected Board (which does not include interim Board members during the Development Period) shall be held within fourteen (14) days of election at such place, date and time as shall be fixed by the Board members at the meeting at which the Board members were elected, and no notice shall be necessary to Owners or to the newly elected Board members in order to legally hold the meeting, provided a majority of the elected Board members are present.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing president, or in the absence of such person, the outgoing secretary, regardless of whether the outgoing president or secretary is as member of the newly constituted Board. At the organizational meeting, the Board shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

5.2 Regular Meetings. Regular meetings of the Board shall be held at such place and hour as may be fixed from time to time by the Board, and if so fixed, no notice thereof need be given. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, or at another date and time agreed upon by the Board with notice to all members of the Board.

5.3 Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two (2) Board members, after not less than three (3) days' notice to each Board member by mail, electronic mail, telephone, or facsimile, unless waived pursuant to Section 5.7 below. The notice must state the time, place, and purpose of the meeting.

5.4 Meeting Procedure. Unless other rules of order are adopted by resolution of the Board, (a) meetings of the Board shall be conducted by the President; (b) A decision of the Board may not be challenged because the appropriate rules of order were not used; and (c) A decision of the Board is deemed valid without regard to any procedural errors related to the rules of order unless the error appears on the face of a written instrument memorializing the decision.

### 5.5 Open Meetings: Executive Sessions.

(a) Open Meetings. After the Development Period and except as provided in Subsection 5.5(b), all meetings of the Board shall be open to Owners. However, no Owner shall have a right to participate in the Board meeting unless the Owner is also a member of the Board. The President or Board shall have the authority to exclude an Owner who disrupts the proceedings at a Board meeting.

(b) Executive Sessions. In the discretion of the Board, the following matters may be considered in executive session: (i) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters; (ii) Personnel matters, including salary negotiations and employee discipline; (iii) Negotiation of contracts with third parties; (iv) Collection of unpaid assessments; and (v) Other matters of a sensitive, private, or privileged nature at the discretion of the Board.

(c) Executive Session Procedure. Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive

session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

5.6 Meetings by Telephonic or Electronic Communication. In the event of an emergency, or by decision of the Board, meetings of the Board may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Board participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

5.7 Waiver of Notice. Any Board member may, at any time, waive notice of any meeting of the Board in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by the Board member, except where the Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Board members are present at any meeting of the Board, no notice to Board members shall be required and any business may be transacted at the meeting.

5.8 Quorum and Acts. At all meetings of the Board a majority of the existing Board members shall constitute a quorum for the transaction of business and the acts of the majority of the Board members present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Board member may be considered to be present at a meeting and to vote if the Board member has granted a signed written proxy: (a) to another Board member, or other person, who is present at the meeting; and (b) authorizing the other Board member or person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy (a directed proxy).

## **ARTICLE 6 - POWERS, RIGHTS, AND DUTIES OF THE BOARD**

6.1 General Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

6.2 Specific Powers. In addition to powers granted by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Board shall have the power to: (a) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; (b) in the Board's discretion, appoint such committees as deemed appropriate in carrying out its purpose.

6.3 Best Interest of Association and Reliance on Information. A Board member or officer shall discharge the Board member or officer's duties (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the Board member or officer reasonably believes to be in the best interests of the Association. The Board

members shall, at all times, keep themselves reasonably informed and take such steps and necessary actions as a reasonable, prudent person would do to serve the best interest of the Association.

In discharging duties, a Board member or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (a) one or more officers or employees of the Association whom the Board member or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, a public accountant, or another person as to matters the Board member or officer reasonably believes are within the person's professional or expert competence, or (c) in the case of a Board member, a sub-committee of the Association or Board of which the Board member is not a member if the Board member reasonably believes the sub-committee merits confidence.

## ARTICLE 7 - OFFICERS AND THEIR DUTIES

### 7.1 Designation and Qualification.

(a) Designation. The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Board may designate the office of assistant treasurer and assistant secretary and the Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

(b) Qualifications. The president and vice-president shall be a member of the Board, but the other officers need not be Board members or Owners. Any Board member may be an officer of the Association.

(c) Multiple Offices. A person may simultaneously hold more than one office.

(d) Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

7.2 Election and Vacancies. The officers of the Association may be elected by the Board at the organizational meeting of each new Board or any Board meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Board shall elect a successor to fill the unexpired term.

7.3 Resignation. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

7.4 Removal of Officers. Officers shall hold office at the pleasure of the Board. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause.

7.5 Compensation of Officers. No officer who is a member of the Board may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by

a vote of the Owners. The Board may fix any compensation to be paid to any officers who are not also Board members.

7.6 Duties of Officers. Officers shall have such duties prescribed with respect to the office by the Declaration, Bylaws, and by the Board, to the extent not inconsistent with these Bylaws or the Declaration. The Board may delegate any powers or duties of officers to other persons or agents as the Board deems necessary or appropriate from time to time. Any principal officer may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association in accordance with the amendment provisions of the Declaration. The general duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. The president shall have all of the general powers and duties which are usually vested in the office of president of an association. The president shall have the authority to sign all leases, mortgages, deeds and other written instruments, including amendments to the Governing Documents.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The secretary shall prepare and maintain the minutes of all meetings of the Board and the minutes of all meetings of the Association, have charge of such books, papers and records as the Board may direct, shall have the responsibility for preparation and maintenance other records and information required to be kept by the Association under the Act and under Section 16-6a-1601 of the Utah Revised Nonprofit Corporation Act; and for authenticating records of the nonprofit corporation, and in general, shall perform all of the duties incident to the office of secretary.

(d) Treasurer. The treasurer shall have responsibility for the Association's funds and securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board and disbursing funds as directed by resolution of the Board.

## **ARTICLE 8 - INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS**

Each officer and Board member of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by the Utah Revised Nonprofit Corporation Act (regardless of the Association's corporate status or lack thereof) against expenses and liabilities reasonably incurred by him or her in connection with the defense of any actual or threatened action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Board member or officer of the Association. The foregoing right to indemnification shall not be exclusive of any other rights to which the Board member or officer or person may be entitled by law or agreement or vote of the members or otherwise.

## ARTICLE 9 - RECORDS AND AUDITS

The Association shall maintain within the state of Utah, all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act.

### 9.1 General Records.

(a) The Board and managing agent or manager, if any, shall keep records of the actions of the Board and managing agent or manager; minutes of the meetings of the Board; and minutes of the meeting of the Association.

(b) The Board shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association and Board.

(c) The Board shall maintain a list of Owners. The list of Owners may specify whether the Owner is an Owner in good standing.

(d) The Association shall retain, within the State of Utah, all records of the Association for not less than the period specified in applicable law.

9.2 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. The account shall designate the Lot number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which each Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

### 9.3 Financial Reports and Audits.

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board to all Owners and to all mortgagees of Lots who have requested the same in writing within ninety (90) days after the end of each fiscal year.

(b) From time to time, the Board, at the expense of the Association, may obtain an audit by a certified public accountant or other financial review of the books and records pertaining to the Association and furnish copies thereof to the Owners and mortgagees of Lots.

### 9.4 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.5 below, all records of the Association shall be reasonably available for examination by an Owner and any mortgagee of a Lot pursuant to rules adopted by resolution of the Board or if no such resolution has been adopted, pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Board shall maintain a copy, suitable for the purposes of duplication, of the following: (1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association; (2) The most recent financial statement prepared pursuant to Section 9.3 above; and (3) The current operating budget of the Association.

(c) The Association, within 5 business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section, subject to a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

(d) The Board, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

9.5 Records Not Subject to Inspection. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

(a) Personnel matters relating to a specific identified person or a person's medical records.

(b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.

(c) Communications with legal counsel that relate to matters specified in this section, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

(d) Disclosure of information in violation of law.

(e) Documents, correspondence or management or Board reports compiled for or on behalf of the Association or the Board by its agents or committees for consideration by the Board in executive session held in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Board in executive session held in accordance with these Bylaws and the minutes of any executive session.

(g) Files of individual Owners, other than those of a requesting Owner or requesting mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the Association.

## **ARTICLE 10- AMENDMENTS**

Approval of a majority of the voting rights of the Association is required for approval of any amendment to these Bylaws. An amendment shall not be effective until certified by the president of the Association as being adopted in accordance with these Bylaws, acknowledged, and recorded with the Recorder's Office. Notwithstanding the foregoing, the Declarant may unilaterally amend these Bylaws without the consent of any person or entity at any time until the Turnover Meeting.

## ARTICLE 11 – MISCELLANEOUS

### 11.1 Notices.

(a) Association. All notices to the Association or the Board shall be sent care of the Managing Agent or, if there is no Managing Agent, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time.

(b) Owners.

1. Notice by Electronic Means. In any circumstance where notice is required to be given to the Owners, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Board deems the notice to be fair and reasonable. An Owner may require the Association, by written demand, to provide notice to the Owner by mail. The Board is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring Owners to furnish the Association with a current email address.

2. Notice by Mail. Except as otherwise provided in the Declaration, these Bylaws or law, any notice that the Association determines to provide by mail shall be sent to the applicable Owner at such Owner's address as may have been designated by him or her, from time to time, in writing to the Board, or if no address has been designated, then to such Owner's Lot. If a Lot is jointly owned, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Lot shall be sufficient.

11.2 Affairs, Electronic Means. Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Board does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by an Owner or by the Association.

11.3 Waiver, Precedent and Estoppel. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association as to any similar matter.

11.4 Severability. If any provision of these Bylaws is held by a court of law to be invalid, the validity of the remainder of these Bylaws shall not be affected.

11.5 Invalidity: Number: Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

11.6 Fiscal Year. The fiscal year of the Association shall be the calendar year.

11.7 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officer on this \_\_\_\_ day of \_\_\_\_\_ 2025.

(Sign): \_\_\_\_\_  
(Print Name): David M. Nelson, President